

MEMORANDUM OF UNDERSTANDING

Re: Retroactive reconciliation of excess vacation pay for Cabin Crew Members represented by CUPE - Airline Division Local 4055.

Following a reconciliation of vacation payments made to Cabin Crew Members, and by agreement of the parties, the Company has recalculated vacation pay for a period of five (5) years from January 01, 2010 until December 31, 2014 on an annualized basis and agrees to remit any underpayments to affected Cabin Crew Members in the following manner and at the discretion of the Cabin Crew Member.

The Company will send the affected Cabin Crew Member a letter outlining the gross amount they are due and the options of;

- A) Direct deposit to their banking institution less statutory deductions or;
- B) Partial or full deposit into the Company Retirement Savings Plan less statutory deductions.

It is understood that in electing option B) there will not be a matching Company contribution.

The Cabin Crew Member will have until October 14, 2016 to advise the Company whether they are electing option A) or B). In the event option B) is selected, the Cabin Crew Member must indicate if it is a full or partial deposit and the amount.

In the event the Cabin Crew Member does not make his selection known to the Company, in writing, by 17:00 of October 14, 2016, a direct deposit will be sent to the Cabin Crew Member's banking institution of record.

It is understood that the Company will pay out the vacation pay amounts through either option A) or B) to eligible Cabin Crew Members no later than November 22, 2016.

Further, the parties have agreed that this Understanding constitutes a full and complete settlement of any and all excess vacation claims by Cabin Crew Members past or present and that effective January 01, 2016 all vacation payments owing will be paid out annually.

Finally, it is understood and agreed that this Memorandum is deemed a full and final resolution to any and all outstanding current or future issues or grievances related to this matter.

Signed this ²⁷ day of September 2, 2016

For the Company

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

For the Union

A handwritten signature in blue ink, featuring a series of horizontal, wavy lines at the top and a more solid, blocky base.