



December 7, 2015

BY HAND

Ms. Nelerene Harding
President – AAAWU
Blake Road
Nassau, Bahamas

Dear Ms. Harding;

RE: AAAWU CONTRACT NEGOTIATIONS

Thank you for meeting with us at such short notice. Nevertheless, as discussed, we wish to formally put to you management's position, consistent with the one outlined by the Chairman in his letter to the Minister of Labour on November 2, 2015. Please know that while we all wish to conclude this process, that the Deputy Prime Minister, the Chairman or the Managing Director were not familiar with the details outlined in your letters of October 22nd or November 23rd, addressed to the Minister of Labour.

Nevertheless, based on the proposal outlined for the first three years in your letter the Minister of Labour, we agree to the proposal for the years 2013, 2014 and 2015. As we are not far apart financially from what has been outlined we submit for your consideration the following for years four and five (2016 and 2017):

Year 4 - 2016	1 increment added to salary and 1 increment added to salary based on performance
Year 5 - 2017	1 lump sum of an increment and 1 increment added to salary based on performance

The financial realities of our situation are stark. Our subvention from government was cut from \$20.7 million to \$14.8 million – creating a shortfall of \$6.9 million for the current financial year. The loss of our repatriation charters to Haiti accounts for a further loss of \$1.6 million and our Havana flights are now under serious threat due to policy shifts towards Cuba by the US Government. These are the realities that we must face, nevertheless, I assure you that if we are able to secure an agreement based on these two remaining years you have the commitment of the Managing Director that every effort will be made to ensure that all outstanding back pay is issued via cheque to all eligible staff on December 18, 2015. Ms. Harding, if we are able to agree on the above we would be prepared to sign an agreement immediately.

We once again thank you for your efforts that have brought us thus far, and look forward to you assisting us in advancing this to a favorable conclusion for all stakeholders.

Sincerely yours,
BAHAMASAIR HOLDINGS LIMITED



Selvin I. Basden, MSA
Director of Human Resources

cc. Deputy Prime Minister, The Hon. Philip Brave Davis, MP
Chairman, Valentine S. Grimes
Managing Director, Henry L. Woods
Labour Consultant, Cornel Mortimer
Labour Consultant, Keith Archer