

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

AIR WISCONSIN AIRLINES CORPORATION

Air Wisconsin
AIRLINES CORPORATION

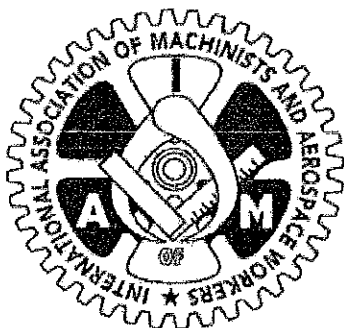
RECEIVED

MAR 05 2016

TRANSP. DEPARTMENT

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO
DISTRICT LODGE 142



COVERING

CLERICAL, OFFICE, FLEET AND
PASSENGER SERVICE EMPLOYEES

EFFECTIVE:

02-06-12 – 02-05-16

TABLE OF CONTENTS

ARTICLE 1:.....	RECOGNITION	1
ARTICLE 2	CONDUCT OF UNION OF BUSINESS.....	3
ARTICLE 3	PROBATIONARY EMPLOYEES	5
ARTICLE 4.....	UNION SHOP AND DUES CHECK-OFF.....	6
ARTICLE 5	WORK CLASSIFICATIONS	8
ARTICLE 6.....	UNIFORMS AND APPEARANCE STANDARDS.....	11
ARTICLE 7	SALARY AND ITS ADMINISTRATION.....	14
ARTICLE 8	HOURS OF SERVICE	15
ARTICLE 9	PART-TIME EMPLOYEES	21
ARTICLE 10.....	PAYMENT OF OVERTIME	23
ARTICLE 11	HOLIDAYS.....	25
ARTICLE 12.....	VACATIONS	27
ARTICLE 13	SENIORITY	30
ARTICLE 14.....	TRANSFER OUT OF BARGAINING UNIT	33
ARTICLE 15	SICK LEAVE.....	34
ARTICLE 16.....	VACANCIES AND BULLETINED JOBS.....	37
ARTICLE 17.....	LEAVE OF ABSENCE	41
ARTICLE 18.....	FURLOUGHED EMPLOYEES	45
ARTICLE 19.....	GENERAL AND MISCELLANEOUS.....	48
ARTICLE 20.....	RETIREMENT	51
ARTICLE 21.....	INSURANCE.....	52
ARTICLE 22.....	TRAINING.....	58
ARTICLE 23.....	MAINTENANCE OF BENEFITS	59
ARTICLE 24.....	LIABILITY FOR DAMAGE TO EQUIPMENT.....	60
ARTICLE 25	DAMAGE RESPONSIBILITY	61
ARTICLE 26.....	GRIEVANCE PROCEDURE.....	62
ARTICLE 27.....	SYSTEM BOARD OF ADJUSTMENT	66
ARTICLE 28.....	SAVINGS CLAUSE.....	69
ARTICLE 29.....	NO OTHER AGREEMENT	70
ARTICLE 30.....	PENSION	71
ARTICLE 31.....	LONGEVITY.....	72
ARTICLE 32.....	SAFETY AND HEALTH.....	73
ARTICLE 33.....	CLERICAL	74
ARTICLE 34.....	EFFECTIVE DATE AND DURATION	75
LETTER OF AGREEMENT	(BENEFIT AND WAGE RETENTION)	76
LETTER OF AGREEMENT	(GROWTH)	85
LETTER OF CLARIFICATION.....	(DISPLACEMENT RIGHTS).....	87
LETTER OF AGREEMENT	(SENIORITY RETENTION/BIDDING).....	88
LETTER OF AGREEMENT	(SENIORITY CLASSIFICATION)	89
LETTER OF AGREEMENT	(GRANDFATHERED EMPLOYEES)	90

ARTICLE 1
RECOGNITION

- A. In accordance with the certification in Case No. R-4512 from the National Mediation Board, AIR WISCONSIN AIRLINES CORPORATION recognizes the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS as the sole and exclusive authorized representative of the clerical, office, fleet and passenger service employees in the employ of the Company for negotiation rates of pay, rules, hours and conditions of employment.
- B. The Company has and retains the sole right and function to manage its business, the right to decide and regulate the size of the work force, the number and locations of facilities, the machine, tool and office equipment; to maintain order and efficiency in its facilities, employees and operations; to hire, discipline, discharge, retire, lay-off, recall, to make job and work assignments, transfers, promotions and demotions; to close down its operations or any department or part thereof; to expand, reduce, alter, combine, transfer, assign or cease any job, route, department, operation or service; and to otherwise generally manage the Company and establish terms and conditions of employment, including all other rights and prerogatives, subject only to such regulations and restrictions governing the exercise of these rights as are expressly provided by law, or in this Agreement. Matters not provided for in this Agreement or by law are retained as rights of Management.

In the event the Company finds it necessary to contract out work covered by this Agreement it will notify the Union and meet promptly to discuss the reason for the decision and the effects, if any, on employees.

- C. The Company agrees that the work normally performed which is spelled out in the work classifications (Article 5) is covered by the provisions of this Agreement and will be performed by employees as covered by the Agreement.

- D. The Company is an equal opportunity employer. The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees hereunder regardless of sex, color, race, creed or national origin. It is understood that wherever in the Agreement employees are referred to in the male gender, it is recognized as referring to both male and female employees, unless the meaning is obviously to the contrary.
- E. It is understood and agreed that the Company will not lock out any employee covered hereby, and the Union will not authorize or take part in any slowdown, sit down, work stoppage, strike or picketing of Company premises during the life of this Agreement, and/or until the procedures of the Railway Labor Act for settling disputes between the parties have been exhausted.
- F. It is further understood and agreed that all provisions of this Agreement shall be binding upon the successors or assigns of the Company and the Union. Upon the announcement of any transaction involving Air Wisconsin Airlines Corporation that is intended to result in the consolidation of the Company with another carrier that affects the seniority rights of the employees on the Seniority List, the parties will meet promptly to discuss the integration of the Seniority List in a fair and equitable manner. In the event of failure to agree, the dispute may be resolved in accordance with Sections 3 and 13 of the Allegheny-Mohawk provisions.
- G. The Company will publish and make available to employees the most current Company Policies and Procedures.**

ARTICLE 2
CONDUCT OF UNION BUSINESS

- A. The Union agrees that Union business will, insofar as possible, be conducted during non-working hours. This shall not prevent an employee with a proper grievance from proceeding with such grievance in accordance with the terms of this Agreement during working hours. The Union's negotiating committee members of not more than four (4) will be permitted to attend all negotiating sessions after proper notification and coordination with the designated Company official. Committee members attending negotiating meetings during their scheduled work time shall not be paid by the Company for such scheduled time lost.

- B. **The number of members on the Union's Negotiating Committee will be determined by the PDGC of District 142. The Negotiating Committee will be permitted to attend all negotiating sessions after proper notification and coordination with the designated Company official. The Company will pay the committee members while on approved Union Leave. Reference Paragraph E of this Article.**

- C. The Company will provide on-line positive space passes in accordance with IRS regulations, and subject to its marketing partners requirements, and it will approve Union leave of absence for District Representatives, Local Lodge Executive Board members and Stewards during their terms of office for use in connection with their work in administering this contract.

During the period of preparation for Section 6 openers for the next contract negotiations, and upon appropriate notification and consultation with the Company, proposal conference members and negotiators will also be afforded this paragraph's provision. At the discretion of the Chief Negotiator and if preparing and negotiating for a full week period of time, the Company will adjust the regular days off of the negotiating committee members to allow for weekends off.

- D. The Company will provide on-line positive space passes in accordance with IRS regulations, and subject to its marketing partners requirements, and it will approve Union leave of absence for District Representatives, Local Lodge Executive Board members, **Committee Members (i.e. Pension, etc.)** and Stewards during their terms of office for use in connection with their work in administering **all Air Wisconsin Airlines Corporation IAMAW contracts.**

During the period of preparation for Section 6 openers for the next contract negotiations, and upon appropriate notification and consultation with the Company, proposal conference members and negotiators will also be afforded this paragraph's provision. At the discretion of the Chief Negotiator and if preparing and negotiating for a full week period of time, the Company will adjust the regular days off of the negotiating committee members to allow for weekends off. **The Company will pay the committee members while on approved Union Leave. Reference Paragraph E of this Article.**

- E. **The Company will pay the Employee while on approved Union Leave. Company will invoice the Union for the Employees wage related expenses including an administrative services fee of 2% of the total amount of the reimbursement. The reimbursements will be administered according to Company processes and the Union will pay invoices in a timely manner.**
- F. **The Company agrees that no employees covered by this Agreement will be interfered with, restrained, coerced or discriminated against by the Company, its officers or agents because of membership in or lawful activity on behalf of the Union. The Union agrees that neither the Union nor its members will solicit membership or conduct during working hours on Company premises activities other than those of collective bargaining and the handling of grievances in the manner and to the extent hereinafter provided, except that this clause shall not be construed as restricting any of the rights granted to the Union and its members under any valid law.**
- G. **The Company agrees to a Union leave of absence, with proper notification, for one properly elected employee from each location to attend the Annual District 142 Convention and the Grand Lodge Convention currently held every fourth year. In addition, if operational needs permit, additional employees may be approved by the Hub Director/Station Manager. The Company will pay the employee attending the Convention while on approved Union Leave. Reference Paragraph E of this Article. The employee shall receive "on-line" positive space passes to the extent allowed by the IRS for such travel.**

ARTICLE 3
PROBATIONARY EMPLOYEES

- A. All newly hired employees for position within the bargaining unit will be considered as probationary employees for the first five (5) calendar months of employment, **except for any period of worker's compensation or leave of absence.** All training time will count towards completion of probation.
- B. All such employees shall enjoy the benefits of the terms of this Agreement unless expressly provided otherwise except that the termination of a probationary employee shall not be subject to the grievance procedure.
- C. Upon completion of the probationary period, such employee shall be entitled to all benefits of the contract. By mutual written agreement between the Vice President--Employee and Labor Relations or his designee and the District 143 General Chair, the probation period may be extended by a waiver for a reasonable length of time, but upon successful completion, all benefits shall be retroactive to the original probation completion date.
- D. A probationary employee must complete their probation period before they can bid a vacancy into a location other than their domicile unless the employee is bidding from a part-time to a full-time position.

ARTICLE 4
UNION SHOP AND DUES CHECK-OFF

- A. Each employee, now or hereafter employed in any work covered by the labor Agreement between the parties and as it may have been supplemented or amended subsequent thereto, shall, as a condition of continued employment in such work, within sixty (60) calendar days following the beginning of such employment or the effective date of this Agreement, whichever is later, become a member of, and thereafter maintain membership in good standing (as herein defined) in the Union, provided, that such conditions shall not apply with respect to any employee to whom such membership is not available upon the same terms and conditions as are generally applicable to any other member of this classification, or with respect to any employee to whom membership is denied or whose membership is terminated for any reason other than the failure of the employee to tender the initiation fees and monthly dues uniformly required of other employees as a condition of acquiring or retaining membership.
- B. For the purpose of this Agreement, “membership in good standing in the Union” shall mean that the employee is a member of the Union and is not more than sixty (60) calendar days in arrears in the payment of initiation fees or reinstatement fees or membership or assessment dues uniformly required of other employees in the same Union.
- C. When an employee becomes delinquent or not in “good standing” within the meaning of Paragraph B, he shall be subject to discharge.
- D. A discharge under the terms of this Article shall be based solely upon the failure of the employee to pay or tender payment of initiation fee and membership or assessments as specified herein and not because of denial or termination of membership in the Union upon any other ground.
- E. All rights of any employee under the Labor Agreement hereinabove noted and such supplements or amendments as may apply thereto are contingent upon his acquisition and maintenance of membership in good standing in the Union.

- F. The Company shall not be liable for any time or wage claim for any employee discharged by the Company or for any dues deduction changes pursuant to a written order by any authorized Union representative.
- G. Upon receipt of a signed authorization of the employee involved, the Company shall deduct from the employee's paycheck the dues payable by him to the Union during the period provided for in said authorization. All deductions for dues shall be made by the Company on the first regular paycheck of the month.
- H. Deductions provided for in the preceding paragraph shall be remitted to the Financial Secretary, District 142, International Association of Machinists and Aerospace Workers, AFL-CIO, no later than the tenth (10th) day of the month following the one in which the deductions were made, and shall include all deductions made in the previous month. The Company shall furnish the Union, monthly, with two (2) copies of a record of those for whom deductions have been made and the amounts of the deductions. The parties agree that check-off authorization shall be in an approval form, which shall be prepared and furnished by the Union.
- I. **The Company will provide the District and Local Lodge Secretary / Treasurer an updated membership list every six (6) months which will include name and address of all employees covered under this agreement.**

ARTICLE 5
WORK CLASSIFICATIONS

- A. Passenger Service Agents/Ticket Counter Agent - Shall be responsible for handling of mail, baggage, cargo and other materials to and from aircraft; loading and unloading of aircraft; operation of ground vehicular equipment; parking and cleaning of aircraft; delivering messages and packages; running errands; assisting in moving light equipment; assisting in assembling materials; preparation of materials for shipping; selling and issuing tickets; furnishing air transportation information and related information to passengers and the general public; making reservations and performing ticket counter services; including keeping counter operations records; file and notify passengers of flight information, answer special inquiries regarding animals, delays, mail service, purchasing of tickets, ground transportation, handle lost and found inquiries and baggage tracing; assisting passengers; conveying messages to the public and passenger; fueling of aircraft, filing, compiling routings and fare constructions; checking baggage; meal vouchers; handling hotel and rent-a-car reservations and sales, handling documentation concerning aircraft manifest, aircraft records, weight and balance of aircraft; boarding flights; dissemination of immigration and customs information; process requests for the shipping of air freight; quoting rates, routes and schedules; tracing, forwarding, rating, filing; pick-up and delivery; preparation of materials for shipping; documentation; handling freight reservations; file tariffs; handle and maintain records and reports. Perform other duties as assigned, including minor building repairs and ground equipment maintenance and the pushback of aircraft from the gate.
- B. Technical Stores/Supply Personnel - Will be responsible for the proper identification, initial receiving, stocking, issuing and handling of all aircraft parts, tools, materials and supplies maintained within the inventory; proper storage of these parts and tools to include segregation of all parts in the stock room; collecting and maintaining, for file, the packing lists, maintenance releases and related materials accompanying incoming parts and tools; coordinating with the Quality Assurance Department on the inspection and identification of incoming parts and tools; shipping of parts and tools for repair and stock; preparing air bills, dangerous goods forms and related shipping documents; contacting vendors for shipping information; and maintaining the premises of the storage areas in a clean and orderly manner; and performing other duties as assigned, including minor building repairs and ground equipment maintenance.

- C. Clerical - Clerical employees may perform a variety of tasks including typing, filing, sorting, adding, posting, copying collating and record keeping. They may also operate office machines and equipment incidental to efficient completion of primary assignments and responsibilities, and other duties as assigned.
- D. Lead Agent and Lead Technical Stores Agent - Shall include all the duties of the classifications to which assigned and responsible for assigning, supervising, directing, and approving the work of all employees assigned. No Lead Agent or Lead Technical Stores/Supply Agent will be required to lead and direct more than fourteen (14) employees. There will be a Lead Agent and Lead Technical Stores/Supply Agent on duty when more than five (5) employees are on duty at a location when no management official is on duty.

If a Lead Agent or Lead Technical Stores/Supply Agent is required, and none is on duty, management will select the qualified lead agent or lead technical stores/supply agent with due consideration for seniority who will be upgraded and paid the difference, per hour, for the time he works as a Lead Agent or Lead Technical Stores/Supply Agent. No employee will be required to accept a Lead Agent or Lead Technical Stores/Supply Agent position.

All hub Stations will have a least one Lead Agent on each shift.

Lead Agent and Lead Technical Stores/Supply Agent positions will be bid locally, and management will select the Lead Agent and Lead Technical Stores/Supply Agent from the qualified bidders with due considerations for seniority. Any senior employee bypassed in the selection of leads shall be provided specific reasons for the decision.

Temporary Leads – May be used to replace regular leads who are absent, on leave, etc., or may be added to existing lead positions on a daily or weekly basis based on the workload at the station.

- E. New Job Classifications - In the event the Company establishes any new job classifications or job titles in the bargaining unit and not specified in this Agreement, the Company shall meet with the Union prior to filling the position to negotiate and establish rates of pay, hours of work, and other conditions with the new classification or job titles.

- F. The job descriptions set forth above are not intended to limit in any way the scope of duties of covered employees, and it is further understood that additional duties may be assigned to the classifications as necessary.

ARTICLE 6
UNIFORMS AND APPEARANCE STANDARDS

- A. All employees required to wear a uniform will do so as a condition of employment, and the uniform will be worn as outlined in this Article. All employees while on duty shall be responsible for keeping their uniforms in acceptable condition in accordance with the Company regulations. Additional items may be ordered at employee's expense.

- B. The recommendations of the Uniform Committee will be considered by the Company before making any change in the style, color or material of the uniform. If the Company requires a change in the uniform prior to the expiration of the life expectancy, then the uniform cost will be at the Company's expense. Should any code share partner with whom the Company is doing business requires the Company to use new or different Marks or uniform design, the Company will effect and determine the schedule for such change. If this change requires the employee to purchase a new uniform item prior to the lifespan of the item, the Company will reimburse the employee. Reimbursement will only apply to uniform items required by the Company and not optional items or accessories.

- C. Those employees required to purchase a uniform will do so in the following manner: 50% paid by the Company and 50% paid by the employee. The employee's portion will be prorated over a six-month period and deducted from his paycheck each month. Any employee who leaves the Company or is terminated for cause, who has not completed one year of service, will have the remaining portion of the total cost of the uniform deducted from his final paycheck. Total cost means both the Company's 50% and the employee's 50%. The Company may purchase any items returned on a prorated basis. The prorating will be based on the life expectancy of the items and months remaining.

- D. Uniform Replacement - The Company contribution to the uniform replacement cost will be 50% of the uniform allotment.
1. Each employee is allotted a maximum number of points to be used each calendar year January 1 through December 31. You are not required to use all points. The point system is rated one point equals one dollar.
 2. Uniform order forms should be completed and sent to the Air Wisconsin Airlines Corporation Supply Department. All uniform expenses are deducted through payroll deduction.
 3. In order to establish a basic image, selected items are required. Once you have the required items, you may use the balance of your points to order any of the uniform items offered within your job classification. Uniform points are valid for one calendar year and cannot be carried over at any time.
- E. Minimum Uniform Requirements.

As a new Passenger Service Agent employee, it is required that you order the following initial pieces at the start of your employment, remembering that additional pieces can be ordered as needed during the remainder of the year.

Female Passenger Service Agent
Minimum Required Uniform Pieces
- Initial Order

1 each	All Weather Jacket With Liner
2 each	Bottom Pieces -- pants (ramp dress pants) or skirt
3 each	Tops
2 each	Scarves
1 each	Belt
1 each	Sweater Jacket
1 each	Dress Blazer *

AWAC/IAM -- Representing COFPS Employees

Male Passenger Service Agent
Minimum Required Uniform Pieces
- Initial Order

1 each	All Weather Jacket With Liner
2 each	Bottom Pieces -- pants (ramp or dress pants)
3 each	Tops
2 each	Ties
1 each	Belt
1 each	Cardigan Sweater
1 each	Dress Blazer *

Technical Stores Personnel
Minimum Required Uniform Pieces
Initial Order

1 each	All Weather Jacket with Liner
2 each	Bottom Pieces -- pants (ramp)
2 each	Shirts
1 each	Belt

* Only applicable where Customer Service is a part of assigned duties.

- F. Any item of the uniform that is stocked must be received from the Company and not elsewhere. All agents will be required to properly maintain their uniforms. If anyone reports to work out of uniform, disciplinary action may be taken.
- G. Additional information on uniform wear/appearance guidelines and additional uniform pieces may be found in the Company's Uniform Policies and Procedures Handbook.
- H. A Company-approved IAMAW service pin/patch may be worn as outlined in the Company's Uniform Policy and Procedures Handbook.

**ARTICLE 7
SALARY AND ITS ADMINISTRATION**

A. Hourly Rates of Pay:

- Passenger Service/Ticket Counter Agents;
- Technical Stores/Supply Personnel;

IAD & PHL		
YOS	1/19/2012	1/1/2013
1	9.74	9.86
2	10.20	10.32
3	10.34	10.46
4	10.97	11.10
5	11.46	11.60
6	11.95	12.09
7	12.45	12.60
8	13.44	13.60
9	13.87	14.04
10	14.66	14.84

Stations		
YOS	Eff Date	Eff Date
1	9.03	9.14
2	9.51	9.62
3	9.67	9.78
4	10.29	10.41
5	10.78	10.91
6	11.28	11.41
7	11.76	11.90
8	12.76	12.91
9	13.21	13.37
10	14.07	14.24

HPN Only		
YOS	Eff Date	Eff Date
1	10.49	10.62
2	10.90	11.03
3	11.01	11.14
4	11.64	11.78
5	12.13	12.28
6	12.63	12.78
7	13.11	13.27
8	14.09	14.26
9	14.56	14.74
10	15.34	15.53

Note:

Stations & HPN rates - see the Letter of Agreement for each station's effective implementation date

- B. Lead Agents will be paid one dollar (\$1.00) per hour over their applicable rate of pay.
- C. Trainers will be paid one dollar (\$1.00) per hour over their applicable rate of pay for all hours worked. There shall be no duplication of pay between Lead Agent pay and Trainer pay.

ARTICLE 8
HOURS OF SERVICE

- A. Each full-time employee will be scheduled for forty (40) hours, consisting of five (5) eight (8) hour days, and/or four (4) ten (10) hour days worked within seven consecutive days, with a proper written schedule and approval of the Employer will constitute a standard work week. All employees coming under this Agreement will have at least two (2) consecutive days off on an eight (8) hour schedule and three (3) consecutive days off on a ten (10) hour schedule. When assigned to a specific fixed day off schedule, no employee will be scheduled to work more than five (5) consecutive days on an eight (8) hour schedule and no more than four (4) consecutive days on a ten (10) hour schedule. Each employee will be scheduled so as to provide at least ten hours rest between shifts except when an employee is bidding or voluntarily changes shifts.
- B. 1. The Company will make every reasonable effort to standardize the starting and stopping times for each shift and days off on an employee's bid schedule. Employees may present to management an alternative work schedule that will be considered for use. The Company may adopt an alternate schedule approved by a majority of employees affected which provides the necessary coverage.
2. Work schedules will be bid locally at each station.
- C. The regular starting and stopping time for work shifts will be scheduled and posted at each location and may be changed due to a change in flight schedules or mutual agreement between the Company and the IAM District 142.
- D. There shall be no use of back-to-back part-time shifts to cover staffing needs that could be otherwise covered by a full-time shift. The phrase "back-to-back" is intended to more clearly mean that a part-time shift will not be scheduled to begin within one-half hour of the end of the preceding part-time shift. Part-time employees will be scheduled for not more than thirty (30) hours each week and will work between one (1) and five (5) days a week.

- E. 1. All employees will be granted a fifteen (15) minute rest period during the first half of their work shift and a fifteen (15) minute rest period during the second half of their work shift; these rest periods will not be scheduled in the first one hour or the last one hour of the work shift. Exceptions may be mutually agreed upon between the Company and the employee. Employees, other than station employees (**i.e. Technical Stores/Supply Personnel, Clerical**), may be scheduled for an unpaid one-half (1/2) hour or not to exceed one (1) hour meal period within two (2) hours of the middle of their shift.
2. Over five (5) hours of scheduled work at stations, the Company may schedule an unpaid meal period not to exceed one-half (1/2) hour if necessary to maintain the flight schedule, to be taken within two (2) hours of the middle of the shift.
- F. **Day and Shift Trades will be permitted, subject to the approval of the appropriate Company official, which will not be unreasonably restricted or denied.**
1. **Request for day/shift trades must be submitted to local management, in writing, a minimum of seventy-two (72) hours in advance of the trade. The trade request must be on the official Company Day/Shift Trade Request Form.**
2. **Trades will not be considered approved unless signed by local management.**
3. **Trade requests submitted within seventy-two (72) hours of the trade will only be approved for emergency situations and at the discretion of local management.**
4. **Trades must be within employee classification.**
5. **Day/shift trades that cause an overlap in work schedules will not be permitted. In situations where the overlap is minimal and does not impact the operation, the trade may be approved at the discretion of local management.**
6. **Day/shift trades will only be permitted if the employees are qualified to perform each other's work assignments. Qualified employees will not have their day/shift trades restricted unless there is an insufficient number of qualified employees on duty. Sufficiency of staffing levels will be determined by local management. A Lead in a day trade/shift swap may be required to give up his Lead premium for the day/shift worked unless reassigned to a Lead position.**

7. **Three-way day/shift trades will not be permitted.**
8. **Permanent trades will not be permitted.**
9. **Employees will not be paid sick time on a day/shift trade.**
10. **Employees who work on day/shift trades may request a DAT Vacation Day which will be approved at the discretion of local management.**
11. **Day/shift trades on holidays will be paid at 1 ½ times the hourly rate.**
12. **Employees will not be permitted to consistently give away hours. Full-time employees giving away more than 1 shift per week in a quarter will not be permitted to give away hours during the following quarter, but will be permitted to pick up hours and do actual trades. Full-time employees, who give away too many hours for two quarters in a twelve-month period, will be converted to a non-grand fathered part-time status. A shift is based on an 8 hour workday for a maximum of 104 hours per quarter / 416 hours per calendar year. Quarters run JAN-MAR, APR-JUN, JUL-SEP, and OCT-DEC. Part-time employees will not be permitted to give away more than 25% of their scheduled hours. Overtime hours will not count towards the employee's total hours worked. PTO will not count against an employee's total hours worked.**
13. **Employees will be paid at straight time while working on a day trade off. Overtime will be paid for any hours over 40 straight time hours worked for that pay week.**
14. **The employee who is to work on a particular day as the result of a swap is responsible for reporting to work and may be subject to the terms of the Company attendance/reliability program.**
15. **The employee who actually works the day/shift swap will be paid.**
16. **If an employee (employee #1) engages in an exchange, and the person he exchanged with (employee #2) terminates his employment before the swap is complete, the remaining employee (employee #1) is responsible to work the now uncovered shift.**

If the termination (of employee #2) occurs within five (5) days of the trade, and upon positive notification by the Company, it continues to be the responsibility of the remaining employee (employee #1) to provide for the coverage.

- G. At stations where more than four (4) employees in a work group have complete training (which will not exceed probationary period), work schedules of at least eight (8) weeks but not more than fourteen (14) weeks will be published for bid at least two (2) weeks in advance unless a shorter period is agreed upon by the affected employees and the Company. In seasonal markets, work schedules may be posted and bid for the entire duration of the season, not to exceed eighteen (18) weeks**

The station schedule will be posted for a minimum of five (5) days before the bid process starts. The posted station schedule will be bid by a preference bid form supplied by the Company (electronically if available). The deadline for turning in preference bids will be on the sixth (6th) day at 5:00 PM local time. The Company and the Union will meet on the following day and award the station schedule. An employee whom has not turned in a bid, will be awarded a line by seniority (if more than one employee has not turned in a bid) of the remaining open lines.

If a station incorporates a scheduled bid appointment system, the work schedule will be published for a minimum of five (5) days, prior to the start of the bid. If an employee is not available to bid, the employee must submit a proxy bid prior to their original bid appointment schedule.

A finalized work schedule will be posted two (2) days after completion of bidding/award process. Except in the case of holidays when it becomes necessary to change work schedules during a scheduled period, changed work schedules will be published for bid at least ten (10) days in advance. Work schedules will state the beginning and ending dates. Work schedules may contain split shifts on a voluntary basis.

- H. For new station openings, the Company may assign work schedules for probationary employees without a shift bid for the first sixty (60) days of operations.**
- I. Without Pay Time Off (PTO). When the requirements of service will permit, an employee will, upon proper written application and approval of the Company be granted PTO time off. This time off may extend for a period not in excess of fifteen (15) consecutive days at the end of which time the employee will resume the duties of service held with the Company. While on PTO time off, there is no interruption of accruals or restriction of benefits.**

J. Ready Relief/Ready Reserve.

Ready Relief

1. The Company may designate a maximum of 15% of the station-authorized FTEs as Ready Relief, which may be full-time or part-time employees. This position is established by the Company to provide coverage for employees who may be absent from work due to vacation, training, OJI, long term illness, etc.
 - a. Ready Relief schedules will align with the payroll cycle.
2. Ready Relief lines will be posted positions. Employees hired prior to implementation of this program (February 12, 2008) will not be required to bid a Ready Relief position, but may do so on a voluntary basis.
3. Employees who have been awarded Ready Relief positions will be provided as much notice as possible with any change in work schedule and/or days off at a minimum will be given twenty four (24) hour notice. If day off pattern changes Ready Relief employee is guaranteed 40 hours per week with two (2) consecutive days off.
4. Ready Relief employees not covering a vacant shift will be assigned to their home shift with two (2) consecutive days off.

Ready Reserve – (Voluntary Program)

1. Reserve employees will not bid a shift and will be considered on-call. Article 18 does not apply to Ready Reserve employees. Reserve employees must provide a minimum of four (4) shifts per week that they will be available.
 - a. Prior to awarding hours to a Reserve, the Company will ensure the vacant hours are awarded to an employee through the Voluntary overtime sign-up process.
 - b. Reserve employees who refuse to accept a call-in three (3) times in a calendar year will be administratively terminated.
 - c. Reserve employees will not be required to work more than twelve (12) hours in a week.
 - d. Reserve Employees will not be required to accept a call-in for fewer than two (2) consecutive hours of work.
 - e. Reserve Employees will be provided a minimum of two (2) hours notice from the start of shift.
 - f. Reserve Employees will accrue seniority at one fourth ($\frac{1}{4}$) the full-time rate.
 - g. Reserve Employees will not be eligible for any benefits.
 - h. Reserve Employees will receive flight benefits covered under this agreement.

The language and work rules for this provision will be finalized with the agreement of the Company and the Union after the completion of a six (6) month trial basis from implementation of this provision.

- K. Notwithstanding any other provisions of this Agreement, the Company may institute a preferential bid system for part-time employees. The system will ensure that full-time employees will first bid available full-time lines. Part-time employees shall bid by seniority, personal preferences, and available part-time hours. Part-time employees may waive any scheduling restricting; including but not limited to consistent start times, day off, and split schedules. Part-time preferential bidding will not play a factor in determining the scheduling practices of full-time employees. Full time schedule will be based on operational needs.

ARTICLE 9
PART-TIME EMPLOYEES

- A. Part-time employees will be scheduled for not more than thirty (30) hours each week and not more than eight (8) hours each day. Part-time employees will not work any additional hours unless the work has been first offered to all available full-time employees, except in cases of emergencies or to maintain flight schedules. An overtime rate of time and one-half (1 1/2) the employee's regular rate of pay shall be paid for all work performed in excess of forty (40) hours in a workweek.
- B. Part-time employees will accrue seniority for classification purposes at one-half (1/2) the full-time employee rate on a calendar month basis. Part-time employees will accrue Company seniority beginning their first day worked with the Company and will accrue pay seniority beginning with their first day worked in the classification (both Company and pay seniority accrue at the full-time employee rate).
- C. After sixty (60) calendar days of employment, part-time employees are required to join and maintain membership in the Union in accordance with Article 4.
- D. Part-time employees, if required to wear a uniform, will purchase the item in accordance with Article 6, Paragraph D.
- E. Part-time employees will receive on-line pass benefits equal to full-time employees.
- F. Part-time employees will accrue vacation at half the full-time employee accrual rate. Part-time employees will not be eligible for any holidays, but part-time employees who actually are scheduled to and in fact work on a holiday shall be paid a premium rate of one and one-half (1-1/2) times their regular rate of pay. Part-time employees will not be eligible for sick leave or any other benefits.

Exception: Article 18.A.2.b.: A grandfathered Part-timer will be eligible to use retained sick leave accruals, but will not continue to accrue sick leave.

- G. If the Company opens or operates new stations during the term of this Agreement, the Company may staff the station with full-time or part-time employees as the business needs of the Company require. Any new station staffed by the Company will have a minimum of one (1) full-time employee. When work is available for a full-time employee at any station, a full-time employee will be employed to perform that work.

- H. Part-time employees will be scheduled so as to have at least two (2) consecutive days off in each seven (7) day period, except when an employee is bidding or voluntarily changing shifts.

ARTICLE 10
PAYMENT OF OVERTIME

- A. Once a schedule is posted at the request of the Company overtime rate of time and one-half (1 1/2) the employee's regular rate of pay shall be paid for all work performed either in advance of or after regular scheduled hours and for all hours worked on any one of the regular scheduled days off each work week. The base rate will include the Lead Agent salary additions when they are applicable in the computation of overtime.
- B. When an employee covered by the Agreement has been relieved for the day and is recalled to work, he will be paid not less than two (2) hours pay at the applicable overtime rate.
- C. There shall be no pyramiding of overtime rates. A working employee who is AWOL from scheduled overtime responsibility is subject to appropriate disciplinary action.
- D. Mandatory Overtime - No employee will be required to work overtime against his wishes; except in the case of an emergency. An emergency will be when no employee is available to work on a voluntary basis to meet operational needs due to irregular operations. When an emergency is declared, mandatory overtime will be assigned in reverse seniority order within a job classification. Employees required to work mandatory overtime at the end of their shifts in excess of two (2) hours will be permitted a meal period without loss of pay.
 - 1. Recruiting shortfall is defined by staffing shortages directly resulting from recruiting difficulties in a specific market. An employee will not be required to work more than 16 hours of mandatory overtime in a calendar month due to staffing shortages related to recruiting shortfalls. The Company will provide employees with 2 hours notice when an emergency is related to recruiting shortfalls.

No employee will be required to work mandatory overtime on their regular scheduled days off.

- E. Every effort will be made to distribute overtime as equally as possible among all qualified employees by job classification at a location. For the purpose of this provision only, leads in the classification will be considered the same job classification.

- F. Time off may be given in lieu of overtime and holiday pay, but must be mutually agreed upon by the employee involved and the Company, Station Manager or Department Head. Compensation time shall be one (1) hour off for each hour worked.

ARTICLE 11
HOLIDAYS

- A. The following days each year are designated holidays: New Year's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day. Probationary employees are not eligible for paid holidays.
- B. In the event any of the above-described holidays are observed on a day other than the holiday by an act of the United States Congress, observance of that holiday will conform to the legislative designation.
- C. Clerical and Office employees who are regularly scheduled to work on Monday through Friday shall not be required to work on the above designated holiday, unless requested by the Company. In the event any of the designated holidays fall on a Saturday, said employee shall observe the holiday on the preceding Friday. In the event any of the designated holidays fall on a Sunday, said employees shall observe that holiday on the following Monday.
- D. Employees who are required to work on the designated holidays will be paid an additional one (1) and one-half (1/2) hours pay for each hour worked at their regular base rate. All employees who are not scheduled to work on the above-designated holidays will receive an additional eight (8) hours pay. Those employees scheduled to work may request an extra day off in lieu of the holiday pay.
- E. If any of the designated holidays falls within a vacation period of an employee, the employee will be granted an additional **DAT (in addition to the eight (8) DAT's Ref. Article 12)** for each holiday
- F. Employees on probation or on leave of absence or furlough will not be eligible for holiday pay.
- G. There shall be no duplication of holiday pay with sick pay or vacation pay.
- H. The Company may within seven (7) days after finalizing a holiday flight schedule requiring less employees, post a volunteer list showing the number of employees in each classification needed to work the holiday. Employees normally scheduled to work will, in seniority order, at least three (3) days after the posting, indicate their desire to work. If an insufficient number of qualified employees volunteer to work, the Company will assign qualified employees in the inverse order of seniority **from those that were scheduled** to work.

AWAC/IAM – Representing COFPS Employees

- I. An employee shall not be paid as provided in this Article unless the employee works on the last assigned work day preceding a holiday and the first assigned work day subsequent to a holiday. Specifically, approved absences such as day trades and vacations will not cause the loss of holiday pay.

- J. The distribution of additional hours on a holiday will be awarded in seniority order.

ARTICLE 12
VACATIONS

- A. A full-time employee's date of hire shall be used as the anniversary date for the purpose of vacation eligibility. Vacation time shall be earned as follows:

Completion of:

1 year of service	80 hours
6 years of service.....	120 hours
12 years of service.....	160 hours
18 years of service.....	200 hours

- B. Employees will accrue **6.67 hours** of vacation for each full month of continuous employment with the Company from the employee's initial date of hire to the first day of January of the year following. Thereafter, vacations will be calculated from January through December of each year.
- C. Employees who have completed six (6) years of service will accrue **10 hours** per month of vacation from the employee's anniversary date to the end of that year. Thereafter, vacation will be calculated from January through December.
- D. Employees who have completed twelve (12) years of service will accrue **13.34 hours** per month of vacation from the employee's anniversary date to the end of that year. Thereafter, vacation will be calculated from January through December.
- E. Employees who have completed eighteen (18) years of service will accrue **16.67 hours** per month of vacation from the employee's anniversary date to the end of that year. Thereafter, vacation will be calculated from January through December.
- F. An employee who requests up to eight (8) days of his authorized vacation on a day at a time (DAT) basis or an open schedule time less than twenty-one (21) days prior to the date requested, will receive an answer within seven (7) days of receipt of the request. An employee who requests same more than twenty-one (21) days prior to the date requested will receive an answer within twelve (12) days of receipt of the request.

- G. Vacations shall be granted in order of classification seniority at the location. Once a vacation is scheduled and approved, a senior employee may not request that period. Refer to vacation schedules and bidding policy.
- H. Vacations shall be non-accumulative and accrued vacation must be taken in the year following the year in which it was earned, unless the Company has denied the employee the right to take his vacation in which case, the employee may take cash settlement or carry over the unused portion to the following calendar year.
- I. Each employee shall be paid for any unused vacation in the event of his termination. However, no employee shall accrue vacation during his probationary period except that upon the completion of his probationary period, the employee's accrued vacation shall be calculated as of his date of hire. In the event an employee does not give at least two (2) weeks' notice of voluntary termination, the vacation accruing in that calendar year shall be forfeited.
- J. Employees will, whenever possible, give **fourteen (14)** days notice of their vacation request.
- K. After completion of one year of service, an employee may bid his vacation during the year he is earning the vacation in accordance with present Company policy.
- L. When a state of emergency is declared by local or state government due to weather conditions and employees are prevented from reporting to work, employees may request and will be granted a vacation.
- M. The Company will provide for a "Vacation Relief Position." This position is a position established by the Company to provide coverage for employees when they are on vacation. Vacation relief employees not covering vacation will be assigned to their home shift with two (2) consecutive days off.
- N. For planning purposes, each manager is required to post a vacation bid schedule for employees at their stations.

Guidelines are:

- 1. It will be posted by November 1, and all bids for the following year will be submitted by December 1. Completed schedules will be posted by December 15.

2. Each employee must bid the number of days he/she must take during that year excluding the allowable carry over time and DAT, day at a time vacation days.
3. Bidding will be on a seniority basis and it will be the manager's responsibility to set up a system to ensure that all employees are given ample time to bid their vacations.
4. The number of employees on vacation at one time will be dictated by the number of employees in that station and the number of vacation days to be used in that station.
5. Notice of vacation requests must be submitted to the manager and if different than the bid request may be denied. If denied, the employee will be required to take the time previously bid or alternate days approved by the manager.
6. An employee must have completed one year of continuous employment to be eligible for vacation.
7. Applicable contract provisions will be reviewed to ensure compliance.

Obviously, employees may question bidding a vacation if a work schedule is not posted for that period because they would not know their work schedule, days off, etc. The bid schedule is for planning, and because the manager makes up the work schedule, he will have to coordinate vacation scheduling with the employees when posting work schedules that have an effect on vacations already bid.

ARTICLE 13
SENIORITY

- A. Company Seniority is defined as length of continued service of an employee with the Company.
1. Classification Seniority – higher to lower
 - a. PSA
 - b. Technical Stores/Supply Personnel
 - c. Clerical
- B. Classification Seniority is defined as the length of service an employee has in each classification. Classification Seniority shall begin to accrue the first day worked in the classification. In the event more than one employee has the same classification seniority, the employee having the greater Company seniority shall appear first on the classification seniority list. If the Company seniority is equal, the oldest employee as determined by the date of birth shall appear first on the classification seniority list. The work classifications to be recognized for seniority purposes shall be as defined in Article 5.
- C. Unless otherwise provided in this Agreement, Classification Seniority shall govern in the case of furlough and recall, promotion and demotion, filling of vacancies, bidding of work schedules and bidding of work on holidays.
- D. 1. Employees moving from a lower classification to a higher classification (in accordance with A.1. above) (i.e. Parts to PSA) will retain and continue to accrue seniority in all lower classifications they worked and will retain their present rate of pay or a starting rate of the higher classification, whichever is greater, until such time their seniority in that classification increases the rate of pay.
2. If an employee holding seniority in a lower classification (in accordance with A.1. above) elects to bid to a vacancy in a lower classification or an employee having no lower classification seniority bids and is awarded the vacancy, he shall retain but not accrue all seniority in any classification rated higher than the one to which he successfully bids. Employees moving to a lower classification will receive the rate of pay in accordance with their Company seniority.

- E. As of January 1 and July 1 of each year, the Company shall bring up to date system seniority lists which shall contain in their proper order the names of all employees in each job classification. Copies of seniority lists shall be posted on the IAM bulletin boards and a copy sent to the Union. At the time of the initial appearance on a seniority list, employees shall have thirty (30) days after posting of such a list in which to protest in writing to the Company an omission or incorrect posting affecting their seniority.
- F. Employees covered by this Agreement shall lose their seniority status and their names shall be removed from the Seniority List under the following conditions:
1. Employee quits or resigns.
 2. Employee is discharged for cause.
 3. Furloughed employee not returning to the service of the Company on or before the date specified in the notice of recall to work, provided that such notice of return to work is for the position from which furloughed.
 4. Employee remains on leave of absence due to sickness or injury over a period of twenty-four (24) months, unless the medical prognosis is such that the employee will be able to return to work with no restrictions within a four (4) week period of time.
 5. Employee is absent from work more than (2) consecutive days without notifying the Company of the reason for such absence.
 6. Furloughed employees not recalled to work for a period of **thirty-six (36)** months or who refused to accept an offer in a job for which he is eligible and has stated or filed a preference for.
 7. **All furloughed employees not recalled to work prior to the date of signing will be grandfathered for a period of seventy two (72) months from their furlough date or who refused to accept an offer in a job for which he is eligible and has stated or filed a preference for.**

G. Temporary and Seasonal Employee

1. a. Temporary – Utilized to replace an existing position vacated by a leave of absence of eighteen (18) months or less. Employees filling such a position shall assume seniority – benefits on the same basis as the employee in the position who is replaced or
 - b. Utilized to augment an existing station or a seasonal station. Such positions shall be posted as temporary. Seniority and benefits shall accrue based on whether the position is full or part time.
 2. Seasonal – A position in a seasonal market that does not accrue any seniority and is not eligible for benefits. Seasonal employees will receive the starting rate of the agent classification.
- H. If temporary employees are hired as regular employees, the period of temporary employment shall be credited against and deducted from their probation period. Seniority shall accrue from the time assigned as a temporary employee.
- I. Any employee unable to perform the essential functions of their job will be reviewed in accordance with the Americans with Disabilities Act (ADA).

ARTICLE 14
TRANSFER OUT OF BARGAINING UNIT

- A. An employee transferred to regular supervisory or other duties with the Company outside of positions represented by this bargaining unit shall retain and continue to accrue seniority for a period of one (1) year from such transfer. After one (1) year from such transfer, if the employee remains outside of the unit, all seniority accrued in the bargaining unit shall be forfeited. If an employee returns to the unit within a period of one (1) year, he may not displace an employee but may bid an opening on the system in accordance with his retained seniority.
- B. An employee may be utilized on a volunteer basis for a temporary management assignment not to exceed six (6) months at a time. Selection will be made from qualified volunteers with due consideration to seniority. The employee will continue to accrue seniority and will be returned to his previous position. During this time period, the employee will continue to pay the equivalent of monthly Union dues (agency fees) to the Union. Upon completion of their temporary position, the employee will return to their previous position. Should their previous position not exist, the employee may bump the most junior employee in the location.

Locations identified by the Company as being seasonal in activity will have temporary management employees in accordance with the above-referenced provision.

ARTICLE 15
SICK LEAVE

- A.1 The purpose of sick leave is to compensate an employee as if he had worked on days that he cannot because of off the job illness or accident not covered by Workman's Compensation. A day of sick leave shall consist of that time that the individual was scheduled to work had he not been sick. Sick leave shall be earned on the basis of one (1) day per month and shall accumulate up to a maximum of one hundred fifty (150) days.
- A.2 For Employees hired after February 12, 2008, sick pay for the first five (5) consecutive days missed for each occurrence will be paid at 50% of his base wage rate.
- B. In questionable cases, the Company may request evidence of proving the illness. The Company may request a doctor's certificate if it so notifies the employee and pays the expense, unless the employee has sought medical assistance from a doctor on his own.
- C. Employees who are furloughed or who are granted leave of absence shall accrue sick leave only for the first thirty (30) days of such absence. Employees shall retain all accrued sick time while on furlough or leave of absence.
- D. An employee who is eligible for Workmen's Compensation will be permitted to use his accumulated sick leave on a pro-rata basis to obtain his regular daily rate of pay at straight time pay until such time as he exhausts his sick leave accrual.

If the compensable injury or illness arises out of employment with Air Wisconsin Airlines Corporation the employee shall earn and accrue sick leave during the period he receives Paid Sick Leave, but such sick leave may be used only after the employee returns to work.

In the event an employee uses sick leave accrual for a job-related injury compensable under Workmen's Compensation, he will, upon return to work, accrue double sick leave days until such time as his accrual returns to the number of sick leave days prior to the injury.

Sick leave may be used only in cases where the state Worker's Compensation payments are not equal to the employee's regular rate of pay after considering the tax implications. If a station does not qualify for FMLA, after one year of employment, the employee may, for the first twelve (12) weeks on a Worker's Compensation leave of absence, continue their medical and dental insurance by paying their insurance premium costs directly to the Company.

- E. Employees receiving compensation under the Company's sick and accident insurance policy will use accrued sick leave on the basis of each work day he would have been scheduled to assist in making up the difference between his monthly base compensation and the salary benefits under the insurance. There shall be no duplication beyond monthly base compensation for sick leave pay and pay under the insurance policy.
- F. A new employee shall begin to earn sick leave from the first day, but shall not be permitted to utilize sick leave accrual until completion of his probationary period.
- G. When hospital confinement is required, employees may use as a loan up to fourteen (14) days of sick leave, which shall be paid back as additional sick days are accrued. Should an employee leave the Company without having fully reimbursed his sick leave account, he will be responsible to reimburse the Company for the sick leave.
- H. Upon retirement from active status or death, an employee or his estate will be compensated for unused sick leave at the rate of two (2) days of sick leave for one (1) day of pay at the employee's regular base rate. If an employee retires from furlough status, this provision is not in effect.

An employee, who returns from a furlough status must return to an active status for a ninety (90) day period prior to retirement, meet retirement eligibility per Article 20, and must provide fourteen (14) calendar days advanced notice in writing of his intent to retire, in order to be eligible for the sick leave compensation noted above.

In order to be eligible for retirement the employee must meet the minimum age and years of service requirements as addressed in Article 20.

- I. It is agreed that the Union will cooperate with the Company wherever possible to combat any abuse of the sick leave provisions provided in this Agreement. Any employee who uses sick leave of absence for any other purpose than for which it is designated on the leave of absence request signed by the employee will be subject to disciplinary action, including discharge.

The Union, in conjunction with cooperating with the Company, will not file a grievance against Air Wisconsin where the discharged employee intentionally falsified his sick leave request.

- J. An employee shall not be reprimanded for legitimate use of allotted sick and/or Worker's Compensation leave. An employee who has completed his probationary period whose dependability record is unsatisfactory will be counseled in accordance with the Company Attendance/Reliability Program and shall be advised, furnished a copy of his/her record and given a reasonable opportunity for improvement before any disciplinary action is taken.

ARTICLE 16
VACANCIES AND BULLETINED JOBS

A. System Bidding

1. Filling of Open Positions:

Open positions which are not filled by local preference bid or recall will be subject to filling from a system preference bid file. An eligible employee who desires to work in an open permanent position on the Company's system, which is subject to filling by system preference bid, shall file in advance a system preference bid for each position to which he/she desires transfer.

- a. System preference bids shall be made on a standard form supplied by the Company, signed by the employee, and filed with the Bid Desk.
- b. System preference bids will become effective upon their receipt by the Bid Desk as evidenced by a time stamp. A system preference bid may be filed in one of the following ways:
 1. By personal delivery, U.S. mail, Company mail, or fax on the standard form supplied by the Company.
 2. Standard preference bid form submitted via e-mail.
- c. An employee may file or withdraw his/her system preference bid(s) at any time during normal business hours (0800-1630 central time). All preference bids filed during the calendar year will be automatically canceled on December 31 of the current year, except that preference bids filed in December will be effective for the next calendar year.
- d. There shall be no limitation on the number of stations for which an eligible employee may file system preference bids
- e. No bid on file shall be altered in any way. Changes must be made by submitting a new bid. Bids which are illegible or incomplete may be disregarded by the Company in the awarding of open positions.

2. The Award

- a. The awarding of open position by system bid award shall be in seniority order. Full-time employees shall have preference for full-time positions. Part-time employees shall have preference for part-time positions.
- b. Upon determination of the successful bidder or lack of eligible bidders, an award shall immediately be issued at all stations.
- c. The Company will notify the successful bidder by phone followed by a written confirmation.
- d. An employee who has been awarded a position but refuses to accept the award will be ineligible to be awarded a system preference bid for five (5) calendar months from date of such refusal. The employee will notify the Company in writing within five (5) calendar days (applies to any award or refusal).

- B. Whenever new stations or new classifications are established at a station, the Bid Desk will issue an announcement to all stations that such positions are now available and employees may thereafter submit bids for such positions. (Bid restrictions do not apply to new stations.) Such announcement will be posted for seven (7) days.

Positions will be awarded to the most senior eligible employee as specified in paragraph D below.

Any employee selected to fill such vacancy shall begin the assignment within a maximum of ten (10) calendar days except for training purposes or replacements which will not exceed thirty (30) calendar days from award date.

The effective date of occupying such bulletined job shall not be less than ten (10) calendar days after the job is awarded, when such a job involves a change of station, unless a different date is agreed upon between the employee and the Company. An employee may request and will be granted up to five days of accrued vacation upon award of a permanent position to be used as travel and adjustment.

C. Local Preference Bid.

For purpose of this paragraph, "Location" means an area of assignment established by the Company at a "point." "Point" means the Company's main base or a Company station.

D. Vacancies will be filled as listed:

1. Local Preference Bid Award
2. Recall
3. System Preference and Bulletin Bid Awards
4. Letter of Interest
5. Company Selection
6. New hire

E. The senior employee in other classifications who has the ability and who has filed a bid will be given opportunity to fill the position and will serve a trial period of thirty (30) work days in order to demonstrate his ability. Prior to ten (10) days on the job, again prior to twenty (20) days on the job, and prior to the thirtieth (30) day on the job, the employee will be given an interview and a written progress report. In the event an employee fails to demonstrate his ability to do the job, he will be returned to his previous assignment at his own expense unless his return was proven to be unjust.

F. Bids may be submitted on a standard Company form and sent by U.S. Mail, or bids may be submitted by Company computer. Proper bidding procedures for the computer will be maintained. Bids must be dated and/or postmarked and received prior to the closing date of the bulletined vacancy.

G. During the interim required to bulletin and fill a permanent vacancy, the Company may select an employee to fill the vacancy temporarily; and the employee shall receive his regular rate of pay or the rate of the job, whichever is higher, for such assignment. If an employee is temporarily assigned to a job which is to be bulletined and he is the successful bidder for the job, the time spent on the temporary assignment will be included in the thirty (30) day trial period. The selection will be made from employees with due consideration for their seniority.

H. After an employee has been chosen to fill a bulletined job, the proper official of the Company shall within five (5) work days after the close of the bulletin send to all shops and locations a bulletin to be posted on the bulletin boards showing the name of the employee selected to fill the job and his seniority date.

AWAC/IAM – Representing COFPS Employees

- I. An employee may be utilized on a volunteer basis for special temporary assignments not to exceed six (6) months at a time. Selection will be made from qualified volunteers with due consideration for seniority. The employee will continue to accrue seniority and will be returned to his previous position.

- J. An employee who is returned to his previous position after failing to demonstrate his ability to perform the work will not be permitted to bid for another vacancy, other than a Lead Agent vacancy, for six (6) months from the date he was awarded the original bid.

ARTICLE 17
LEAVE OF ABSENCE

- A. Unpaid Personal Leave of Absence - At the discretion of the Company, an employee of the Company with one or more years of service may be granted a leave of absence. When such leave of absence is granted, an employee shall retain and shall continue to accrue seniority. Seniority shall not accrue for more than twelve (12) consecutive months provided that such period of accrual may be extended with the approval of the Company. Length of service for longevity pay or salary purposes shall not accrue during a personal leave of absence.
- B. Funeral Leave - In the event of the death of a member of the employee's immediate family, i.e., spouse/domestic partner, as prior approved through AWAC Employee Relations/Benefits, child, father, mother, father-in-law, mother-in-law, sister, brother, employee's grandparents, including step relationships, the employee shall be entitled to pay for a maximum of three (3) scheduled days lost between the day of death and the day after the funeral.

An additional three (3) days may be requested and shall be granted at that time. These additional days off will be either unpaid or the employee may use his accrued, unused vacation.

In case of the death of other relatives and after reviewing the circumstances with the employee, the supervisor may grant time off without pay or grant emergency vacation for additional time off. If an employee has other, non-immediate family members funerals to attend, the employee may request to take unpaid time, (or the employee may use accrued, unused vacation) in the amount of five (5) days.

- C. Leaves of absence will be granted in accordance with the Family and Medical Leave Act.
- D. Maternity Leave - Maternity leave shall be granted a pregnant employee in accordance with Federal law. Should changes in Federal law necessitate revision, copies of the changes will be sent to the Union and all stations for posting within thirty (30) days of the change. Additional leave may be requested in accordance with Paragraph A of this Article.
- E. Military Leaves - Military leaves will be granted in accordance with USSERA.

- F. Jury Duty Leave - Employees hereunder who must be absent from their work while serving as jurors, will upon proper evidence that they were called and actually served such jury duty, be paid their regular rate of compensation; however, employees will be required to sign over to the Company any jury duty pay received.
- G. Any employee granted any Leave of Absence may continue his Hospitalization, Life and Disability Income Protection, and Dental Plans, but must pay the monthly premium to the Company in advance in order to remain on the group plan.
- H. An Air Wisconsin employee covered by this Agreement, upon appointment or election to a full time District Lodge 142 position, shall be granted an indefinite unpaid leave of absence to fulfill his term of office. During such leave of absences, such employee shall be extended all benefits and seniority under this Agreement and Air Wisconsin shall be reimbursed for same by District Lodge 142.
- I. Pay seniority will continue to accrue during leaves of absence granted due to sickness or injury, military leaves, or for FMLA or for leaves granted in the interest of the Company.
- J. **Benefits While on Leave.**
 - 1. **While on a paid sick/medical/STD leave status, an employee will:**
 - a. **remain on all insurance, welfare and retirement benefit programs previously enrolled in, with no increase in employee contributions to those plans, subject to any open enrollment period changes, and;**
 - b. **accrue sick time and vacation time consistent with the current collective bargaining agreement, and;**
 - c. **be subject to the pass policy of the Company unless otherwise provided for in the Agreement, and;**
 - d. **continue to accrue seniority for pay, Company and classification purposes.**

2. While on a Worker's Compensation leave status, an employee will:
 - a. remain on all insurance and welfare programs previously enrolled in, with no increase in employee contributions to those plans, subject to any open enrollment period changes, for the period of twelve (12) consecutive weeks. Thereafter, if the leave continues and the employee is not using sick pay to augment his Worker's Compensation payments, the employee may be credited eight (8) or then (10) hours per day from any available sick leave bank in order to continue their insurance/welfare program, and;
 - b. accrue sick time and vacation time consistent with the current collective bargaining agreement, and;
 - c. be subject to the pass policy of the Company unless otherwise provided for in the Agreement, and;
 - d. continue to accrue seniority for pay, Company and classification purposes.

3. While on an unpaid medical leave of absence, an employee will:
 - a. remain on all insurance and welfare programs previously enrolled in with no increase in employee contributions to those plans, subject to any open enrollment period changes, for a period of twelve (12) consecutive weeks. Thereafter, if the leave continues the employee will be offered COBRA continuation for their insurance/welfare programs, and;
 - b. accrue sick time and vacation time consistent with the current collective bargaining agreement, and;
 - c. be subject to the pass policy of the Company unless otherwise provided for in the Agreement, and;
 - d. continue to accrue seniority for pay, Company and classification purposes.

4. While on an approved FMLA leave of absence, an employee will:
- a. remain on all insurance, welfare and retirement benefit programs previously enrolled in, with no increase in employee contributions to those plans, subject to any open enrollment period changes, and;
 - b. accrue sick time and vacation time consistent with the current collective bargaining agreement, and;
 - c. retain pass policy privileges as if an active employee for the duration of the FMLA leave of absence, and;
 - d. continue to accrue seniority for pay, Company and classification purposes.

ARTICLE 18
FURLOUGHED EMPLOYEES

- A. In the event it becomes necessary to furlough employees who have passed their probationary period, such furloughing shall be accomplished in reverse order of classification seniority at the location. When furloughing occurs, employees shall be given as much notice as possible, but in no event less than fifteen (15) days from the date of postmark or by written notice provided at work. In the event the Company has been notified sixty (60) days prior to a station closure, it will promptly notify both the District and the employee. The employee(s) directly affected may exercise his seniority in the following manner:
1. a. Displace the most Junior employee in his present classification and status (full-time or part-time) at another location on the system.
 - b. Displace the most Junior employee at his present location and status in any lower classification in which he holds seniority.
 - c. Except as provided hereafter, an employee in a full-time status whose desire is to remain in his location may displace an employee in a part-time status in their location or city and classification and become a grandfathered employee subject to the conditions set out in 2. below. This provision shall not apply to seasonal furloughs.
 - d. Displace the most Junior employee at another location and status in any lower classification in which he holds seniority. An employee must exercise their seniority under a. or b. prior to being eligible to exercise their seniority under this paragraph.
 - e. Accept furlough at the location where affected by a reduction in force.
 - f. An employee displaced by an employee exercising a., b., c. or d. above may exercise either a., b., c. or d. However, an employee displaced by such displaced employee will only displace the most Junior employee in his classification on the system, or accept furlough.

2. An employee in a full time position who, pursuant to paragraphs A.1.c. above, displaces a part time employee at his location or city and becomes grandfathered will be subject to the following conditions:
 - a. Retain accrual of full time seniority and benefit eligibility except for vacation accrual and sick leave.
 - b. Be eligible to use accrued sick leave.
 - c. Be eligible for recall back to former full time position if doesn't accept recall to former full time position, remains part time, but loses grandfather status.
 - d. If as grandfathered employee, bids and is awarded any position in another station, loses grandfathered status.
3. An employee electing options b. or d. in paragraph A.1. shall retain and accrue seniority in all classifications from which furloughed at a location or displaced but will be required to accept recall in the classification from which furloughed at his location. An employee electing option e. in paragraph A.1. shall accrue seniority in all classifications in which he retains seniority except that accrual after thirty (30) calendar days of furlough shall not be used for purposes of pay progression or accrual of benefits.
4. Employees electing furlough under paragraph A.1.e. at a location will not be permitted to displace a Junior employee at some later date but may bid on any bulletined vacancy in accordance with their seniority. Such bulletins will be provided in accordance with this Agreement.
5. Furloughed employees shall not be required to accept a temporary job of less than sixty (60) calendar days, and the Company shall notify the employee if the recall is for a temporary position.
6. An employee must notify the Company in writing within ten (10) calendar days after receipt of notice of furlough or displacement which of the above options he elects. In a seasonal market, the employee will have five (5) calendar days after receipt to notify the Company of his options. Failure to notify the Company will be considered to mean the employee desires to be placed on furlough at the location.

- B. A moving allowance will be allowed for any full-time or part-time employee with at least two (2) years employment who upon furlough immediately exercises his seniority. The moving allowance will be paid up to the maximum in accordance with the schedule listed in this paragraph provided the employee turns in receipts to verify expenses incurred.

	UP TO
2 years	\$ 650
3 years	725
4 years	800
5 years	875
6 years	950
7 years	1000
8 years	1050
9 years	1150
10 years	1250
11 years & up	2250

- C. All notices required to be sent under this Agreement shall be sent to the employee at the last address filed by him with the Company or shall be hand-delivered to the employee, requiring a signed receipt of acknowledgment. There shall be no obligation on the part of the Company under this Agreement to an employee who fails to keep his current mailing address on file. All notices required by this Article will be sent by Registered or Certified Mail, Return Receipt Requested, or by telegram.
- D. Recall of employees furloughed under paragraph A.1.e. shall be by classification seniority and status at the location from which furloughed. The Company will notify the employee of their recall and the employee will be given twenty-one (21) days from the date of their recall notice to return to the service of the Company. A recalled employee will notify the Company within five (5) days of receipt of his intention to return to the service of the Company. An employee refusing an opportunity to return to the Company at the location and status from which they were furloughed, forfeits his right of recall and will be administratively terminated.

ARTICLE 19
GENERAL AND MISCELLANEOUS

- A. Grooming and appearance standards will be controlled by the appropriate Company policy and in accordance with its marketing partners requirements. Technical store/supply employees will have a more relaxed grooming standard.
- B. Free Parking - Company will continue to provide free parking at each airport as designated by the Airport Authority.
- C. On-Line Pass Policy – All employees covered under the Agreement will enjoy pass travel benefits consistent with Company policy and its Interline Agreements for themselves and their immediate family members as defined by the IRS or Company policy.

Provided he has a minimum of ten (10) years of service, an employee who retires in good standing from Air Wisconsin shall be eligible for pass benefits on Air Wisconsin for himself, spouse and eligible dependents if his years of service plus age equals a minimum of 65. All retired employees shall be eligible for interline pass agreements offered to Air Wisconsin based on the terms and conditions of the Agreement. These passes will not be used for business purposes.

An employee who retires from furlough status will be allowed retiree benefits consistent with AWAC's interline agreements.

- D. Pay day will be every other Thursday and employees will be paid from actual time sheets. The Company will continue the pay system procedures currently in effect during the life of this Agreement. Employees hired on or after the effective date of this agreement will be paid in arrears based on actual hours worked.
- E. Bomb Scare - No employee will be required to participate in a bomb scare investigation against his wishes, if such participation would expose him to a hazardous condition which could cause bodily injury.
- F. Contract - The Company shall provide each employee covered by this Agreement with a copy of the Agreement in book form with a minimum font size of 10.

- G. Bulletin Board - The Company will make space available at all locations on a bulletin board for Union use marked INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS.
- H. Notices - All orders or notices to an employee under this Agreement involving a change of station assignment, promotion, demotion, furlough and leave of absence shall be given in writing.
- I. An employee when requested by the Company to use their personal vehicle for Company business will be reimbursed at the then current IRS rate.
- J. Employees will not be required to lift items which would be injurious to their health.
- K. On November 1 of each year, each employee will be issued a statement showing the balance of his/her vacation and sick leave accruals.
- L. In the case of consolidation, sale, merger, or acquisition by the Company with another airline, the Company and the Union will meet without delay to establish provisions for the protection of employee seniority rights.
- M. The Company reserves the right, based on probable cause, to inspect employee lockers, desks, lunch boxes, company E-mail, Comat, and other items of personal property located on Air Wisconsin Airlines Corporation premises. Any refusal to cooperate fully in such inspections or searches will be considered insubordination and subject to discipline. The Vice President Labor and Employee Relations must be notified of all inspections under this section and in advance of the inspection, if possible. During inspections of an employee's locker, lunch box, vehicle and any other such personal items, the individual and a local Union representative will be present. If a local Union representative is not immediately available, an IAM-represented employee who is immediately available may be selected by the employee involved.
- N. **On a monthly basis, the Company will publish details on each employee's sick leave balance and vacation balance.**
- O. **The Company will agree to provide payroll deductions for employees upon a signed authorization from the employee to permit participation in any disability plan, optical plan, 401K plan and loan repayment to such plan, MNPL (Machinists Nonpartisan Political League), legal services plan and Guide Dogs of America.**

P. IAD - Air Wisconsin Airlines Management/Union Stewards Bi-weekly Meetings

The parties agree that Management (including but not limited to IAD Management) and the Union Stewards (including District 142 Personnel when available and any additional IAM members as may be required) will participate in bi-weekly meetings (on dates mutually agreeable), focused on positive collaboration and continuous improvement of the work environment. The Hub Director will attend at least fifty (50) percent of these meetings. The union and company will alternate in the function of recording-secretary and record action items from the meeting. The notes will include action items and remedies to the issues with responsible employees and an estimated completion date. Notes will be forwarded electronically within 5 working days to all IAD Employees and senior leadership.

ARTICLE 20
RETIREMENT

- A. **Employees in good standing, who are actively at work, shall be eligible to retire from Air Wisconsin Airlines Corporation at age fifty (50) + twenty (20) years of service or at age fifty-five (55) + ten (10) years of service.**
- B. **Retirement travel privileges are addressed in Article 15.**
- C. **Retirement sick leave payout is addressed in Article 19.**

ARTICLE 21
INSURANCE

A. Indemnity Plan

The Company will make health insurance coverage available to employees covered by this Agreement. A \$250 annual deductible (family maximum of \$750) will apply under such health insurance coverage. Once that deductible has been met, the insurance coverage will provide for 80% of the covered health care costs, and the remaining 20% of those costs will be borne by the employee up to a maximum of \$1,300 per year (includes deductible). Once an employee reaches the \$1,300 maximum, the reimbursement will be at 100% of eligible expenses for the duration of the calendar year. **The lifetime maximum benefit is unlimited.**

The monthly health insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, 2011, and effective January 1, 2012 the monthly health insurance premium cost to the employee will be 27% using the formula **rating method outlined** under paragraph G.

The monthly health insurance premiums paid by an employee may be increased in accordance with the formula specified in Paragraph G of this article, but in no case will the increase in the employees annual premium cost exceed 15% from the preceding year.

The Company will not reduce coverage or increase cost to the employee, except for yearly premium adjustments, unless required by state or federal regulations.

B. Preferred Provider Organizer (PPO)

The Company will offer alternative health care in the form of a nationwide PPO.

The monthly health insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, 2011, and effective January 1, 2012 the monthly health insurance premium cost to the employee will be 27% using the formula **rating method outlined** under paragraph G.

The monthly health insurance premiums paid by an employee may be increased in accordance with the formula specified in Paragraph G of this article, but in no case will the increase in the employee's annual premium cost exceed **15%** from the preceding year.

The lifetime maximum benefit is unlimited.

The Company will not reduce coverage or increase cost to the employee, except for yearly premium adjustments, unless required by state or federal regulations.

B.2 Air Wisconsin Airlines Corporation 80/60 PPO Plan

Employees hired on and after February 1, 2008 [or such other time thereafter that such plan is established] will not be eligible to participate in the indemnity plan (Section A), the Preferred Provider Organization (PPO)/(EPO)(Section B.1), or the Health Maintenance Organization (Section C), but shall be eligible for health insurance coverage in accordance with the terms of this Plan. Requirements for participation include a minimum of three (3) months service (**part time service will be include in the three (3) month calculation**) and payment of 30% of the premium cost. During the 4th quarter of each year, the Company and the IAM General Chairs will meet to review the data and other rating calculations used to determine renewal rates and employee contributions for the next year. The Company reserves the right to change vendors, plan design, including deductibles and co-pays, and to increase employee contributions. Section G of this Article shall not apply.

C. Exclusive Provider Plan (EPO)

The Company will offer alternative health care in the form of an **EPO** at all employee locations, where an **EPO** is available.

The monthly health insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, **2011**, and effective January 1, **2012** the monthly health insurance premium cost to the employee will be **27%** using the formula **rating method outlined** under paragraph G.

The monthly health insurance premiums paid by an employee may be increased by a percentage equal to any percentage increase in costs to be paid by the company in that year, but in no case will the increase in the employee's annual premium cost exceed **15%** from the preceding year.

The lifetime maximum benefit is unlimited.

The Company will not reduce coverage or increase cost to the employee, except for yearly premium adjustments, unless required by state or federal regulations.

D. Unavailability of **EPO** or PPO / at an employee location

At employee locations where neither an **EPO** nor a PPO is available, the Company will make the health insurance coverage described in Paragraph A available to the affected employees at a monthly premium no greater than the lesser of the premium cost for an **EPO** or a PPO at the nearest employee location that offers an **EPO** or PPO.

E. Dental Insurance

The Company will provide a nationwide dental insurance PPO plan with both in-network and out-of-network benefits effective January 1, 2002. The benefit levels for in-network and out-of-network coverage shall be identical, except that the annual individual maximum for in-network benefits shall be \$1,250.00 and the annual individual maximum for out-of-network benefits shall be \$1,000.00. However, the combined individuals in and out-of-network benefit shall not exceed \$1,250.00 per calendar year.

The monthly dental insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, **2011**, and effective January 1, **2012** the monthly dental insurance premium cost to the employee will be **27%** using the **rating method** under paragraph G.

The monthly dental insurance premiums paid by an employee may be increased in accordance with the formula specified in Paragraph G of this article, but in no case will the increase in the employee's annual premium cost exceed **15%** from the preceding year.

The Company will **provide** dental coverage through the establishment of Dental Maintenance Organization (**if available**) with employee contributing **twenty seven percent (27%)** of the required contribution.

The Company will not reduce coverage or increase cost to the employee, except for yearly premium adjustments, unless required by state or federal regulations.

- F. In the event that the health or dental insurance benefits offered to other employee group(s) at the Company are improved, the employees covered by this Agreement shall receive the same benefits **without increased cost.**
- G. Annual Premium Adjustments for Medical and Dental Plans

Annual premium rate development will conform to generally accepted underwriting principles, standards and guidelines. Key rating elements include but are not limited to:

- 1. Claim experience for all medical plans will be combined or “blended” with the resulting rate adjustment applied uniformly to all medical plans.**
- 2. Claim experience will consist of two consecutive 12-month periods of paid claims weighted appropriately based on the average number of employees in the total group.**
- 3. A trend adjustment for utilization and inflation will be derived from an industry average annual trend factor. The industry average will be comprised of a minimum of two national health insurance carriers.**
- 4. The annual premium rate development will also include the Actual Stop Loss Premium and the Actual Administration fee.**

The Benefit Consultant chosen by the Company will develop annual premium rates. During the fourth quarter of each year, the Company and the IAM General Chairs from District 142 will meet to review and discuss any anticipated or expected changes in benefit plan designs, planned vendor changes, or proposed benefit plan enhancements and will share any data or calculations being used for these purposes **prior to the annual Company Open Enrollment period.**

H. Flexible Spending

A flexible spending plan will be offered to the employees. The plan will include an un-reimbursed medical care account and a dependent care account with pre-tax premiums as allowed under federal law.

An employee is entitled to defer **\$3,500 for 2012 and up to the IRS maximum** to his un-reimbursed medical care account **for plan years 2013 and after**.

An employee is entitled to defer up to the IRS maximum to his dependent care account.

- I. During the term of this Agreement, the Company will not reduce the life insurance benefits provided by the company. The Company will provide and pay 100% of the life insurance premium. The coverage for each employee will be seventy five thousand dollars (\$75,000.00).

A living benefit option will be included in the life insurance contract. This benefit will allow a terminally ill employee to choose to receive a percentage (in accordance with the plan provisions) of his benefit prior to death.

- J. Employees may purchase additional supplemental life insurance at age group rates in accordance with the terms and conditions of the policy in the amount of five hundred thousand dollars (\$500,000.00) in ten thousand dollar (\$10,000.00) increments. The company will provide the ability to purchase optional coverage for their spouse of up to fifty thousand dollars (\$50,000.00) in ten thousand dollar (\$10,000.00) increments at age base group rates; provide ability to purchase coverage for children up to ten thousand dollar (\$10,000.00) in twenty-five hundred dollar (\$2,500.00) increments.

- K. Employees shall be entitled to purchase a universal life and cancer policy through payroll deduction. Participation in this program shall be strictly voluntary and offered by an agency and underwriter selected by the Union. The employee shall be responsible for the entire cost of the coverage. The Company shall provide a reasonable opportunity for on-site enrollment.

- L. Employees may elect during open enrollment each year to sell back up to one (1) week of vacation per year to offset employee insurance premiums. The Company will establish procedures for the sell back of vacation.

M. Short Term Disability Insurance

The Company will provide STD coverage for all eligible employees subject to the terms and provisions as outlined in the Company's Policy and Procedures Manual. This includes but is not limited to;

1. An employee must first exhaust their eligible sick leave allowance prior to any STD payments. The employee must be eligible to use their sick time in order to qualify for STD benefits;
2. The maximum benefit period including sick time, is 26 weeks. STD benefits run concurrently with sick time;
3. STD benefits are not payable for any injury/illness for which worker's compensation benefits are payable;
4. Proper documentation must be submitted and continue to be submitted to support the disabling condition and its medical necessity.
5. Benefits begin on the 8th consecutive day of absence;
6. Short Term Disability will be a weekly benefit of ~~\$150.00~~ **\$300.00**.

During the term of this agreement the company will not reduce the amount or duration of the current short term disability program.

- N. Long Term Disability: The Company shall sponsor through payroll deduction an LTD program financed one hundred (100%) percent with employee contributions. The design of the plan **will be per the plan document controlled by National Group Protection and District Lodge 142.**
- O. Accidental Death and Dismemberment Insurance: Employees may purchase up to five hundred thousand dollars (\$500,000) (in \$10,000 increments) in accidental death and dismemberment insurance at group rates/age based, in accordance with the terms and conditions of the policy. In order to purchase this insurance, employees must purchase supplemental life insurance in the same amount.

ARTICLE 22
TRAINING

- A. No employee shall be required to pay for the use of any Company equipment required in any Company training program. The cost of all training required by the Company and expenses related thereto shall be fully paid by the Company.
- B. Training time shall be considered as time worked for the purposes of this Agreement including the calculation of an employee's seniority.
- C. During Air Wisconsin Airlines Corporation's new-hire orientation, the Union will be given a period of time, not to exceed 2 hours, for disseminating Union information. In the event the new hire employee does not attend a formal orientation program, the Union steward in their location will be afforded the opportunity to meet with the new hire.
- D. An employee who is required to attend training during his regular scheduled days off shall be given the option of alternative days off or the ability to work those days at the applicable rate of pay.
- E. Travel pay will cover scheduled block time utilizing the most direct route from the employee's station to the training facility. Travel pay will always be paid at the employee's regular hourly rate and is exempt from overtime requirements covered under Article 10 and Article 11. No employee will be required to travel on a holiday.

ARTICLE 23
MAINTENANCE OF BENEFITS

The Company agrees to maintain in substantially the same manner all wages, hours and conditions of employment not specifically provided for in this Agreement as currently are provided.

ARTICLE 24
LIABILITY FOR DAMAGE TO EQUIPMENT

No employee shall be required to pay for damage done to any equipment or property which may be damaged during the course of his employment unless such damage is a result of gross negligence or a willful or wanton act of such employee.

ARTICLE 25
DAMAGE RESPONSIBILITY

If damage is incurred to either Company property or the property of others, employees who are involved shall report the facts surrounding the occurrence immediately by verbal communication and in writing within such time as the Company shall designate. Failure to comply with this provision may be cause for termination.

ARTICLE 26
GRIEVANCE PROCEDURE

- A. The representation for the effective handling of grievances and disputes between the parties under this Agreement shall be in accordance with the following:

The Union will be represented by a **minimum** of one (1) properly designated Steward for each shift (non-overlapping shifts) at each location. This Steward will deal with officials of the Company with or through and accredited I.A.M.A.W. representative and/or his designee. A Steward, upon request from an employee, may be present at **the** disciplinary hearings. At each location, one of the shift Stewards will be designated as a Chief Steward who will assist the Stewards on all shifts in handling disputes between the parties. The Chief Steward(s) will represent the Union in handling Step 1 and 2 grievance complaints and disputes with the appropriate Company representative at each location.

- B. In order to facilitate the conduct of Union/management business in an orderly and business like manner, the following will apply:
1. The Company shall provide an appropriate confidential area to facilitate the Union's investigation and handling of grievances.
 2. The Union and Company will, at all times, keep the other party advised through written notice of any change in authorized representatives.
 3. The authorized representatives of the Union shall be permitted at any time to enter shops and facilities of the Company for the purpose of investigating grievances and disputes. The representatives shall give prior notice to management and will not unnecessarily disrupt the operation.
 4. The Steward(s) will be empowered to settle all local grievances or disputes not involving changes in policy or the intent and purposes of this Agreement.
 5. All business dealings between the Company and the Union under this Agreement and Article will be conducted in an atmosphere of mutual respect and professionalism. No Union representative will be subject to discipline for appropriately representing an employee on behalf of the Union. Any questionable behavior will be reported to the General Chair.

6. The Union will also be represented by a General Chair from the District for dealing with regional or general representatives of the Company.
 7. The Company will be represented at each location by an authorized official who will be empowered to settle local grievances or disputes, but such settlement may not involve any change in the intent and purpose of this Agreement.
- C. For the presentation and adjustment of disputes or grievances that may arise, the following procedure will be utilized:

STEP 1. Any employee or employees have a grievance in connection with the application of the terms of this Agreement may, with the Steward or other authorized Union representative, present the grievance verbally to the station manager or department head in an effort to resolve the grievance.

Subject to operational requirements and the time remaining on a particular shift, any mutually agreed upon meeting to discuss the issue shall be convened on that shift for the purpose of discussing the issue and rendering a decision in the matter.

STEP 2. If the employee is not satisfied with the verbal decision of the station manager or the department head, he may, within twenty (20) days after the incident giving rise to the grievance, present his grievance in writing for reconsideration by the station manager or the department head, on a form supplied by the Union. The grievance will state the remedy desired.

The station manager or department head shall hold appropriate discussions or hold a meeting and will again review the investigative file and facts and render his written decision within ten (10) days after final discussion with the Steward and/or grievant. If the grievance is denied, the written decision will include specific reasons.

STEP 3. If the employee is not satisfied with the written decision of the station manager or department head, the General Chairman or his designee may appeal the decision to the President or his designee within **twenty one (21)** days after receipt of the written decision rendered in Step 2 above. This appeal will be by submission of the written grievance. The President or his designee will render his decision in writing within **twenty one (21)** days after final discussion with the General Chairman or his designee.

STEP 4. If the President's or his designee's decision is not considered satisfactory, the grievance and decision thereon may be referred to the System Board of Adjustment established elsewhere in this Agreement by its submission to the System Board of Adjustment within thirty (30) days after receipt of the written decision of the President or his designee.

- D. Noncompliance with the time limits set forth in the grievance procedures as outlined above will result in the granting of the grievance if the Company is the non-complying party, and the denial of the grievance if the Union or the aggrieved employees is the non-complying party. However, it is understood that the time limits specified herein may be extended by written mutual agreement of the parties.
- E. The Steward, after notifying his supervisor, may investigate and discuss grievances while on scheduled work time. The Steward will not unnecessarily disrupt any operation.
- F.
 1. An employee who has passed his probationary period will not be disciplined to the extent of loss of pay or discharge without being advised in writing of the **specific** charge or charges prepared against him in such action. Such notice will be presented to the employee not later than ten (10) work days from the date upon which the Company obtained knowledge of the facts upon which such charge or charges are based, and a copy will be provided to the system Steward and local Steward.
 2. If an employee is held out of service pending an investigation, it will be with pay.
 3. An employee disciplined in F.1 above, will proceed directly to Step 2 of the grievance procedure and present his written grievance to the department head or station manager. Any grievance filed by the Company will be filed directly with the System Board.

G. An employee has the right to review his file at reasonable times in the presence of a Company official and may, at his option, be accompanied by his Union representative. Disciplinary letters and write-ups will be removed from an employee's file after two years provided there are not further reoccurrences of any kind.

H. General

1. Probationary employees covered by this Agreement shall not have recourse to the grievance procedure in the event of discharge within their probationary period.
2. For the purpose of computing workdays in connection with provision of this Article, only the calendar days Monday through Friday each week shall be counted.
3. The Union's decision to withdraw grievances, not to process or appeal a grievance to the next step, shall not in any way prejudice its position on the issues involved.
4. Neither the Company nor the Union will discriminate against any witnesses called to testify in any hearing or investigation under this agreement. Employees of the Company who are witnesses will be provided on-line business passes per Company and Partner Carrier pass policy.
5. It is understood that the time limits specified herein may be extended by mutual agreement of the parties hereto.

ARTICLE 27
SYSTEM BOARD OF ADJUSTMENT

- A. In compliance with Section 204, Title 2, of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding all disputes or grievances which may arise under the terms of this Agreement, and which are properly submitted to it after exhausting the procedures for settling disputes, as set forth under the grievance procedure.
- B. The System Board of Adjustment shall consist of three (3) members, one (1) appointed by the Company, one (1) appointed by the Union, and for each dispute, one (1) member (hereinafter referred to as the neutral member) selected in accordance with Paragraph E of this Article.
- C. The Board shall have jurisdiction over disputes between any employee covered by this Agreement and the Company growing out of grievances or out of interpretation or application of any of the terms of this Agreement. The jurisdiction of the Board shall not extend to proposed changes in hours of employment, basic rates of compensation of working conditions covered by this Agreement or any amendment hereto.
- D. The neutral member of the Board shall preside at meetings and hearings of the Board and shall be designated as Chairman of the System Board of Adjustment. It shall be the responsibility of the Chairman to guide the parties in the presentation of testimony, exhibits, and arguments at hearings to the end that a fair, prompt, and orderly hearing of the dispute is afforded. The Board shall meet in the city where the general offices of Air Wisconsin Airlines Corporation are maintained (unless a different place of meeting is agreed upon by the Board).

- E. The System Board of Adjustment shall consider any dispute properly submitted to it by the Union and the Company that has not previously been settled. Upon filing of a submission with the Board, the Company and the Union will, within fifteen (15) calendar days, select one arbitrator for each case to sit as the Chairperson. If selection cannot be made by agreement, then the parties will alternately strike names from the list agreed upon by the parties until one remains and that individual shall service as chair.

Upon selection or the appointment of an arbitrator, the appealing party shall forward a copy of the submission to the members of the Board. All subsequent documents to be filed with the Board shall be addressed to all three (3) members of the Board.

In the month of December of each year, either party may remove an arbitrator(s) from the panel referenced above. The parties will agree to replace the removed arbitrator(s) by the end of the calendar month.

- F. Employees covered by this Agreement may be represented at Board hearings by such person or persons as they may choose and designate, and the Company may be represented by such person or persons as it may choose and designate.
- G. Decisions of the Board in all cases properly referable to it shall be final and binding upon the parties hereto.
- H. The decision of the Board shall be rendered within thirty (30) calendar days after the closing of the hearing and/or final briefs have been submitted, and a majority vote of the members of the Board, including the neutral member, shall be necessary to reach such decision. The expenses and reasonable compensation of the neutral member selected as provided herein shall be borne equally by the parties hereto, except as may be otherwise provided under the Railway Labor Act. The time limits specified in this paragraph may be extended by mutual agreement of the parties to this Agreement.
- I. Nothing herein shall be construed to limit, restrict or abridge the rights or privileges accorded either to the employees or to the Company, or to their duly accredited representatives, under the provisions of the Railway Labor Act, as amended.

- J. Each of the parties hereto will assume the compensation travel expense and other expense of its Board members and witnesses called or summoned by it. Witnesses who are employees of the Company shall receive free transportation over the lines of the Company in accordance with Company policy.

- K. It is understood and agreed that each and every Board member shall be free to discharge his duty in an independent manner, without fear that his individual relations with the Company or with the Union may be affected by any action taken by him in good faith in his capacity as a Board member.

- L. If necessary, the Vice President-Customer Service and the General Chair District 143 shall meet at least every six (6) months in an attempt to settle any grievances scheduled for the System Board of Adjustment.

ARTICLE 28
SAVINGS CLAUSE

If any Article or section of this Agreement or any addendums hereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or section should be restrained by such tribunal, the remainder of the Agreement and addendums shall not be affected thereby, and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such Article or section.

ARTICLE 29
NO OTHER AGREEMENT

The employer agrees not to enter into any other agreement, written or verbal, with the members of the Bargaining Unit individually or collectively which in any way conflicts with the provisions of this Agreement.

ARTICLE 30
RETIREMENT FUND

The Company and the Union have agreed upon a 401(k) plan for eligible IAM represented employees of the Company under which the Company is the plan sponsor. All employees are eligible to participate in the plan in accordance with its terms and conditions. Entry dates are the first day of each calendar quarter. Vesting will be in accordance with federal law and the terms and conditions of the plan documents. There will be a committee member position for an Air Wisconsin management employee.

After the completion of one year of service beginning with the first day of the following calendar quarter, participating employees are eligible for a Company match on deferrals under the plan equal to 40% of the employee deferral percentage, to a maximum of 10% of employee deferrals under the plan. After the completion of 10 years of service beginning with the first day of the following calendar quarter, participating employees are eligible for a Company match on deferrals under the plan equal to 50% of the employee deferral percentage, to a maximum of 10% of employee deferrals under the plan. After the completion of 25 years of service beginning with the first day of the following calendar quarter, participating employees are eligible for a Company match on deferrals under the plan equal to 60% of the employee deferral percentage, to a maximum of 10% of employee deferrals under the plan.

The Company will bear the cost of any needed changes to the plan document as a result of any changes associated with this proposal.

ARTICLE 31
LONGEVITY

An employee upon reaching eight (8) years of service will receive longevity increases in their base rates according to the schedule listed below:

After 8th year	\$.40	\$0.40
After 9th year	.10	\$0.50
After 10th year	.10	\$0.60
After 11th year	.10	\$0.70
After 12th year	.10	\$0.80
After 13th year	.10	\$0.90
After 14th year	.10	\$1.00
After 15th year	.10	\$1.10
After 16th year	.15	\$1.25
After 17th year	.15	\$1.40
After 18th year	.15	\$1.55
After 19th year	.15	\$1.70
After 20th year	.20	\$1.90
After 21st year	.20	\$2.10
After 22nd year	.20	\$2.30
After 23rd year	.20	\$2.50
After 24th year	.20	\$2.70
After 25th year	.20	\$2.90

Maximum \$2.90

ARTICLE 32
SAFETY AND HEALTH

- A. The Company shall furnish first aid equipment and all necessary safety devices for employees working on hazardous or unsanitary work, and also shall furnish protective clothing for employees required to work with chemicals that are injurious to regular clothing. An IAM-designated safety representative will be recognized at all Company locations for purposes of making management aware of unsafe conditions.

- B. In the interest of safety, an occupational safety and health committee will be established at each station when flight activities exceeds 50 departures a day. The committee will be comprised of an equal number of employee representative and Company representatives. The committee shall meet at a minimum on a quarterly basis and at such times deemed necessary and shall keep minutes of all meetings. All minutes will be published and communicated to the membership.

- C. **The Company will furnish Personal Protective Equipment (PPE) as required by OSHA. The Company will provide PPE's at no cost to the employee. PPE'S will be made available to all COFPS members.**

- D. **The Company will provide each location Employee, as required by work assignment, appropriate foul weather gear as follows: rain suits and gloves. To be issued to each station employee and appropriate protective clothing for those working with lavatory service equipment, de-ice fluids, grease or chemicals. The union will have equal numbers on the rain gear selection committee.**

- E. **The Union And Company will work collaboratively and will ensure a water replenishment program is available during extremely high temperatures above 93F. This program will be in place before the summer of 2012.**

ARTICLE 33
CLERICAL

A. Clerical

1. Clerical employees may perform a variety of tasks including typing, filing, sorting, adding, posting, copying, collating, and record keeping. They may also operate office machines and equipment incidental to efficient completion of primary assignments and responsibilities, and other duties as assigned.
2. Below are listed designated areas where clerical employees are assigned. If a vacancy occurs in one of the following areas, such openings will be posted for bid and handled according to the provisions provided in Article 16 of the COFPS Agreement.
 - Reception
 - Maintenance
 - Support Group
 - Accounts Payable
 - Key punch/Data Entry

New employees must pass probation before bidding into another department.

- B. 1. Clerical employees will be awarded bids in accordance with Articles 13 and 16.
 2. Employees awarded a bid will be restricted from bidding another available clerical bid for a period of six (6) months. This restriction may be waived at the Company's discretion. Employees may be retained in their present positions if awarded for a period of thirty (30) work days.
 3. Any reduction in force for clerical employees will be handled in accordance with Article 18.
- C. Clerical Scheduling - When the work schedule provides other than eight (8) hour days, every effort will be made to provide the employee at least three (3) consecutive days off in each seven (7) day period. or the Company will adopt an alternate schedule the employees submit that provides the necessary required coverage. The alternate schedule must be agreed upon by the majority of the employees affected.

ARTICLE 34
EFFECTIVE DATE AND DURATION

This Agreement shall become effective on February 6, 2012 and shall remain in full force and effect through February 6, 2016 and shall automatically renew itself without change each succeeding February 6th unless written notice of the proposed change is served by either party in accordance with the Railway Labor Act, as amended, no later than sixty (60) days prior to February 6, 2016 or any February 6th thereafter.


Both parties agree to open discussions with respect to contractual economic provisions only for Air Wisconsin ground handling Stations in existence on February 6, 2012 as follows:

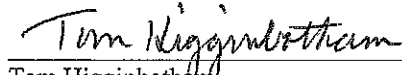
1. For IAD the date that discussions may commence will be on or after September 30, 2014.
2. For all other Stations the date that discussions may commence will be on or after September 30, 2015.

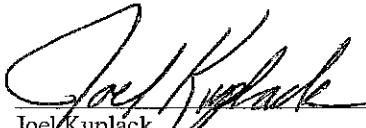
AGREED to this sixth (6th) day of February, 2012 by

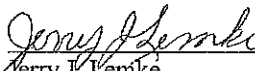
Air Wisconsin Airlines Corporation

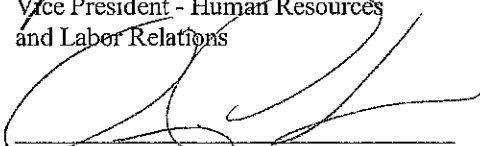
International Association of Machinists
and Aerospace Workers, AFL-CIO

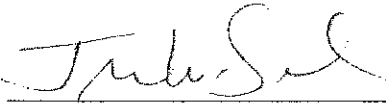

James P. Rankin
President & CEO

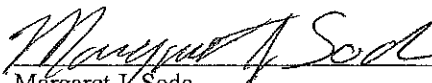

Tom Higginbotham
President-Directing General Chair
District Lodge 142


Joel Kuplack
Vice President - Human Resources
and Labor Relations

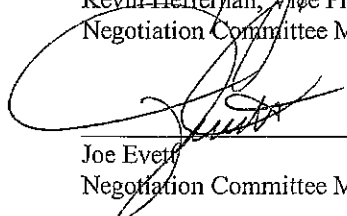

Jerry J. Lemke
General Chair District Lodge 142


Vince Portaro
Vice President- Customer Service


James M. Samuel
General Chair District Lodge 142


Margaret J. Soda
Managing Director - Human Resources


Kevin Heffernan, Vice President
Negotiation Committee Member


Joe Evelt
Negotiation Committee Member

LETTER OF AGREEMENT

Between

Air Wisconsin Airlines Corporation

And

International Association of Machinists and Aerospace Workers

District Lodge 142, AFL-CIO

Representing the

Clerical, Office, Fleet and Passenger Service Employees

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 Corporation (the “Company”) and District Lodge 142 of the International Association of Machinists and Aerospace Workers, AFL-CIO, (the “Union”) representing the COFPS employees.

The Company and the Union hereby agree to the following provisions contained in this LOA.

WHEREAS, the parties recently completed negotiations for a new Collective Bargaining Agreement, and;

WHEREAS, those negotiations have resulted in a Tentative Agreement, and;

WHEREAS, there are sections of the Collective Bargaining Agreement that need supporting documentation and such supporting documentation does not need to be in the body of the text, and;

WHEREAS, such supporting documentation needs to be carried forward to show agreement between the parties on issues relevant to the prior and current Collective Bargaining Agreements.

NOW THEREFORE, the Company and Union agree as follows:

In reference to the language contained below, the parties agree that any employee who is covered by this Collective Bargaining Agreement on the date of signing will retain all wage and benefits contained herein until a new or amended United Airlines ground handling services contract becomes effective at their respective Station at which time the provisions of this Letter of Agreement will no longer apply.

**ARTICLE 7
SALARY AND ITS ADMINISTRATION**

A. Hourly Rates of Pay:

- Passenger Service/Ticket Counter Agents;
- Technical Stores/Supply Personnel;

	IAD,PHL & PMD			STATIONS & ORF			STATIONS (HPN)		
	1/1/2008			1/1/2008			1/1/2008		
	Base	Longevity	Total	Base	Longevity	Total	Base	Longevity	Total
1	9.74		9.74	9.03		9.03	10.49		10.49
2	10.20		10.20	9.51		9.51	10.90		10.90
3	10.72		10.72	10.03		10.03	11.41		11.41
4	11.37		11.37	10.67		10.67	12.06		12.06
5	11.88		11.88	11.18		11.18	12.57		12.57
6	12.38		12.38	11.69		11.69	13.08		13.08
7	12.90		12.90	12.19		12.19	13.58		13.58
8	13.93	0.40	14.33	13.23	0.40	13.63	14.60	0.40	15.00
9	14.37	0.50	14.87	13.69	0.50	14.19	15.08	0.50	15.58
10	15.19	0.60	15.79	14.58	0.60	15.18	15.89	0.60	16.49
11	15.19	0.70	15.89	14.58	0.70	15.28	15.89	0.70	16.59
12	15.19	0.80	15.99	14.58	0.80	15.38	15.89	0.80	16.69
13	15.19	0.90	16.09	14.58	0.90	15.48	15.89	0.90	16.79
14	15.19	1.00	16.19	14.58	1.00	15.58	15.89	1.00	16.89
15	15.19	1.10	16.29	14.58	1.10	15.68	15.89	1.10	16.99
16	15.19	1.25	16.44	14.58	1.25	15.83	15.89	1.25	17.14
17	15.19	1.40	16.59	14.58	1.40	15.98	15.89	1.40	17.29
18	15.19	1.55	16.74	14.58	1.55	16.13	15.89	1.55	17.44
19	15.19	1.70	16.89	14.58	1.70	16.28	15.89	1.70	17.59
20	15.19	1.90	17.09	14.58	1.90	16.48	15.89	1.90	17.79
21	15.19	2.10	17.29	14.58	2.10	16.68	15.89	2.10	17.99
22	15.19	2.30	17.49	14.58	2.30	16.88	15.89	2.30	18.19
23	15.19	2.50	17.69	14.58	2.50	17.08	15.89	2.50	18.39
24	15.19	2.70	17.89	14.58	2.70	17.28	15.89	2.70	18.59
25	15.19	2.90	18.09	14.58	2.90	17.48	15.89	2.90	18.79

NOTE: 25 years of service becomes top of pay scale

B. Lead Agents will be paid one dollar (\$1.00) per hour over their applicable rate of pay.

ARTICLE 12
VACATIONS

- A. A full-time employee's date of hire shall be used as the anniversary date for the purpose of vacation eligibility. Vacation time shall be earned as follows:
Completion of:
- 1 year of service80 hours (+3 DATs)
 - 6 years of service.....120 hours (+3 DATs)
 - 12 years of service.....160 hours (+3 DATs)
 - 18 years of service.....200 hours (+3 DATs)
- B. Employees will accrue 1.08 of a day's vacation for each full month of continuous employment with the Company from the employee's initial date of hire to the first day of January of the year following. Thereafter, vacations will be calculated from January through December of each year.
- C. Employees who have completed six (6) years of service will accrue 1.5 days per month of vacation from the employee's anniversary date to the end of that year. Thereafter, vacation will be calculated from January through December.
- D. Employees who have completed twelve (12) years of service will accrue 1.92 days per month of vacation from the employee's anniversary date to the end of that year. Thereafter, vacation will be calculated from January through December.
- E. Employees who have completed eighteen (18) years of service will accrue 2.33 days per month of vacation from the employee's anniversary date to the end of that year. Thereafter, vacation will be calculated from January through December.
- F. An employee who requests up to eight (8) days of his authorized vacation on a day at a time (DAT) basis, the additional DAT days provided for in Paragraph A above, or an open schedule time less than twenty-one (21) days prior to the date requested, will receive an answer within seven (7) days of receipt of the request. An employee who requests same more than twenty-one (21) days prior to the date requested will receive an answer within twelve (12) days of receipt of the request.

ARTICLE 21
INSURANCE

A. Indemnity Plan

The Company will make health insurance coverage available to employees covered by this Agreement. A \$250 annual deductible (family maximum of \$750) will apply under such health insurance coverage. Once that deductible has been met, the insurance coverage will provide for 80% of the covered health care costs, and the remaining 20% of those costs will be borne by the employee up to a maximum of \$1,300 per year (includes deductible). Once an employee reaches the \$1,300 maximum, the reimbursement will be at 100% of eligible expenses for the duration of the calendar year. Lifetime maximum of two million (\$2,000,000.00) dollars coverage.

The monthly health insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, 2006 and effective January 1, 2007 the monthly health insurance premium cost to the employee will be 25% using the formula under paragraph G.

The monthly health insurance premiums paid by an employee may be increased in accordance with the formula specified in Paragraph G of this article, but in no case will the increase in annual premium costs to be paid by the employee exceed 10% from the preceding year.

B.1 Preferred Provider Organization (PPO) / (EPO)

The Company will offer alternative health care in the form of a nationwide PPO / EPO. An employee's monthly premium will be lower than that offered to employees under the health insurance coverage specified in Paragraph A above.

The monthly health insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, 2006 and effective January 1, 2007 the monthly health insurance premium cost to the employee will be 25% using the formula under paragraph G.

The monthly health insurance premiums paid by an employee may be increased in accordance with the formula specified in Paragraph G of this article, but in no case will the increase in the employees annual premium cost exceed 7% from the preceding year. Effective January 1, 2008 this percentage will be no more than 10%. Lifetime maximum for the PPO is two million dollars (\$2,000,000.00) coverage.

B.2 Air Wisconsin Airlines Corporation 80/60 PPO Plan

Employees hired on and after February 1, 2008 [or such other time thereafter that such plan is established] will not be eligible to participate in the indemnity plan (Section A), the Preferred Provider Organization (PPO)/(EPO)(Section B.1), or the Health Maintenance Organization (Section C), but shall be eligible for health insurance coverage in accordance with the terms of this Plan. Requirements for participation include a minimum of three (3) months service and payment of 30% of the premium cost. During the 4th quarter of each year, the Company and the IAM General Chairs will meet to review the data and other rating calculations used to determine renewal rates and employee contributions for the next year. The Company reserves the right to change vendors, plan design, including deductibles and co-pays, and to increase employee contributions. Section G of this Article shall not apply.

C. Health Maintenance Organization

The Company will offer alternative health care in the form of an HMO at all employee locations, where an HMO is available.

The monthly health insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, 2006 and effective January 1, 2007 the monthly health insurance premium cost to the employee will be 25%.

The monthly health insurance premiums paid by an employee may be increased by a percentage equal to any percentage increase in costs to be paid by the company in that year, but in no case will the increase in the employees annual premium cost exceed 5% from the preceding year. Effective January 1, 2008 this percentage will be no more than 10%. The lifetime maximum benefit for an HMO / EPO is governed by the individual HMO / EPO plan.

D. Unavailability of HMO or PPO / EPO at an employee location

At employee locations where neither an HMO nor a PPO / EPO is available, the Company will make the health insurance coverage described in Paragraph A available to the affected employees at a monthly premium no greater than the lesser of the premium cost for an HMO or a PPO / EPO at the nearest employee location that offers an HMO or PPO / EPO.

E. Dental Insurance

The Company will provide a nationwide dental insurance PPO plan with both in-network and out-of-network benefits effective.

January 1, 2002. The benefit levels for in-network and out-of-network coverage shall be identical, except that the annual individual maximum for in-network benefits shall be \$1,250.00 and the annual individual maximum for out-of-network benefits shall be \$1,000.00. However, the combined individuals in and out-of-network benefit shall not exceed \$1,250.00 per calendar year.

The monthly dental insurance premium to be paid by the employees electing such coverage will continue under the current formula through December 31, 2006 and effective January 1, 2007 the monthly health insurance premium cost to the employee will be 25% using the formula under paragraph G.

The monthly dental insurance premiums paid by an employee may be increased in accordance with the formula specified in Paragraph G of this article, but in no case will the increase in the employees annual premium cost exceed 5 % from the preceding year. Effective January 1, 2008 this percentage will be no more than 10%.

In addition to the existing dental plan, the Company will expand dental coverage through the establishment of Dental Maintenance Organization with employee contributing twenty-five percent (25%) of the required contribution. Implementation shall be subject to rate verification and union participation in plan design.

- F. In the event that the health or dental insurance benefits (including employee contributions) offered to other employee groups at the Company are improved, the employees covered by this Agreement shall receive the same benefits at the same cost.

G. Annual Premium Adjustments for Medical and Dental Plans

During the fourth quarter of each year, the Company and the IAM General Chairs from District 143 and 141-M will meet to review and discuss any anticipated or expected changes in benefit plan designs, planned vendor changes, or proposed benefit plan enhancements and will share any data or calculations being used for these purposes.

1. Formula

The following formula will be utilized in determining each year's projected increases or decreases in self-insured medical and dental costs.

The total per capita cost for each year after 2001 will be the sum of:

- The "Average Per Capita Paid Claims" plus
- The "Actual Administration Fee" plus
- The "Actual Stop Loss Premium"

The percentage difference for each plan between any one year and the following year will determine the percentage increase or decrease in the premium for the following year. The premium shall not exceed the limitations set out in Paragraphs A, B and E above.

a. Definitions

(i) "Average Per Capita Paid Claims"

For each year the actual paid claims (less claims covered by the specific stop loss insurance) for the most recent period August 1 through July 31 for all Air Wisconsin Airlines Corporation (AWAC) employees will be totaled for each plan separately and divided by the average head count for each plan for the period.

- (a) The average headcount for the self-insured HMO plan will be determined by using the most recent 12-month period beginning June 1 and ending May 31.
- (b) The average headcount for the self-insured Medical PPO/Indemnity and Dental plan will be determined by using the most recent 12-month period beginning May 1 and ending April 30.
- (c) The per capita average paid claims by plan will be adjusted for trend (inflation and utilization) by plan type in accordance with this paragraph. The trend factors may vary by plan type, geographic region and group size and will be those applicable to January 1 renewals being calculated during the 3rd quarter. The average of these annual trend factors provided by two agreed-upon healthcare providers (currently CIGNA and United Healthcare) will determine the annual trend factor for AWAC's plans. These annual trend factors will then be adjusted to 18-month trend factors (midpoint of the claim data period to the midpoint of the projected cost period).

(ii) “Actual Administration Fee”

The administration fee will include each self-insured vendor’s fee for the ensuing year for claims payment administration, utilization review and network access fee. It will also include fees for general services such as COBRA and HIPPA administration.

(iii) “Actual Stop Loss Premium”

This represents the actual per capita cost for individual and aggregate stop loss coverage for the ensuing year.

Appendix illustrates how the base year’s (2001) “Average Per Capita Paid Claims’ factor was determined. Each ensuing year’s cost will be determined based on this formula. [To be provided at a later date.]

Appendix identifies all the components used to determine the base year’s total per capita cost (paid claims, administration and stop loss). [To be provided at a later date.]

H. Flexible Spending

A flexible spending plan will be offered to the employees. The plan will include an un-reimbursed medical care account and a dependent care account with pre-tax premiums as allowed under federal law.

An employee is entitled to defer \$2,500 to his un-reimbursed medical care account.

An employee is entitled to defer up to the IRS maximum (i.e., \$5,000 in calendar year 2001) to his dependent care account.

**ARTICLE 30
PENSION**

The Company and the Union have agreed upon a Pension Plan and Trust. Vesting will be in accordance with applicable federal law and the IAM pension plan document with forfeitures being used to reduce Company contributions. The Company will have no fiduciary or administrative responsibility for the plan. The Company's contribution will be 5%. The Company contribution to the DCP shall be made on a monthly basis after the quarterly payment due in July 2001.

Note:

The Technical Stores/Supply Personnel's benefits and 401k changes will occur on 1st day of the next quarter following the last station renewal or closing. Pay changes for all Stores locations will occur with the last station renewal or closing or January 01, 2013, whichever is later. For the sole purpose of starting of the clock of the new pay scales, the effective date of the new pay scales will be date of signing (DOS).

Agreed to this sixth (6th) day of February, 2012 by

Air Wisconsin Airlines Corporation

**International Association of Machinists and
Aerospace Workers, AFL-CIO**



Joel Kuplack
Vice President - Human Resources
and Labor Relations



Jerry J. Lemke
General Chair District Lodge 142

LETTER OF AGREEMENT

Between

Air Wisconsin Airlines Corporation

And

International Association of Machinists and Aerospace Workers

District Lodge 142, AFL-CIO

Representing the

Clerical, Office, Fleet and Passenger Service Employees

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 Corporation (the “Company”) and District Lodge 142 of the International Association of Machinists and Aerospace Workers, AFL-CIO, (the “Union) representing the COFPS employees.

The Company and the Union hereby agree to the following provisions contained in this LOA.

WHEREAS, the parties recently completed negotiations for a new Collective Bargaining Agreement, and;

WHEREAS, those negotiations have resulted in a Tentative Agreement, and;

WHEREAS, there are sections of the Collective Bargaining Agreement that need supporting documentation and such supporting documentation does not need to be in the body of the text, and;

WHEREAS, such supporting documentation needs to be carried forward to show agreement between the parties on issues relevant to the prior and current Collective Bargaining Agreements.

NOW THEREFORE, the Company and Union agree as follows:

1. This Growth Letter of Agreement (LOA) will be a permanent part of the Collective Bargaining Agreement once ratified by the membership.
2. Growth is defined as a station Air Wisconsin does not ground handle at the time the ground handling contract becomes effective for such station.

AWAC/IAM – Representing COFPS Employees

3. All elements of growth not provided for in this Growth Letter of Agreement shall be in accordance with the current Collective Bargaining Agreement.
4. Growth rates of pay shall be as follows:

YOS	Hub			Station		
	Base	Longevity	Total	Base	Longevity	Total
Start	9.75	-	9.75	9.00	-	9.00
6 Mnths	10.00	-	10.00	9.00	-	9.00
2	10.30	-	10.30	9.30	-	9.30
3	10.61	-	10.61	9.58	-	9.58
4	10.93	-	10.93	9.87	-	9.87
5	11.26	-	11.26	10.16	-	10.16
6	11.59	-	11.59	10.47	-	10.47
7	11.94	-	11.94	10.78	-	10.78
8	12.30	-	12.30	11.10	-	11.10
9	12.67	-	12.67	11.44	-	11.44
10	13.05	-	13.05	11.78	-	11.78
11	13.44	-	13.44	12.13	-	12.13
12	14.00	-	14.00	12.50	-	12.50
13	14.00	-	14.00	13.00	-	13.00
14	14.00	-	14.00	13.00	-	13.00
15	14.66	1.10	15.76	14.07	1.10	15.17
16	14.66	1.25	15.91	14.07	1.25	15.32
17	14.66	1.40	16.06	14.07	1.40	15.47
18	14.66	1.55	16.21	14.07	1.55	15.62
19	14.66	1.70	16.36	14.07	1.70	15.77
20	14.66	1.90	16.56	14.07	1.90	15.97
21	14.66	2.10	16.76	14.07	2.10	16.17
22	14.66	2.30	16.96	14.07	2.30	16.37
23	14.66	2.50	17.16	14.07	2.50	16.57
24	14.66	2.70	17.36	14.07	2.70	16.77
25	14.66	2.90	17.56	14.07	2.90	16.97

Agreed to this sixth (6th) day of February, 2012 by

Air Wisconsin Airlines Corporation

International Association of Machinists and
Aerospace Workers, AFL-CIO



Joel Kuplaek
Vice President - Human Resources
and Labor Relations



Jerry J. Lemke
General Chair District Lodge 142

December 13, 1994

Mr. Gerry Bernson
General Chairman – IAM

RE: Letter of Clarification

This letter will serve as a non-precedential clarification of IAM COFPS members displacement rights under Article 18 “Furloughed Employees” of the IAM COFPS Agreement dated January 31, 1994 for the purposes of employees furloughed between December 15, 1994 and February 8, 1995.

Article 18, Paragraph A states: “...furloughing shall be accomplished in reverse order of classification seniority at the location.” No reference is made, either in Article 18 or elsewhere in the contract, which would indicate that part-time employees are excluded from the ability to exercise “Bumping” (or displacement) rights as described in Article 18.

Therefore, it is understood, by mutual agreement between the Company and the Union, that displacement rights will apply to both full time and part time employees. It is further agreed that those furloughed employees (including part timers) may exercise their displacement rights based on their TOTAL ACCUMULATED CLASSIFICATION SENIORITY.

The partners agree that this clarification is made on the condition that neither it nor its implementation may not be used as precedent by either party.

/s/ Gerald Bernson
General Chairman – IAM

/s/ Herman H. Bethel III
Managing Director Customer Service

LETTER OF AGREEMENT
BETWEEN
AIR WISCONSIN AIRLINES CORPORATION
and
INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO

This letter will confirm the understanding reached during the recent contract negotiations in which it was agreed that in the event an employee with ten (10) or more years seniority is qualified and bids to a vacancy in a lower classification because of health or physical reasons or to avoid relocation if furloughed, he shall retain seniority in the higher classification and shall be paid in the lower classification based on the classification date in the higher classification.

AGREED to this 11th day of October 2001.

FOR:
AIR WISCONSIN AIRLINES
CORPORATION

FOR:
INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS AFL-CIO

/s/ William Jordan
William P. Jordan, Executive Vice President
& General Counsel

/s/ Kevin Graf
Kevin Graf, General Chair

/s/ Doug Horn
W. Doug Horn
Vice President Customer Service

/s/ Daniel T. Larson
Daniel T. Larson

/s/ Lisa Conover
Lisa Conover
Vice President Employee Relations-Personnel

/s/ Clay Marston
Clay Marston

/s/ Vince Portaro
Vince Portaro
Managing Director Customer Service

/s/ Carrie L. Sturn
Carrie L. Sturn

/s/ Renee Jeffrey

LETTER OF AGREEMENT
BETWEEN
AIR WISCONSIN AIRLINES CORPORATION
and
INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO

This letter will confirm the understanding reached during the recent contract negotiations in which it was agreed that should the Company replace a United or United Express carrier in a station and hire the employees of the previous carrier to staff that station, they shall be placed on the Company/classification seniority list one (1) day prior to the beginning of the first training session for that station and in the same seniority relationship to each other as existed prior to their acquiring Company/classification station.

AGREED to this 11th day of October 2001.

FOR:
AIR WISCONSIN AIRLINES
CORPORATION

FOR:
INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS AFL-CIO

/s/ William Jordan
William P. Jordan, Executive Vice President
& General Counsel

/s/ Kevin Graf
Kevin Graf, General Chair

/s/ Doug Horn
W. Doug Horn
Vice President Customer Service

/s/ Daniel T. Larson
Daniel T. Larson

/s/ Lisa Conover
Lisa Conover
Vice President Employee Relations-Personnel

/s/ Clay Marston
Clay Marston

/s/ Vince Portaro
Vince Portaro
Managing Director Customer Service

/s/ Carrie L. Stum
Carrie L. Stum

/s/ Renee Jeffrey

LETTER OF AGREEMENT
BETWEEN
AIR WISCONSIN AIRLINES CORPORATION
and
INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO

This letter will confirm the understanding reached during the recent contract negotiations in which it was agreed that the “grandfathered” employee status as referred to in a September 8, 1994 letter of agreement will no longer be in effect, with the exception of the final two grandfathered employees: Donna Siegrist/PIA and Amanda Sanger/SGF. These two employees will continue to enjoy the benefits granted their grandfather status until such time they bid a full-time position or they are furloughed or terminated.

AGREED to this 11th day of October 2001.

FOR:
AIR WISCONSIN AIRLINES
CORPORATION

FOR:
INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS AFL-CIO

/s/ William Jordan
William P. Jordan, Executive Vice President
& General Counsel

/s/ Kevin Graf
Kevin Graf, General Chair

/s/ Doug Horn
W. Doug Horn
Vice President Customer Service

/s/ Daniel T. Larson
Daniel T. Larson

/s/ Lisa Conover
Lisa Conover
Vice President Employee Relations-Personnel

/s/ Clay Marston
Clay Marston

/s/ Vince Portaro
Vince Portaro
Managing Director Customer Service

/s/ Carrie L. Sturn
Carrie L. Sturn

/s/ Renee Jeffrey

Memorandum of Understanding

Between

Air Wisconsin Airlines Corporation

And

International Association of Machinists and Aerospace Workers

District Lodge 142, AFL-CIO

Representing the

Clerical, Office, Fleet and Passenger Service Employees

This Memorandum Of Understanding (MOU) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Air Wisconsin Airlines Corporation (the "Company") and District Lodge 142 of the International Association of Machinists and Aerospace Workers, AFL-CIO, (the "Union") representing the COFPS employees.

The Company and the Union hereby agree to the following provisions contained in this MOU.

WHEREAS, the parties recently completed negotiations for a new Collective Bargaining Agreement, and;

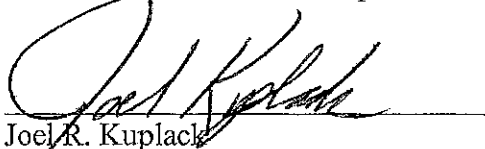
WHEREAS, those negotiations have resulted in a Tentative Agreement.

NOW THEREFORE, the Company and Union agree as follows:

Paragraph #3 of the Growth Letter of Agreement dated February, 6 2012 will remain in effect until September 30, 2014 or the ratification date of a new or amended agreement between the IAM and United/Continental Airlines for their ground handling employees, whichever occurs first.

Agreed to this 6th day of February 2012 by:

Air Wisconsin Airlines Corporation



Joel R. Kuplack
Vice President - Human Resources
and Labor Relations

International Association of Machinists
and Aerospace Workers, AFL-CIO



Tom Higginbotham
President-Directing General Chairperson
IAMAW District Lodge 142