

## Questions and Answers regarding Air Borealis

*The Nunatsiavut Group of Companies has joined a partnership with Innu Development Partnership Limited and PAL Airlines to provide air service in northern Labrador. We know that many of you have questions. We hope this list of Frequency Asked Questions will address some of your concerns.*

### **Will fares increase?**

- No, there are no fare increases for Beneficiaries of the Labrador Inuit Land Claims Agreement.

### **Why are we giving up on an airline in which we were majority owners?**

- We know the pride that Beneficiaries felt in owning Air Labrador, and we know that an airline in northern Labrador is a lifeline. We heard it when Air Labrador helped communities – when we assisted in getting sports teams to events, when we made it possible to get someone home for a funeral. We insisted in our talks with the partners that we want to continue to do those things, and they agreed.
- Continued operation as Air Labrador would have required new investment from NGC and the Labrador Inuit Capital Strategy Trust. We also had to recognize that Northern Labrador is a unique market of about 5,000 people. More investment would require higher fares and reduced services. We had to decide which model works best.
- We are now one-third partners in a majority Indigenous-owned airline. Our underlying commitment is to provide improved air service. We are well positioned for growth and that, too, will trickle down to Beneficiaries.
- We decided to start on a new path that will allow us to improve service. We insisted on an oversight structure that will protect your service and your investment. *Air Borealis* will be overseen by a Board of Directors, with an equal number appointed by each partner. Major investment and policy decisions will require unanimous approval of the Board.

### **What will be the impact on communities?**

- The new company will continue to serve all current destinations on the north coast.

### **Will service levels and frequency change?**

- We have added a midday flight, in addition to the existing morning and afternoon flights.

**I have a reservation or paid ticket on a future flight. Will I have to rebook? Will *Air Borealis* honour my reservation?**

- All confirmed reservations have been transferred to *Air Borealis*.

**I have collected points under Air Labrador's Rewards Program. Will those points be honoured by *Air Borealis*?**

- Details are being worked out.

**Will *Air Borealis* offer promotional fares?**

- Yes. These fares will apply to all travelers, and details will be announced soon.

**How do I contact *Air Borealis* to make a reservation?**

- You can contact Air Borealis at [www.airborealis.ca](http://www.airborealis.ca) or by phone at 1-800-563-2800 .

**How is the partnership structured?**

- There are three owners, each with one-third ownership. The partners are the Nunatsiavut Group of Companies, the Innu Development Limited Partnership, and PAL Airlines.

**Can important changes be made in the structure of company without the consent of NGC?**

- No. The Board of Directors must provide unanimous consent for major decisions affecting the company. Consent of NGC's representatives must be obtained as part of this process.

**How will investment decisions be made?**

- Investment decisions must be approved by the Board of Directors.

**Will we be required to invest money to support decisions/services that are not in our interest?**

- No. The Board of Directors is structured so that all three partners must agree on important decisions. We believe this also provides incentive for the partners to work together to achieve important goals.

**What provisions are being made for employees impacted by this decision?**

- Our goal is to do all that is possible to minimize the impact on employees. Displaced Employees will be offered severance packages.
- Beneficiaries will have the first chance at jobs where they are qualified.

**Will *Air Borealis* create new jobs?**

- As we pursue growth opportunities we foresee the requirement for hiring additional staff.
- We have a policy for Indigenous recruitment and management succession, with provision for mentorship of Indigenous management trainees.

**Will the new arrangement adhere to NGC's Corporate Social Responsibility policy?**

- Yes. Air Labrador had a strong and meaningful Corporate Social Responsibility (CSR) program, based on NGC's CSR values. That will carry over to *Air Borealis*. A profitable airline will provide NGC with the scope and funds to continue its CSR contributions, or pay dividends into Trust for Beneficiaries.
- Our partners have a similar belief in CSR and have been active in this regard over the years. We are confident that together we can continue to make significant positive contributions in our communities.

**How many jobs will be lost?**

- Out of an Air Labrador workforce of around 90, approximately 10 people have lost their jobs. We believe our partnership will grow in time, and new jobs will be created. There are no job losses on the north coast.

**Where will the company be headquartered?**

- The company will be headquartered in Happy Valley-Goose Bay. Our hangers and our cargo facility will continue to be located there.

**Will there be changes in the makeup of the fleet?**

- We plan to operate as a Twin Otter fleet. As we increase and improve service, we will consider whether to add a new and larger type of aircraft. But that is a decision for the future.