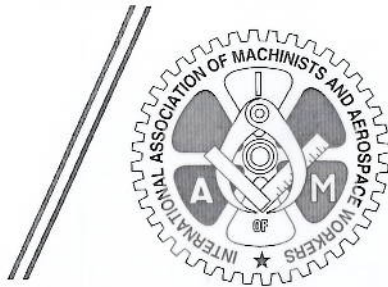


**International
Association of
Machinists and
Aerospace Workers**



9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE GENERAL SECRETARY-TREASURER

January 22, 2013

Dear Brother or Sister,

The IAMAW is sending you this cheque as a result of the grievance order settlement issued in the course of the Air Canada CCAA proceedings.

In the course of the Court ordered Grievance Claims Procedure, the Arbitrator dealt with a grievance filed by the IAMAW concerning Air Canada's position that prior service with Canadian Airlines International Limited (CAIL) would not be recognized by Air Canada for the purpose of accessing post retirement medical and life insurance benefits.

Throughout the CCAA proceedings, all grievances were subject to compromise under the statute. As a result, the Union's claims against Air Canada were recognized in terms of monetary value and the Union received a pro-rata amount of the assessed monetary value of its claims, in accordance with the Plan of Arrangement.

An amount of \$2,000,000 was set aside for this grievance by the Union, based on the initial valuation of all grievances, as adjusted by the CCAA compromise.

We have decided to distribute these monies equally to the 4,800 former CAIL employees. Your share is reflected in the enclosed cheque for \$416.66.

I would like to take this opportunity to wish you and your family all the best in 2013.

Yours in Solidarity,

Dave Ritchie
GENERAL VICE PRESIDENT
IAMAW CANADA