



**WINDWARD ISLANDS CIVIL SERVANTS UNION /
PRIVATE SECTOR UNION (WICSU/PSU)**

Walter Nisbeth Road # 17, P. O. Box 455, Philipsburg, St. Maarten,
Established in: 1979; Affiliates: W.I.C.L.U.; C.C.L.; C.P.S.A.; P.S.I. & A.C.O.M.

President : Deborah ROMBLEY
General Secretary : Riegnald ARRINDELL
Treasurer : Francisco MARIANA

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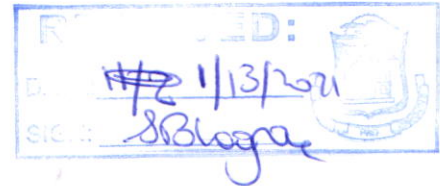
CEO WINAIR NV
Mr. Michael Cleaver
Airport Boulevard #99,
Simpsonbay, St. Maarten

January 11, 2021

Ref. Nr: DAR/CJG/WB21010067

Dear Mr. Cleaver,

STATEN VAN SINT MAARTEN	
Ingek.	14 JAN 2021
Volgnr.	
Par.	



This letter is to address our concerns regarding the way Windward Island Airways N.V.'s Management has been handling the pilots since the start of the Covid-19 pandemic; and the way it affected all.

Since the beginning of worldwide lockdowns, the Management has been forced to implement certain measures to safeguard the future of the company. These measures were implemented without properly being vetted and agreed upon by the WICSU/PSU Union. WICSU/PSU, nor the employees had any say concerning such actions that were implemented. In most cases, these were enforced at very short notices if any. Many of the measures were requiring employees to sign certain "proposals" under duress and creating the notion that there will be consequences if not signed. It is **not** only a *lack of faith* from employer to employee, it is also *disrespectful* towards employees and the CLA that governs the relationship between the respected parties involved.

Therefore, Union and the pilots of WINAIR seek to attain clarification and direct answers on certain aspects of the abovementioned actions in the form of this letter.

- **Firstly**, as mentioned above we would hereby express our greatest dissatisfaction with the lack of communication from management. Sadly, there has been little communication from the management of WINAIR towards WICSU/PSU and by extension the pilots. Furthermore, there is great discontent with the culture between management and the union with regards to structured negotiations. Letters have been presented to the staff and individual pilots at given times for signatures, practically "ambushing" them to sign. Letters as such, include the letter issued by management on April 30, 2020 in which states the terms for work hours and salary reduction by 25%, and the letter issued November 3, 2020, states that all vacation days have been used up by the pilots. Instead, these letters affecting the pilots should have been brought through the union in order to reach mutual agreement and not directing pilots into immediately signing of such letters in front of a superior. In the abovementioned letter from management dated April 30, 2020, it was stated that the

reason for the reduction in work hours and thus monthly gross salary is due to article 8.7 of all employee's contracts. However, article 8.7 states "in the event the business activities of the Employer should drop 25% during the period **September through October**, the employer may reduce the work week and work hours of the Employee to respectively..." Note, in the statement of article 8.7 it is specifically and boldly mentioned that this reduction is possible during the abovementioned months. Thus, without negotiation between the union and management, how is it possible that this article was invoked outside of the defined months without consultation nor notice? Keeping in mind, the pilots were informed of this salary cut one (1) or two (2) days prior to the payroll of April 2020.

- **Secondly**, we would like to better understand management's calculation of the vacation allowance employees received on December 30, 2020. Calculations as per the CLA 2019-2022 indicates that multiple pilots are short on the vacation pay out. Based on current understanding, vacation allowance is calculated based on the annual gross salary of each pilot; and this gross salary should have remained unchanged. Being mindful of the fact that a reduction in work hours should not change that of the gross salaries.
- **Thirdly**, the union seeks to better understand management's plans for those pilots who have been on scheduled duty during public holidays. Namely, it was communicated to us that all overtime pay has been suspended during current times. However, holiday pay was mutually agreed upon by management and WICSU/PSU, based on the current CLA, and is expected to be honored. As per our Honorable Prime Minister stated, businesses wishing to open on public holidays must pay out their employees the applicable holiday pay.
- **Fourthly**, the pilots were also informed that as of March 2020 the company was implementing a salary freeze until further notice; and therefore all automatic salary increases were on hold. This communication was not brought forward until September of 2020. Bearing this in mind, the union is seeking direct clarification on the company's plan regarding the retroactive pay to pilots whose salaries have been frozen since March 2020. In addition, following the increase as per CLA article 21.2 and Appendix A point 13.a.
- **Lastly**, we would like to receive more accurate estimated duration of the salary cut which was implemented in April 2020. It has been duly noted that companies have had their share of losses in St. Maarten's legal Judicial Court, pertaining to the illegal reduction in salaries of employees due to Covid-19. Winair is a government owned company; which may adhere to the 12.5% reduction **costs**. However, the 25% salary cut is in violation of the conditions/decreed signed between the Netherlands and St. Maarten Government. WICSU/PSU would like to know what the plan is for reimbursing employees 12.5% salary. A clear definition on which operational conditions are required for employees to receive their full pay is still lacking even though it is evident that the company is generating revenues. This clarification is of much importance as the CLA that governs the relationship between WINAIR's Management and the pilots have been violated without proper agreements. The outstanding to the Company's creditors as we understood are now being settled since the acquisition of the loan from the Netherlands. This is an indication that WINAIR is in a better financial standing now, than it was at the time when the company's revenue was halted due to the pandemic.

To clarify WICSU/PSU fully comprehend the situation in which the world abruptly found itself in, and that certain measures were necessary to ensure survival and smooth operation of the company. However, we

disagree with the manner in which these were implemented and the manner in which management seems to disregard the union and pilots CLA for their convenience.

We look forward to positive and progressive communication between all parties involved in order to arrive at mutual solutions for all.

We respectfully request answers to the questions asked within this letter by latest January 31, 2021.

Sincerely,
On behalf of WICSU/PSU



Ms Deborah Rombley
President

CC: Shareholders
Government of St. Maarten
Ministry of General Affairs (PM Silveria Jacobs)
Minister Ludmila N.L. de Weever
Parliament of St. Maarten

Government of the Netherlands
Ministry of General Affairs (PM Mark Rutte)
Ministry of Infrastructure and Water Management
Minister Cora van Nieuwenhuizen

FINANCIAL AGREEMENT

Article 21 Salaries:

- 21.1 Salaries according to what is meant in Appendix A, WINAIR shall pay the salary of the employee each time at the end of a calendar month. Taxes and social premiums shall be deducted from the gross salary and made payable to the respective authorities. The salaries are deposited on an account indicated in writing by employee. Parties shall strive towards elimination of payment of salary checks within 3 months of start of employment. All cost and bank charges incurred in connection with the payment on account shall be borne by the employee.
- 21.2 Salary increases (see Appendix A, point 13.a).
Salary adjustments and increases when so applicable shall be applied in accordance with the stipulations set forth in Appendix A-13.a
- 21.3 Travel per diem to be increased to USD\$100.00 per day

Article 22 Vacation Allowance:

- 22.1 The employee shall be entitled to a vacation allowance with a maximum of 3% of the annual base gross salary. However, there is a cap to the vacation allowance. The maximum vacation allowance the employee can receive is ANG. 3,200.00
- 22.2 The vacation allowance shall be calculated based on the actual total salary in the year the vacation allowance is taken. In the event of a salary change the difference shall be made payable in December of the same year.
- 22.3 The vacation allowance shall be paid in the month when the employee goes on vacation, for a minimum period of fourteen (14) calendar days. The Pilot will complete a request form to be delivered to the Human Resource Department before the 9th of the month concerned.
- 22.4 At the end of the employment, the vacation allowance is calculated over the actual gross salary earned in the period extending as of the end of the month over, which the vacation allowance was last paid up to based on full worked calendar months, and made payable pro rata over said period.

Article 23 Vacation:

- 23.1 The employee is entitled to paid vacation days, as specified in appendix B.
- 23.2 Of the number of Vacation Days mentioned in this article the employee shall take each calendar year at least fourteen (14) calendar days uninterrupted, if circumstances of the company's operations allow.

APPENDIX A – FUNCTION GROUPS AND SALARY REGULATION

1. The functions of the Company are classified based on their responsibilities into Captains and First Officers.
2. For each function group, there exists a minimum and maximum salary.
3. Each Employee has been notified, which function he/she occupies.
4. Yearly, in the months of November and December, an evaluation is made by the Management of the Flight Department, WINAIR's evaluation system is as follows. First step: May 01 to June 01 is reserved for Performance interview. Second step: September 01 to November 01 is reserved for the evaluation. A performance interview is conducted in order to indicate to the employee what they are doing correct and where they need to adjust. Consequently, the employee is given the chance to adjust if required or to continue on the right course. Between the periods of September 01 to November 01 an assessment of each Employee is executed by the Management of the Flight Department. The employee is provided with enough space to make adjustments based on the performance interview. This period (Sept/Nov) the employee is evaluated and this evaluation form will be filed by the Human Resource Department. In the event that the evaluation shows that the adjustments made are not satisfactory no salary increase will be given.
5. The Management will discuss the evaluation with the Employee before January 1st and finalize. The final evaluation will be sent to the Human Resource Department.
6. After this discussion the Employee should sign for "seen" or "agreed".
7. Once finalized the evaluation is sent to the Human Resource department for filing in the personnel file of the Employee. The Employee shall always receive a copy of his/her evaluation from the Department Head.
8. At the discussion of the evaluation, the Employee should be clearly explained of the good side as well as the deviation ascertained of his/her job performance. Possible indication can be given during this discussion, with the aim to help the employee improve where needed.
9. Also is explained what the strong and/or weak points are and what measures can be taken to correct the weak points. Mention is also made, if the person assessed has the capabilities or capacities to be promoted to Captain or to fulfill additional duties as a First Officer or Captain.
10. When entering service, the employee will be placed in their respective salary scale year one (1) (Captain or First Officer) regardless of training and/or experience. The company at its sole discretion in certain circumstances can deviate from the abovementioned.

11. Salaries will be given on the scale the function is categorized into. Each function scale has a minimum and a maximum salary attached to it.
12. For all function groups the change in salary goes into effect on the date of the official function assignments in writing.
- 13.a. Salary Scales for Winair Pilots is as follows:

CAPTAINS	CLA 2019	FIRST OFFICER	CLA 2019
Year 1	fl 10,785.76	Year 1	fl 5,766.01
Year 2	fl 11,110.69	Year 2	fl 5,978.20
Year 3	fl 11,452.20	Year 3	fl 6,185.42
Year 4	fl 11,772.14	Year 4	fl 6,399.28
Year 5	fl 12,102.04	Year 5	fl 6,599.83
Year 6	fl 12,431.94		
Year 7	fl 12,773.44		
Year 8	fl 13,101.68		
Year 9	fl 13,434.89		
Year 10	fl 13,763.13		

- 13b Article 22.1 of this CLA does not apply to Captains assigned to their position prior to January 1st, 2012 and who salary is based on the previous Captain salary scale applicable at that time.
- 14 Basis 400.00 for all categories
 - A. Customer Service ANG. 350.00
 - Ground school – Pilots
 - Maintenance
 - Revenue
 - Finance
 - B. Dangerous Goods ANG. 450.00
 - CRM
 - Weight & Balance
 - C. Check rides (training in the air) ANG. 550.00

APPENDIX B – VACATION REGULATION

The Vacation as meant in art. 23 of the CLA are regulated as follows.

8.7. **Reduction of work period.** In the event the business activities of the Employer should drop 25 % during the period **September through October**, the Employer may reduce the work week and work hours of the Employee to respectively **30 hours per week**, reducing in that manner also the wage paid to the Employee.

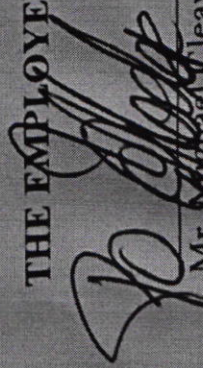
8.8. **Work for third parties forbidden.** The Employee shall not be allowed to perform any work for any other Employer or third parties - whether directly or indirectly - without the express consent of the Employer. In the event during the existence of this agreement the Employee, regardless of the reasons, enters into an agreement of employment with another party, without the express written consent of the Employer, this agreement will terminate, and the Employee will be deemed to have abandoned the job agreed to in this agreement and to have agreed to the termination hereof. The termination will be effective the date the employee entered such other employment, or the date on which the Employer becomes knowledgeable of the fact.

9.0. TRAINING.

See training agreement, which forms an integral part of this agreement.

In witness whereof parties have executed this agreement on the date first abovementioned¹.

THE EMPLOYER:


Mr. Michael Cleaver
President & CEO



Mr. Roberto Gibbs
Vice president & CFO



Windward Islands Airways International (Winair) N.V.
P.O. Box 2088 / Airport Road #69
Simpson Bay, St. Maarten, Dutch Caribbean
Tel: +1 721 545-2568

To: All Employees

Simpson Bay, April 30, 2020

Dear Colleagues,

We sincerely hope and trust that as you read this letter, you and your loved ones are safe and well.

On March 11, 2020 the World Health Organization declared the outbreak of the new human influenza virus called COVID 19/ SARS-CoV-2 a pandemic. All countries were advised to take urgent and far reaching measures to prevent the further spread of this pandemic; as this highly infectious disease was detected in a large number of countries, and many people have also died as a result of this virus with serious consequences for all countries.

Effective mid-March 2020 the Government of Sint Maarten imposed travel restrictions on both sides of the island of Sint Maarten in an effort to reduce the spread of the virus. On Sunday, March 15, 2020, Prime Minister and Chair of the EOC Silveria Jacobs met with the Council of Ministers and the Supervisory Board of Directors (hereinafter: SBOD) and Managing Directors of WINAIR. During this meeting the travel restrictions and the impact on the operations of WINAIR was discussed.

By National Decree of April 4, 2020 (AB 2020 no.19) and on recommendation of the Prime Minister of Sint Maarten to maintain the external and internal security, an exceptional condition of a State of Emergency for the entire territory of the country of Sint Maarten was declared for a period of two weeks beginning April 6, 2020.

By National Decree of April 18, 2020 (AB 2020 no. 21) and on recommendation of the Prime Minister to maintain the external and internal security, the exceptional condition of the State of Emergency was extended for the entire territory of the country Sint Maarten for a period of three weeks starting on April 19, 2020 until May 10, 2020. This decree is subject to another extension for a period yet to be determined.

On March 18, 2020 WINAIR discontinued all scheduled flights, which discontinuation of service has been extended until May 10, 2020 in accordance with the legislation and regulations established by the Government of Sint Maarten. In addition, WINAIR has closed its (sales) office



and call center to the public, and WINAIR is solely able to, by exception, perform charter services, provided that the current protocols permit the requested flight.

On March 19, 2020 all employees of WINAIR including members of the management team went on paid vacation, which was taken in two separate groups for a consecutive period of two weeks each.

WINAIR is facing extreme revenue losses due to the COVID - 19 pandemic. In addition, the debtors of WINAIR are also financially unable to remit payment to WINAIR, whilst WINAIR is forced to clear payables that are routed via the IATA Clearing House and also pay amounts due to key suppliers, who are essential once WINAIR can start up again, such as fuel invoices.

WINAIR was able to operate regularly during half of the month of March 2020 and WINAIR recorded a decrease in sales for March 2019 compared to March 2020 equal to 34%. WINAIR recorded a decrease in revenue for March 2019 compared to March 2020 equal to 36%. The decrease in sales and revenue for the month of April 2020 compared to April 2019 is almost 100% whilst the monthly fixed costs such as leasing costs, payroll and insurances have remained unchanged.

Taking into account the financial challenges of WINAIR and to prevent lay-off of employee(s) of WINAIR, the Company has submitted a request to the Government of Sint Maarten for the Business Payroll Support. In the event WINAIR is granted the stimulus as per the Sint Maarten Stimulus & Relief Program (SSRP) the Company will fall into the category whereby the Company will receive payroll support in the amount of 60% effective April 2020. Taking into account the fact that the SSRP only pays out an amount up to a maximum amount of 60% of ANG 5,651.38 (SZV maximum), WINAIR will receive approximately 46.3% of its total monthly payroll. WINAIR will have to supplement the balance of the payroll from its reduced cash flow.

Article 8.7. of all employees' contracts allows WINAIR to reduce the **workhours** and **monthly salary** of all employee by 25% during the slow season. WINAIR is guided by this article in the below outlined proposal.

Taking into consideration the financial situation as outlined above WINAIR's Executive Management - supported by the Supervisory Board of Directors (SBOD) - herewith proposes as follows:

- effective the payroll of April 2020, until further notice, all employees of WINAIR (including Managers, Executive Management and SBOD) will be paid 75% of their gross salary/fees and the work hours will be reduced to 32 hours per week;
- WINAIR cannot commit at this time to continuing to pay all employees 75% of the gross salary going forward. This will be reviewed month by month and will depend on the continued support from the Government of Sint Maarten through the SSRP and the status of the company's cash flow.



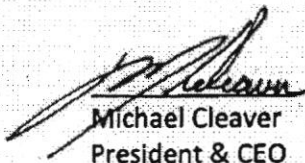
You are requested to add your name and sign the attached letter and return a signed copy of the letter to the Management of WINAIR as proof of your full and final acceptance of the proposal outlined in this letter. The signed letter is to be returned to WINAIR on or before May 5, 2020. If you are unable to print and/or scan, you can reply to this email stating your approval and acceptance of the content of this letter.

Should you have further questions, kindly do not hesitate to address your question(s) to Mr. Roberto Gibbs, CFO and Vice President of WINAIR before the deadline.

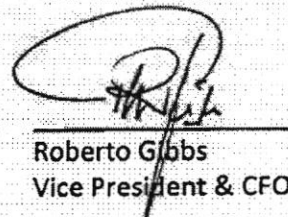
In the event an employee has not returned the signed letter within the above allotted timeframe or refuses to accept the above proposal, Executive Management of WINAIR can inform you that the Company will proceed to implement the above salary reduction effective April 2020, and if necessary the Company will have your salary reduction validated by the competent legal body.

This proposal is considered fair and reasonable. WINAIR's Management supported by the SBOD is confident and expects that you will agree to this proposal.

Sincerely,



Michael Cleaver
President & CEO



Roberto Gibbs
Vice President & CFO

Agreed and accepted by:
