APPENDIX H

MEMORANDUMS OF UNDERSTANDING

No. 2

~~REWARD AND RECOGNITION~~ **INCENTIVE PROGRAM**

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

The Union agrees that the Company retains the exclusive right in its sole discretion to establish, discontinue and/or revise monetary or non-monetary award programs, to determine the specific design and structure of any program, to fund and/or de-fund any program, to determine which employees, if any, will receive an award, to terminate an existing program, or to take whatever action it deems necessary and appropriate in the furtherance of program objectives.

**The Company retains the exclusive right to make changes to these programs as necessary and will notify the Union of such changes as they may occur from time to time throughout the duration of the Agreement.** Theissuance of Special Recognition or Spot Awards will be in accord~~ance~~ with **Aero Code and/or** ~~applicable~~ Company polic~~ies~~**y**.