

***Proposing to modify the following letter of understandings and procedure between the parties:***

*Letter 10 - Applicability of Recognition Awards*

## **MEMORANDUM OF UNDERSTANDING**

### **INCENTIVE PROGRAM**

**We The Company and Union** acknowledge the value of giving special recognition awards for exceptional and/or significantly improved performance to teams as well as individual employees. ~~Where~~ the Company, in its sole discretion, identifies an individual employee or group of employees who have made significant contribution(s) to the Company, a special recognition or spot award may be utilized for recognizing the employee(s) in the form of a monetary or non-monetary award. **Any form of recognition is discretionary on the part of the Company, and ~~This contribution~~ may be demonstrated in a single one-time event or over a period of sustained high performance and may include an interval based award tied to the achievement of performance metrics as defined by management.**

**The Company will notify the Union of changes to the incentive program that may occur from time to time throughout the duration of the Agreement.** The issuance of Special Recognition or Spot Awards will be in accord with Aero Code ~~and/or Company policy AC-3697~~ **and may be changed and/or eliminated without negotiation at the Company's discretion.**

The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counterproposals in any area of the Agreement opened by the Union.