

EXECUTIVE AVIATION

August 20, 2021

First and foremost, thank you! We know our teams across the network are working more hours in addition to seeing more passengers, bags and planes as the airline industry in Canada comes racing back at a pace we've never seen before. It has put strain on everyone in the industry from the airlines themselves to all their support partners. We appreciate the care and attention you continue to give to providing safe, efficient, and friendly service to our partners and their passengers. We continue to receive praise from our airline partners which is a testament to the great work you are doing.

We are recruiting nearly everywhere in the country to bolster our numbers to be able to handle significantly increased flight and load activity. Our [EAbound referral program](#) is a great way for you to introduce friends and family to EA and a great career in aviation. We are so appreciative of everyone's focus and to those who have offered up more hours or increased flexibility to help our industry through the crunch and thank you in advance for continuing to do so!

During the last 18 months Executive Aviation has expanded our partnership with our customers entering two new provinces and increasing our presence in British Columbia resulting in a 62% market increase. To meet the complexities that come with an expanded network we've kept our attention on hiring the right team members and have introduced key organizational structure changes including an HR transformation to Team Experience and the addition of several essential network support positions in operations and administration. In addition to an emphasis on welcoming the right team to compliment our existing people we've improved our tool kits with the introduction of several new programs and online solutions to improve safety, performance, and team member experience.

Given the rapidly changing and still uncertain times that we are all facing it is critical that we continue to adapt quickly and maintain our commitment to safety, teamwork, customer service and controlling costs. To recognize the attention that is required by our team members to meet these requirements, we are pleased to announce a Profit-Sharing program for frontline leaders and team members that will run retroactive from July 2nd through to December 30th, 2021 (12 pay periods). Specifically, a fifty percent share of the Adjusted Net Profit (hereinafter defined) up to a maximum of 7% of Gross Payroll earned between July 1st to December 31st, 2021 for the period will be distributed back to the team following the terms detailed below.

As consideration for your focus to maintain safe and cost-effective operations, Executive Aviation will provide to all team members who are active on the payroll ending December 30, 2021 an incentive bonus in an amount equal to your proportionate share (hereinafter defined) of the adjusted net profits (hereinafter defined), if any, of Executive Aviation (the "Profit-Sharing Bonus") from July 1, 2021 up to and including December 31, 2021 (the "Profit-Sharing Period"). The profit-sharing bonus shall be made within sixty (60) days after the end of the profit-sharing period. The profit-sharing bonus shall only be applicable to the profit-sharing period and shall not extend to any further period or be payable in any other year or fiscal period. Should you terminate your employment with Executive Aviation for any reason prior to the distribution of the profit-sharing bonus, you shall not be entitled to receive the profit-sharing bonus and this incentive shall be null and void.

"Adjusted net profit" shall be the net profit of Executive Aviation after federal and provincial income taxes, depreciation and loan payment obligations determined in accordance with generally accepted

accounting practices and adjusted to exclude any; (i) any refund of federal or provincial income taxes paid in a prior year or period; and (ii) any provision for federal or provincial income taxes made in prior years which is subsequently determined to be unnecessary.

Your “proportionate share” means an amount determined by multiplying the adjusted net profit for Executive Aviation for the profit-sharing period by a fraction having as its numerator ‘Your Total Earnings’ during the profit-sharing period and having as its denominator the total payroll of all employees of Executive Aviation during the profit-sharing period. Your profit share amount is considered normal income and will be taxed as such.

Your Total Earnings Calculation:

The ‘Your Total Earnings’ includes any wages paid for actual hours worked during the profit-sharing period defined above.

Your total earnings (July 02 – December 30) / Total Payroll = % of Profit Share (up to a maximum of 7%)

Sincerely,

Nelson Bradshaw
President

Profit Share Q & A

Q: How much is in the profit share pool to be distributed?

A: The profit share pool will be 50% of Executive Aviation’s adjusted net profit up to a maximum of 7% of eligible Gross Payroll for the period July 1, 2021 through December 31, 2021.

Q: What is adjusted net profit?

A: Executive Aviation’s net profit after taxes, depreciation, and loan payments calculated using generally accepted accounting practices.

Q: How is my profit share calculated?

A: Your total earnings (based on actual hours worked July 2, 2021 through December 30, 2021) divided by our total payroll will determine your percentage of profit share up to a maximum of 7 per cent of your gross payroll for the period.

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Q: Is profit share subject to tax deductions?

A: Yes. Profit share is considered earnings and will be subject to income tax withholdings like your normal pay.

Q: When will the profit share be paid?

A: The profit-sharing bonus will be paid with sixty (60) days of the end of the profit-sharing period.

Q: What if I leave Executive Aviation prior to the profit share being paid out?

A: You must be employed by Executive Aviation at the time of payout. Anyone who leaves prior will not be eligible.

Q: Is everyone eligible for profit share?

A: No. Not everyone is eligible. Anyone who is excluded will be advised.

Q: Will profit share continue in 2022?

A: That will be determined later in 2021 as we are in the process of completing a network compensation review.