

LETTER OF AGREEMENT  
between  
ENVOY AIR INC.,  
and the FLIGHT  
ATTENDANTS  
in the service of  
ENVOY AIR INC.,  
as represented by the  
ASSOCIATION OF FLIGHT ATTENDANTS – CWA, AFL-CIO

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**Voluntary Early Out Program**

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THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between ENVOY AIR INC., (“the Company”) and the Flight Attendants in the service of ENVOY AIR INC., as represented by the ASSOCIATION OF FLIGHT ATTENDANTS – CWA, AFL-CIO (“the Association”), with both the Company and Association referred to as “the parties.”

WHEREAS, a number of employees have expressed interest in voluntarily separating from the Company;

WHEREAS, The below Voluntary Early Out Program is not being provided generally going forward, but has been agreed to by Envoy and the Association on a one-time basis to address the impact of the COVID-19 pandemic. The Parties agree the below Voluntary Early Out Program is not comparable and is in addition to any existing provisions of the Collective Bargaining Agreement (the “CBA”) or any other program currently provided by the Company. Moreover, the time period to apply for any of the below Voluntary Separation shall be limited as provided below.

**Voluntary Early Out Program**

The Parties agree that the Voluntary Early Out Program (“VEOP”) will be subject to the following terms and conditions:

**VEOP Eligibility**

1. Flight Attendants with ten (10) or more years of Company seniority that are in an “active status” as of March 30, 2020 shall be eligible to bid for this VEOP option. Absent exceptions required by law, active status for purposes of the VEOP is defined as a Flight Attendant on payroll receiving pay from the Company (including paid sick) or on a

Voluntary Personal Leave of Absence (VPLOA). A Flight Attendant must also remain in continuous employment with the Company through and including the date on which she/he is separated pursuant to the VEOP.

## **VEOP Benefits**

2. A Flight Attendant who (i) meets the eligibility requirements listed in Paragraph 1 above; (ii) timely applies for the VEOP during the application period; (iii) is awarded the VEOP by the Company; and (iv) satisfies all other conditions of the VEOP program as set forth in this Letter including execution of the general release prepared by the Company, will receive the following benefits:
  - a. 38 hours at the Flight Attendants hourly rate (i.e., 50% of 76 hours) per month at her/his applicable CBA rate only for a period of 12 months beginning on the Release Date. For the duration of the 12 month period following the Release Date, no other pay will be provided (e.g., no minimum guarantees or premiums of any sort will be paid). Pay will be subject to tax withholding as required by law. Compensation described in this Paragraph shall be eligible for 401K deferral and match in accordance with a Flight Attendant's enrollment.
  - b. For a period of 12 months after the Release Date, travel privileges as though she/he were active. Upon the Separation Date, travel privileges will be provided only to those eligible for the 65-point plan (see attached).
  - c. Any accrued vacation for use in 2020/2021, not used as a result of an employee's VEOP, may be rescheduled for an open vacation block in 2020 for 2020 vacation, or 2021 for 2021 vacation or at a flight attendant's option will be paid out no later than April 30, 2021.
  - d. Eligibility for medical, dental & vision coverage, life insurance and AD&D benefits at active rates for 12 months following the Release Date. During the 12 months following the Release Date, a Flight Attendant on a VEOP will be responsible for payment of the employee portion of all premiums, which will be payroll deducted (or billed pursuant to Company practice for the remainder if earnings are insufficient).
  - e. Eligibility for medical, dental & vision only (i.e., not life insurance or AD&D), at active rates for 18 months following the Separation Date. Such 18-month period shall run concurrently with the COBRA eligibility period. During the 18 months following the Separation Date, a Flight Attendant on a VEOP will be responsible for payment of the employee portion of all premiums, which will be direct-billed to the Flight Attendant. A Flight Attendant's failure to make timely premium payments may result in the loss of coverage, subject to the Company's regular premium collection process. At any point during the period of COBRA eligibility

the Flight Attendant or her/his spouse becomes eligible for Medicare, Medicare will become the primary benefit.

### **VEOP Other Considerations**

3. The Company will determine the starting dates and total number of VEOPs, that will be offered. VEOPs will be awarded by occupational system seniority order. The Company will make a reasonable effort to release all Flight Attendants who elected the VEOP within twelve (12) months following the awards.
4. Any Flight Attendant who participates in the VEOP shall not be eligible for any other form of severance pay (other than as described in Paragraph 2 above) and shall be permanently released from employment with the Company as of the Separation Date.
5. Flight Attendants on a VEOP will not accrue vacation or sick time after the Release Date, but will continue to accrue Company seniority, occupational seniority, longevity seniority for 12 months after the Release Date (i.e., while they are on payroll). A Flight Attendant may not use her/his paid sick or vacation at any time after the Release Date.
6. A Flight Attendant's participation in the VEOP and Separation from employment pursuant to the VEOP is entirely voluntary. If the Company receives a request for information from a state or local agency with responsibility for unemployment compensation claims, the Company will respond by providing factually accurate information regarding an employee's status. However, the Company will not actively contest an employee's claim for unemployment compensation benefits.
7. Once awarded, a VEOP must be accepted by the Flight Attendant and is irrevocable.
8. For up to one year following the effective date of this Letter, the Company may offer additional VEOPs consistent with the terms of this Letter.

This Special Voluntary Early Out Program shall not constitute precedent in any other cases, and shall not be used or cited in any arbitration, hearing or negotiation or any future matter or for any purpose a precedent for any purpose. Except, disputes regarding the application or interpretation of this LOA, including without limitation disputes regarding the benefits and conditions under each program, are subject to the grievance and arbitration process in the CBA. Furthermore, this Letter does not change, alter, or modify the provisions of the CBA.

The terms or existence of this Letter will not be construed against any Party.

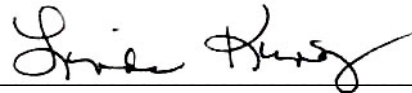
The parties have signed this Letter of Agreement on this 31<sup>st</sup> day of March, 2020.

For The Association  
AFA – CWA, AFL-CIO



Sara Nelson  
International President

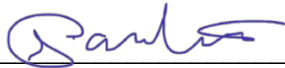
For The  
Company



Linda Kunz - VP, Flight Service



Robert Barrow  
MEC President



Paula Mastrangelo  
Sr. Staff Negotiator