

APPENDIX A
LTFO Settlement
Monetary Remedy Distribution Methodology

Identifying those harmed:

1. Identify all American Eagle (Envoy) First Officers during the bid months of Oct 2012- July 2013.
2. Identify those who were Low Time FOs.
3. Identify those who were not Low Time FOs, who were in an active (flying) status.
4. To be considered “harmed”, an FO must have been in payroll status, as a line pilot, during the month, and must have been available for at least one line-oriented flight obligation during that month, and must not have received during that month any flying via any code reasonably associated with the addition of Low Time flying (LT, BO, TT, etc.). These pilots, and the months they are considered monetarily harmed, are listed in Appendix B.

Examples:

- A “harmed FO” who started upgrade training on January 1, 2013 will be considered harmed for OCT, NOV & DEC.
 - A newhire pilot who did not require LTFO hours joining American Eagle during April 2013, who completed newhire training and commenced reserve line flying on June 1, 2013 would be considered harmed for June & July.
 - A “harmed FO” who resigned from American Eagle on December 20, 2012 would be considered harmed for OCT, NOV & DEC.
 - A “harmed FO” who resigned on November 20, 2012 would be considered harmed for OCT & NOV).
 - A “harmed FO” who spent an entire month on Leave of Absence, in training, performing IOE or Supervised Line Flying (SLF) is not considered harmed for that given month.
 - An FO that had a combination of training, IOE/SLF or LOA is not considered harmed for that month.
5. Compute the total number of months served by all “harmed FOs” to determine, in aggregate, how many “pilot months” of harm were experienced.
 6. Compute a Cash Remedy as follows:
 - a. Divide the cash remedy (\$520,000) by the total number of ‘pilot months’ and determine a cash value for each ‘pilot month’ of harm.

- b. Pay to each monetarily "harmful FO" a cash payment equivalent to the number of months the pilot experienced harm (per appendix B) multiplied by the cash value of each month of harm per paragraph b above. This amount is also listed on Appendix B.

7. As soon as practicable, the Association will publish this settlement and the related appendices. The Association will make a reasonable effort to notify pilots eligible for monetary remedy who are no longer employed by Envoy and advise them of their inclusion in the monetary remedy. Pilots shall have 30 days from publication of this settlement and appendices to notify the MEC office in writing that they challenge their eligibility/ineligibility. **NO CHALLENGES TO ELIGIBILITY/INELIGIBILITY WILL BE ACCEPTED AFTER THIS PERIOD.** During the 30 day period wherein pilots may challenge their eligibility/ineligibility and ending 45 days from the publication of this settlement the Grievance Review Board shall be empanelled for a period of time sufficient to review all challenges. A pilot who challenges his eligibility or treatment under this settlement may submit written evidence, appear in person, appear via telephone, or some combination thereof, however no union leave or expenses will be authorized.

- a) The GRB shall have final determination as to a pilot's eligibility, number of months of harm and resulting remedy amount.
- b) The GRB shall endeavor to issue bench decisions to each challenge, but in any case shall issue all decisions no later than 10 days from adjournment of the meeting.

8. Upon the final determinations of pilot eligibility and/or remedy amounts pursuant to paragraph 7, the MEC Chairman or his designee shall provide to the Company the names of the pilots that shall receive a monetary award and the gross amount to be paid to each monetarily affected pilot.

9. If the Company is unable to deliver any part(s) of the monetary award it shall promptly notify the Association so that the Association may assist with delivery of the funds to the affected pilot(s).