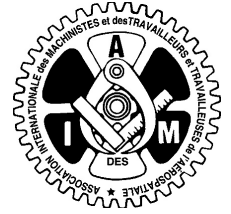


DISTRICT 140

ASSOCIATION INTERNATIONALE DES MACHINISTES ET DES TRAVAILLEURS ET TRAVAILLEUSES DE L'AÉROSPATIALE
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS



INFORMATION UPDATE

June 6, 2012

Aveos Proceedings – General Update

All Court documents can be read on the Court Monitor's website at <http://cfcanada.fticonsulting.com/aveos/default.htm>.

Sales Process

On April 20, 2012, the Court set up a sales process inviting bids for the various engine, components, airframe and training businesses of Aveos.

The Union and its legal counsel have been working throughout this sales process to save jobs by meeting with potential investors, purchasers and governments.

On May 30, 2012, the deadlines for the first bids in the sales process were revised and are now as follows:

- For Airframe, Engine and Training Businesses – Wednesday, June 6, 2012
- For the Component Maintenance Centre - Friday, July 13, 2012

Payroll Issues and Separation Program

The Union and its legal counsel have been continuing to work on a large number of issues and disputes concerning the payroll and amounts owing to members.

As reported in the Information Updates of April 13 and 27, 2012, Aveos has now paid certain pre-filing wages and reversed its initial decision to deduct from those wages amounts held in negative time bank or owed for "President's Week".

Aveos has also made payments to members for out-of-pocket expenses. Please advise the Union if you have a dispute with Aveos about an expense claim, or have not received a response to a claim you have filed with Aveos.

On May 22, 2012, Aveos's payroll provider (NorthgateArinso Canada Inc.) filed a motion contesting Aveos's decision to terminate its contract. The Union has been advised that the dispute is delaying resolution of a number of its issues, including obtaining all the records of employment, and is generally affecting Aveos's ability to respond to the requests from the Union and Service Canada for employee data and payroll information.

The Union's legal counsel has been working to obtain production from Aveos and from Air Canada of the payroll and employee data necessary to proceed with the hearings on the Air Canada separation program. We expect to be able to obtain this information and proceed to hearing in the near future.

Air Canada's Motion to Terminate

On May 2, 2012, Air Canada filed a motion in the Aveos Court proceedings asking the Court to allow it to terminate all its service contracts with Aveos. The Union's letter to Calin Rovinescu about this motion is available on the website of District 140 at www.iam140.ca. The Union also filed a motion in Court opposing Air Canada's motion. The materials filed by the IAMAW can be read at:

[http://cfcanada.fticonsulting.com/aveos/docs/Contestation Affidavit Attestation Endos-IAMAW.pdf](http://cfcanada.fticonsulting.com/aveos/docs/Contestation_Affidavit_Attestation_Endos-IAMAW.pdf)

Both motions were scheduled to be heard in Montreal on May 18 and 19, 2012. In the course of these hearings, Air Canada withdrew its motion.



Chuck Atkinson
President and Directing General Chairperson
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