

LETTER OF AGREEMENT # 14

BETWEEN: AIR TRANSAT A.T. Inc. (hereinafter the « Company »)

AND: AIRLINE DIVISION OF CUPE, AIR TRANSAT
COMPONENT (hereinafter, the Union)

- WHEREAS** the temporary suspension of all company operations as of April 1, 2020 in connection with the COVID-19 pandemic;
- WHEREAS** the result of temporary layoff of cabin crew member;
- WHEREAS** the Federal Government's implementation of the *Canada Emergency Wage Subsidy (CEWS)* and the Company's willingness to recall laid-off employees and resume payment of the portion of their wages covered by the CEWS subsidy;
- WHEREAS** the written communication sent to the Union on April 14, 2020 and the discussions held on April 15, 2020;
- WHEREAS** that accepting the recall for CEWS purposes does not mean that employees should report to or deliver any work;
- WHEREAS** that at the end of the CEWS validity period, currently scheduled for June 6, 2020 but may be extended to a later date, the Company may be required to notify of a new layoff;
- WHEREAS** that if the Company could not, or benefit anymore of the CEWS before the end of the validity period, it would also be required to notify of a new layoff;
- WHEREAS** that upon acceptance of the recall for the purposes of the CEWS, the employee will be presumed to have been notified of a layoff from the date of the end of the CEWS validity period or from the date on which the Company is no longer eligible for the CEWS, under the conditions of the initial layoffs.

THE PARTIES AGREE TO THE FOLLOWING:

1. The Whereas are an integral part of this agreement and the statements and standards they contain are presumed to be reproduced in this paragraph;
2. The Company will pay each employee who has accepted the recall for the purposes of the

CEWS up to a 75% of the base salary for a maximum of \$847 per week. The base remuneration provided by the CEWS is the average weekly earnings that the Company paid to the employee between January 1, 2020 and March 15, 2020;

3. The recall for the purposes of the CEWS will take place, if applicable, retroactively from the date of the temporary layoff. The corresponding remuneration will therefore be paid retroactively to April 5, 2020;
4. The employee will not receive any form of compensation that would exceed the amount mentioned in paragraph 2 of this *Letter of Agreement*. Not limited to this, this waiver of any other form of remuneration includes any premium, bonus, benefit or additional remuneration of any kind, including employer contributions to any pension plan;
5. During the validity period of the CEWS, vacation accrual for 2021 may be taken without pay (VNR) in the following reference year;
6. Annual leave planned for the months of April, May and June 2020 will be carried over to the following reference year or taken when recalled at work according to the provisions of the Collective Agreement or paid in accordance with article 15.28;
7. During the validity period of the CEWS, sick day credits will not accumulated ;
8. During the validity period of the CEWS no accumulated benefits can be monetized;
9. For the purpose of any wage progression, the employee will be considered as laid off; with the exception of employees at the Entry 1 and Entry 2 levels for which the provisions of the collective agreement (24.01) will be applied;
10. Group insurance coverage will be maintained according to the applicable eligibility requirements. If applicable, the suspended group insurance coverage will take effect retroactively to the date of the layoff;

For more clarity, the group insurance coverage, including short- and long-term disability coverage and life insurance, will be based on the regular salary, not the CEWS compensation.


11. The payment of the employee portion of the premiums for the group insurance coverage will be deducted from the employee pay, including the retroactive period, if applicable. The employer portion of the group insurance coverage premiums will be paid by the Company;
12. The accumulation of Blue Pass confirmed passes would resume under the conditions of the Blue Pass policy;
13. The eligibility for the *Employee Assistance Program (EAP)* would be maintained;
14. A recall for the purposes of the CEWS will be sent by email to all the employees who will have to signify their acceptance within 72 hours of the reception of the email. Failing to respond to the recall, the employee will be presumed to refuse participation in the CEWS program, and the current layoff will be maintained;

15. Signing of this *Letter Of Agreement* will not prevent the participation in any other program that would benefit the employees covered; as long as such participation is not forbidden by law;

16. This agreement will end at the same time as the CEWS, ie no later than June 6, 2020.

In witness therof, the parties have signed on April 23, 2020.


For Air Transat A.T. Inc



Dave Bourdages
Vice-President, Inflight Service

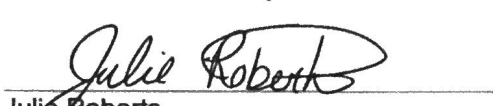


Nathalie Legault
Director, Inflight Service



Marisa Ribeiro
Director, Human Resources


For Air Transat Component CUPE



Julie Roberts
Air Transat Component President CUPE



Karene Benabou
Air Transat Component Vice-President CUPE



Caroline Bédard
Union Representative CUPE



Karine Rainville
Union Representative CUPE