

**LETTER OF AGREEMENT**  
between  
**Air Wisconsin Airlines Corporation**  
and  
**International Association of Machinists and Aerospace Workers**  
**District Lodge 142, AFL-CIO**  
representing the  
**Maintenance and Related Personnel**

This Letter of Agreement (LOA) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Air Wisconsin Airlines (the “Company”) and District Lodge 142 of the International Association of Machinists and Aerospace Workers, AFL-CIO, (the “Union”) representing the Mechanics and Related Class and Craft.

WHEREAS, the Company and the Union agree that there is a need for incentives to recruit new hire mechanics and retain current employees; and

WHEREAS the parties have agreed that the Company will offer a recruiting bonus that may be increased at the Company’s discretion; and

WHEREAS, the parties have also agreed that the Company will pay certain fixed retention amounts, which may be increased at Company discretion; and

WHEREAS, the parties are currently in bargaining under Section 6 of the Railway Labor Act, as amended; and

NOW THEREFORE, the parties agree as follows:

**A. Recruiting Incentive Pay**

1. The Company shall offer a minimum recruiting incentive amount of \$2,500 for mechanics. This amount may be increased at the discretion of the Company. The Company may set reasonable conditions (e.g., payment intervals, minimum time in service, successful completion of training, etc.) on receiving this incentive.

**B. Retention Pay**

**1. Retention Amount**

The following are the minimum retention amounts, which may be increased at the discretion of the Company

**a. Mechanics**

Mechanics will receive the following minimum retention payments to be paid September 15, 2017, provided he meets the conditions of paragraph B.2., below:

- 1) Mechanics with less than five (5) years of service: \$2,500
- 2) Mechanics with five (5) years of service or greater: \$5,000

**b. Cleaners**

Cleaners will receive the following minimum retention payments to be paid September 15, 2017, provided he meets the conditions of paragraph B.2., below:

- 1) Cleaners with less than five (5) years of service: \$1,000
- 2) Cleaners with five (5) years of service or greater: \$1,500

2. Retention Eligibility

- a. The employee must be an employee of the Company on April 1, 2017;
- b. The employee must not have not submitted a letter of resignation to the Company prior to the payment date; and
- c. With the exception of Military Leave and IAMAW Leave, the employee must not have been on a leave of absence for more than fourteen consecutive calendar days within the ninety (90) day period immediately prior to the payment date. An employee's vacation and scheduled day(s) off (provided that the employee has not been placed on a leave of absence on those particular days) shall not be counted as a leave of absence for the purposes of this provision.

C. LOA Signing Bonus 2017

1. All employees employed with the Company and who have not submitted a letter of resignation by close of business as of April 1, 2017, will be entitled an amount of \$1,500. Such payment will be made April 6, 2017.
2. Any employee employed by the Company who has submitted a letter of resignation may rescind his letter of resignation by close of business April 1, 2017 and will thereby be eligible for the LOA Signing Bonus (\$1500). Such payment will be made by April 6, 2017. Any such employee who submitted a letter of resignation and has not rescinded such letter of resignation in accordance with this paragraph will forfeit the LOA Signing Bonus (\$1500).

Air Wisconsin Airlines

International Association of  
Machinists and Aerospace Workers,  
AFL-CIO

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Tina Vos  
Managing Director of Human  
Resources

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Jerry Lemke  
General Chair  
IAMAW District Lodge 142