

***EXPRESS JET  
CONCESSIONARY  
AGREEMENT***

# LETTER OF AGREEMENT # 1

November 1, 2008

Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

Re: Reorganization Under Bankruptcy

Dear David,

This letter will confirm our agreement regarding the commitment of ExpressJet Airlines, Inc. ("ExpressJet" or the "Company") to maintain the tentatively agreed letter of agreement (the "LOA") between ExpressJet and the International Brotherhood of Teamsters (IBT).

This letter and the commitment it contains will become effective when the LOA has been ratified in accordance with the Union's ratification requirements and fully executed by the Union's signatories.

In consideration of the concessions provided by the LOA, the Company agrees, to the extent and for the period described herein, to forgo certain legal rights that otherwise would be available to the Company in the event that a reorganization case under Chapter 11 of the United States Bankruptcy Code is commenced by or against the Company.

Specifically, ExpressJet commits as follows:

ExpressJet believes that the wage, work rule, and benefit concessions provided by the LOA and the reductions provided by ExpressJet's other employee work groups will be sufficient for it to execute a successful business plan in connection with the negotiations for the tentatively agreed letter of agreement that will allow the Company to survive the difficult economic circumstances existing today. The LOA has been negotiated in good faith by both parties with precisely that objective. Should ExpressJet nevertheless seek relief under Chapter 11 of the Bankruptcy Code, or should another party file a petition for Chapter 11 relief with respect to the Company, in either case, within one (1) year from the effective date hereof, then for the period ending eighteen (18) months from the effective date hereof, ExpressJet will not file or support any motion or application seeking modification or rejection of the LOA pursuant to §1113; provided that, the foregoing restrictions shall not apply if the Company's Board of Directors reasonably determines that (a) the Company's financial condition has materially deteriorated from the financial condition at the time that the Union's LOA was ratified as a result of losses from operations or is reasonably expected to materially deteriorate within the next ninety (90) days, whether because of general economic conditions or otherwise and (b) such material deterioration presents or is reasonably expected to present a reasonable risk that the Company's future liquidity will be materially threatened. However, prior to any such determination by the Company's Board of Directors and the Company's filing any such motion or application or filing or issuing any such notice, the Company agrees to provide the Union with notice of the Board of Directors' scheduled deliberations with respect to such determination. Additionally, in any such reorganization case, the Company agrees that it will not object to the appointment of an Union representative to the official committee of unsecured creditors (and if the Company is asked by the appropriate party for the Company's views regarding such appointment, then the Company will respond favorably thereto).

Reorganization Under Bankruptcy

Nothing herein shall limit the ability of the Company to seek relief pursuant to §1113(e) if the Company's Board of Directors directs the filing of a motion or application for such relief following its reasonable determination that the Company is entitled to such relief under the standards of §1113(e) (provided that, if the Board of Directors directs such motion or action, it may also authorize any action that is a prerequisite to seeking relief pursuant to §1113(e), but only to the extent, such other action is procedurally required in order to pursue relief pursuant to §1113(e); it being agreed that (i) the Company would not pursue substantive relief under §1113(c) pursuant to this proviso and (ii) to the extent legally effective for such purpose, the Union may at its option waive, in writing a requirement, if any, for the Company to file a motion pursuant to §1113(c) as a prerequisite to seeking relief pursuant to §1113(e)). Prior to a determination of the Board of Directors that the Company is entitled to relief under §1113(e), however, the Company will provide the Union with notice of the Board's scheduled deliberations with respect to such determination, meet promptly with the Union to discuss the reasons for the potential determination and discuss with the Union possible alternatives to such determination and such motion or application.

If, consistent with and as permitted by this letter, the Company files a motion or application for relief under § 1113, nothing herein will (i) relieve the Company from complying with the applicable requirements of the Bankruptcy Code, (ii) prevent the Union from opposing such relief and/or termination, or (iii) otherwise be construed as the consent of the Union to such relief and/or termination.

Each individual executing this waiver letter is doing so only in his or her capacity as a representative of the entity that he or she represents, and not in his or her individual capacity. Accordingly, no director, officer, agent or employee of either party to this waiver letter shall be charged personally or held contractually liable by or to any other party under any term or provision of this waiver letter or because of his or her execution or attempted execution hereof or any alleged or attempted breach hereof.

Sincerely,

John Schrage  
Senior Director, Labor Relations  
ExpressJet Airlines, Inc.

Agreed, this 1<sup>st</sup> day of November, 2008

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Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

# ***REORGANIZING UNDER BANKRUPTCY***

- Chapter 11 Protection
- Union Representative in case of reorganization
- Company will not seek substantive relief

# LETTER OF AGREEMENT # 2

November 1, 2008

John Schrage  
Senior Director, Labor Relations  
ExpressJet Airlines, Inc.

Re: Cost Savings and Verification

Dear John,

This letter will confirm our understanding reached during concessionary negotiations regarding cost savings and verification for Company employees. We agreed that the IBT's agreement to cost savings contained in this tentative agreement is contingent upon all ExpressJet Airlines, Inc. work groups participating in cost savings. Provided, however, that the IBT may waive such contingency and agree to execute the Agreement regardless of the participation of other work groups.

We have further agreed that the IBT shall be entitled to a reasonable amount of time (not to exceed five (5) days), subsequent to receipt from the company other represented work groups' tentatively agreed to dates, for review of the Company's agreements with other work groups. Such five (5) day period shall run concurrent with any ongoing ratification process. Upon request of an IBT official, and subject to confidentiality agreements, the Company will provide information so that it is possible to ensure compliance with the agreements and binding commitments of other work groups. The intent of this request is solely to review the agreements for the purpose of determining that the other union agreements have provided cost savings. However, if any other work group's tentative agreement is not ratified and not implemented the time limit for reviewing any subsequent tentative agreements will automatically reset. Further, if the review of other tentative agreements does not satisfy the requirement of comparable participation the IBT concession will cease immediately unless the waiver of paragraph 1 (one) is executed.

We also agreed that all non-union group employees would be subject to a minimum of 5% reduction in compensation, as well as elimination of the Company's defined contribution to non-union group employees' 401K programs. The Company, upon request, will provide necessary documentation to the IBT for their review to verify that all non-union group employees are participating in cost savings measures.

Finally, we agreed that no Company job classification, including the Board of Directors, will receive compensation, bonuses, or any other thing of value that

Letter 1 – Compensation and Verification

raises their total income to a level greater than the maximum value of the total compensation package provided for that classification, minus the minimum concessionary reductions of 6.78%, until such time as the IBT's concessions have begun to be eliminated.

Sincerely,

Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

Agreed, this 1<sup>st</sup> day of November, 2008

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John Schrage  
Senior Director, Labor Relations  
ExpressJet Airlines, Inc.

# ***COST SAVINGS AND VERIFICATION***

- Time limits for economist to review other work groups T/A's
- All non-union and management groups minimum 5% as well as elimination of 401k, all encompassing
- No Company job classification will receive compensation greater than their classification minus 6.78% until IBT concessions are restored

# LETTER OF AGREEMENT # 3

November 1, 2008

John Schrage  
Senior Director  
Labor Relations  
ExpressJet Airlines, Inc.

Re: Benefits for IBT Employees

Dear John,

This will confirm our understanding reached during concessionary negotiations regarding benefits for IBT employees. We have agreed that if a concessionary agreement is in effect, the Company will not increase the employee contribution to the medical insurance to more than 25%. We have also agreed that at the Union's request, a representative(s) from the Union will be involved in any discussions relating to changes to the current benefit plans (additions, deletions, or changes). Finally, we have agreed that if all labor groups desire to participate in a new or different benefit program, the Company will consider its adoption.

Sincerely,

Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

# ***BENEFITS FOR IBT***

- Company will not increase employee contribution more than 25%
- Union will be involved with discussions about future benefit plans
- Central States Medical Plan is not cost-effective at this time

# LETTER OF AGREEMENT # 4



November 1, 2008

Jimmy Nides  
Vice President Flight Operations and Maintenance  
ExpressJet Airlines

Re: Company Board of Directors

Dear Jimmy,

This will confirm our understanding reached during concessionary negotiations regarding our request for a seat on the ExpressJet Holdings, Inc. Board of Directors (BOD).

We have agreed that in lieu of being granted a seat on the BOD, the President of the Local will be provided a briefing using the BOD briefing book on the same day as the BOD meeting by the Company. Other IBT members may be included at the Company's discretion.

Notwithstanding the BOD briefing, if ExpressJet Airlines becomes a private company, and is no longer subject to SEC requirements, the IBT will be granted a non-voting seat on the new private organization's board or other governing body. The selection of this board member will be at the discretion of the IBT.

Sincerely,

Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Agreed, this 1<sup>st</sup> day of November, 2008

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Jimmy Nides  
Vice President, Flight Operations and Maintenance  
ExpressJet Airlines, Inc.

# ***COMPANY BOARD OF DIRECTORS (BOD)***

- In lieu of a seat on BOD President of the Local will be provided a briefing using the BOD briefing book on the same day as the BOD
- If ExpressJet becomes a private company the IBT will be granted a non-voting seat on BOD

# LETTER OF AGREEMENT # 5

November 1, 2008

Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Re: Annual Pre-tax Profit Target

Dear David,

The Company will offer a supplemental profit sharing plan that will allow XJT employees to recoup their concessions if the Company attains certain financial targets. The details are outlined below:

1. 50% of every dollar earned above \$30 million annual pre-tax income will be set aside for the employees. XJT profit sharing calculated after this pay-out.
2. Profit sharing pay-out allocated to employees based on base pay earned during the year.
3. Annual Pre-tax profit will be determined following the end of the Company's year-end financial reporting period (calendar year).
4. For the purposes of this letter, annual pre-tax profit will exclude any "special" items. Only profit generated by airline revenues will be considered in determining annual pre-tax profit. "Special" is defined as income generated from the sale of assets or other income not directly related to airline operations.
5. If the annual pre-tax profit target is reached, the applicable percentage will be applied no later than the first pay period after 30 days following the release of financial data in accordance with applicable laws SEC rules and regulations.

This letter expires on July 31, 2009, however an employee who remains at ExpressJet through Dec 31, 2009 will receive a prorated portion of the pre-tax profit sharing for the time he was employed with ExpressJet through July 31, 2009.

Sincerely,

John Schrage  
Sr Dir Labor Relations  
ExpressJet Airlines

# ***PROFIT SHARING***

- Based on Calendar Year
- 50% of profit above \$30 million pre-tax
- Equal percentage for all employees
- Based on annual pay
- Expiration based on Contract amendable date
- Paid pro rata from January 1, 2009 until July 31, 2009

# LETTER OF AGREEMENT # 6

1 November 2008

Mr. David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Re: No Furlough

Dear David,

This will confirm our conversation regarding the Company's commitment to avoid furloughs.

The Company shall not furlough any employee covered by this LOA as of the signing date while concessions are in effect. The Company shall be excused from compliance with the provisions of this Letter of Agreement above in the event that a circumstance over which the Company does not have control is the continuing cause of such non-compliance. Circumstances beyond the Company's control shall be: a reduction of block hours or aircraft flown for Continental airlines, an act of nature; an ongoing labor dispute; grounding or repossession of a substantial number of the Company's aircraft by a government agency or a court order; loss or destruction of the Company's aircraft; involuntary reduction in flying operations due either to governmental action(s)/requirement(s) or to a decrease in available fuel supply or other critical materials for the Company's operation; revocation of the Company's operating certificate(s); war emergency; a terrorist act, or a substantial delay in the delivery of aircraft scheduled for delivery, provided that one of these listed occurrences has a material and substantial impact on the Company.

Sincerely,

John Schrage  
Sr Dir Labor Relations  
ExpressJet Airlines

# ***NO FURLOUGH***


- Agreement not to furlough additional employees while IBT under concessions
- Triggers for possible additional furlough of employees

# COMPANY'S PROPOSALS


## IBT Cost Savings Targets and Initiatives

June 11, 2008



# COMPANY'S PROPOSALS

## Cost Savings Target

- In order to reach our company-wide savings targets, IBT members need to reach a savings goal of \$4.1MM annually
- Savings can be achieved by rate reductions, work-rule changes, or any combination thereof
- The proposed company-wide changes to the 401(k) savings plan will contribute \$1.1MM to the savings goal
  - 401(k) company match would remain
  - 401(k) general retirement contribution at the company-wide level would be eliminated

# COMPANY'S PROPOSALS

## Potential Savings Contribution

Cost Target (000's) **\$4,134**

### Contribution Options

401(k) Contribution 1,088

### Scale Reductions

4% 2,078

4.25% 2,206

5% 2,592

6% 3,113

5% Premiums \* 433

2 Holidays \*\* 476

### Possible Combinations

<p>1) 401(k) Contribution 1,088</p> <p>5% Scale 2,592</p> <p>5% Premium 433</p> <hr/> <p><b>\$4,113</b></p>	<p>2) 401(k) Contribution 1,088</p> <p>5% Scale 2,592</p> <p>Holidays 476</p> <hr/> <p><b>\$4,156</b></p>
<p>3) 401(k) Contribution 1,088</p> <p>4.1% Scale 2,128</p> <p>5% Premium 433</p> <p>Holidays 476</p> <hr/> <p><b>\$4,125</b></p>	<p>4) 6.25% Scale 3,244</p> <p>5% Premium 433</p> <p>Holidays 476</p> <hr/> <p><b>\$4,153</b></p>



\* All premiums would be reduced by 5% (A&P, Lead, NDT, etc.)

\*\* Christmas Eve & Friday after Thanksgiving

# ***CONCESSION REVIEW COMMITTEE***

- Discussed values applied to work rules
- Compensation based on budgeted overtime (200 hrs of overtime)
- Figures based on next year
- Committee decided on types of concessions
- General Consensus, items not up for negotiation
  - 401k
  - Vacation, Personal or Holidays
  - Work rules

# ***PROPOSED CONCESSIONS***

- 6.92 % based on basic hourly rate for Mechanic and Tool Room Attendant, 8/08 pay scale
- 6.92% on A&P/FCC license premiums

# ***DATE OF RATIFICATION PAY SCALE FOR GSE***

<u>Years of Service</u>	<u>Hourly Rate</u>	<u>Concession</u>
1 <sup>st</sup> Yr.(0-1)	12.71	0.95
2 <sup>nd</sup> Yr.(1-2)	13.91	1.03
3 <sup>rd</sup> Yr.(2-3)	14.82	1.10
4 <sup>th</sup> Yr.(3-4)	16.86	1.25
5 <sup>th</sup> Yr.(4-5)	18.34	1.36
6 <sup>th</sup> Yr.(5-6)	19.97	1.48
7 <sup>th</sup> Yr.(6-7)	21.80	1.62
8 <sup>th</sup> Yr.(7-8)	24.34	1.81

# ***DATE OF RATIFICATION PAY SCALE FOR TOOLROOM ATTENDANTS***

<u>Years of Service</u>	<u>Hourly Rate</u>	<u>Concession</u>
1stYr.(0-1)	11.22	0.83
2ndYr.(1-2)	11.77	0.88
3rdYr.(2-3)	12.33	0.92
4thYr.(3-4)	12.90	0.96
5thYr.(4-5)	13.74	1.02
6thYr.(5-6)	14.58	1.08
7thYr.(6-7)	15.14	1.13
8thYr.(7-8)	15.70	1.17
9thYr.(8-9)	16.54	1.23

# ***DATE OF RATIFICATION PAY SCALE FOR TECHNICIANS***

<u>Years of Service</u>	<u>Hourly Rate</u>	<u>License</u>	<u>Total Hourly</u>	<u>Concession</u>
1 <sup>st</sup> Yr.(0-1)	12.71	2.61	15.32	1.14
2 <sup>nd</sup> Yr.(1-2)	13.91	2.61	16.52	1.22
3 <sup>rd</sup> Yr.(2-3)	14.82	2.61	17.43	1.29
4 <sup>th</sup> Yr.(3-4)	16.86	2.61	19.47	1.44
5 <sup>th</sup> Yr.(4-5)	18.34	2.61	20.95	1.55
6 <sup>th</sup> Yr.(5-6)	19.97	2.61	22.58	1.67
7 <sup>th</sup> Yr.(6-7)	21.80	2.61	24.41	1.81
8 <sup>th</sup> Yr.(7-8)	24.34	2.61	26.95	2.00

# ***RATIFICATION PROCESS***

- What does it take to ratify T/A
- Emplacement of the ballot process
- Percent of vote vs. eligible voters

# ***EFFECTIVE DATE***

- After ratification by members, concessions start November 1<sup>st</sup> for Mechanics and related, and all other work groups ratified
- Possibility of a work group hold-out
- Possibility of the IBT moving forward without all other workgroups participation

# ***NO RATIFICATION***

- Start process over
- Tweak concessions
- Time required to renegotiate
- Possible retro or higher concessions

***QUESTIONS***