

THE AGREEMENT

By and Between

NORTHERN AIR CARGO, INC.

and

THE PILOTS OF NORTHERN AIR CARGO, INC.

as represented by

**THE INTERNATIONAL BROTHERHOOD OF
TEAMSTERS**

TEAMSTERS AIRLINE DIVISION

July 24, 2018 – July 23, 2023

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1	RECOGNITION, PURPOSE, SCOPE, AND MERGERS..... 1
SECTION 2	DEFINITIONS..... 10
SECTION 3	COMPENSATION/APPENDIX A 47
SECTION 4	NEW AIRCRAFT 64
SECTION 5	RETIREMENT AND INSURANCE..... 68
SECTION 6	EXPENSES, TRAVEL, AND LODGING 94
SECTION 7	DEADHEADING 105
SECTION 8	LEAVES OF ABSENCE 109
SECTION 9	PHYSICAL STANDARDS..... 118
SECTION 10	SICK LEAVE 125
SECTION 11	PAID TIME OFF (PTO)..... 132
SECTION 12	TRAINING 137
SECTION 13	HOURS OF SERVICE..... 148
SECTION 14	SCHEDULING 157
SECTION 15	RESERVE 190
SECTION 16	SENIORITY 198
SECTION 17	FURLOUGH AND RECALL..... 201
SECTION 18	FILLING OF VACANCIES 206
SECTION 19	GRIEVANCES..... 213
SECTION 20	SYSTEM BOARD OF ADJUSTMENT 220
SECTION 21	DOMICILES..... 226
SECTION 22	CHECK AIRMEN AND INSTRUCTORS..... 228
SECTION 23	MANAGEMENT AND NON-FLYING PILOTS 232
SECTION 24	UNION REPRESENTATION 235
SECTION 25	UNION SECURITY..... 236
SECTION 26	NON-DISCRIMINATION..... 239
SECTION 27	UNIFORMS 240
SECTION 28	CRAF AND HOSTILE AREA OPERATIONS..... 242
SECTION 29	MISSING IN ACTION, INTERNMENT, PRISONER OF WAR..... 246
SECTION 30	MANAGEMENT RIGHTS 251
SECTION 31	GENERAL CONDITIONS..... 252
SECTION 32	DURATION..... 261

LETTERS OF AGREEMENT

LETTER OF AGREEMENT #1 RE: Human Intervention Motivation Study Committee	263
LETTER OF AGREEMENT #2 RE: Union Professional Standards Committee	266
LETTER OF AGREEMENT #3 RE: Flight Operational Quality Assurance Program	269
LETTER OF AGREEMENT #4 RE: Aviation Safety Action Program	278
LETTER OF AGREEMENT #5 RE: Section 14 Implementation Schedule	285
LETTER OF AGREEMENT #6 RE: Joint Implementation Resolution Committee	287
LETTER OF AGREEMENT #7 RE: Parent and Affiliates	290
LETTER OF AGREEMENT #8 RE: SCOPE 1-002	295
LETTER OF AGREEMENT #9 RE: SCOPE 1-003	298
LETTER OF AGREEMENT #10 RE: SCOPE 1-004	301
LETTER OF AGREEMENT #11 RE: Temporary B737/B767 Fence Agreement	304
LETTER OF AGREEMENT #12 RE: Flight Pay Loss	309
LETTER OF AGREEMENT #13 RE: B767 Retroactive Pay	312
LETTER OF AGREEMENT #14 RE: NAC, Aeko Kula and NAS Name Change	315

MEMORANDUMS OF UNDERSTANDING

MEMORANDUMS OF UNDERSTANDING	317
------------------------------	-----

SECTION 1 RECOGNITION, PURPOSE, SCOPE, AND MERGERS

A. RECOGNITION

Pursuant to the certification by the National Mediation Board in Case Number R-7166, Northern Air Cargo (“Company” or “NAC”) recognizes the International Brotherhood of Teamsters, Airline Division (IBT or “Union”) as the duly designated and authorized representative of the Pilots in the employ of the Company for the purposes of the Railway Labor Act, as amended (“RLA”).

B. PURPOSE OF AGREEMENT.

In the mutual interests of the Pilots, the Union and the Company, the purpose of this Agreement is to provide for orderly collective bargaining relations between the Company and the Union, a method for the prompt and equitable disposition of Grievances, and a method for the establishment of rates of pay, rules and working conditions for the Pilots. In making this Agreement, it is recognized to be the duty of the Union, the Pilots and the Company to cooperate fully for the advancement of the purpose of this Agreement.

C. SOLE AGREEMENT.

This Agreement supersedes all existing or previously executed agreements between the Company and the Union or any other labor organization or individual with respect to the rates of pay, rules, or working conditions covered by this Agreement in accordance with the provisions of the RLA. Any and all subsequent modifications to this Agreement will be reduced to writing, signed by their authorized representatives, and become a part of this Agreement.

D. SCOPE.

1. Flying Performed by Pilots.

All present and future flying performed by or on behalf of the Company, its Parent or their Affiliates will be performed by Pilots on the NAC Seniority List (hereinafter, “Seniority List”) in accordance with the terms and conditions of this Agreement and associated Letters of Agreement.

- a. It shall not be a violation of this Agreement if the Company subcontracts flying to an air carrier that is not an Affiliate and conducts the flying exclusively under Part 135 of the Federal Aviation Regulations (FAR’s); provided, this exception applies only when aircraft of the kind operated by the Company cannot be used to perform the flying and the volume of cargo transported is *de minimus*; and provided, further, the

subcontracting shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots.

- b. It shall not be a violation of this Agreement if the Company subcontracts a *de minimus* amount of flying to an air carrier that is not an Affiliate and conducts flying under Part 121 of the FAR's; provided, this exception applies only when extreme weather conditions, aircraft maintenance requirements or temporary, unforeseen, extraordinary circumstances affecting Pilot availability prevent the Company from utilizing Pilots on the Seniority List and/or aircraft operated by the Company to perform the flying; and provided, further, the subcontracting shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots.
- c. It shall not be a violation of this Agreement if the Company subcontracts a *de minimus* amount of flying to an air carrier that is not an Affiliate pursuant to a contract with the United States Postal Service for domestic mail movement provided, further, the subcontracting shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots.
- d. It shall not be a violation of this Agreement if the Company subcontracts a *de minimus* amount of flying to an air carrier that is not an Affiliate pursuant to a block space or brokerage agreement; provided, further, the sub-contracting shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots.
- e. The operation of turboprop aircraft that are less than seventy-five thousand pounds (75,000lbs) (Maximum Gross Take Off Weight) on behalf of the Company, its Parent or their Affiliates is not covered by the Agreement; provided, the Company, its Parent and their Affiliates shall not operate more than one excepted aircraft between the same city pairs within a twelve (12) consecutive hour period; and provided, further, this exception shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots. If aircraft otherwise excepted under this subsection are placed on the certificate of NAC, then the aircraft shall be operated by Pilots on the Northern Air Cargo Seniority List in accordance with the terms of this Agreement.

- f. The operation of one (1) corporate/business jet aircraft on behalf of the Company, its Parent or their Affiliates for the purpose of executive travel. Nothing contained herein prevents the Company, its Parent, or their Affiliates from chartering the aircraft or using it for other revenue generating purposes.
2. The Company, its Parent and their Affiliates shall not directly or through an Affiliate establish or acquire a Controlling Interest in any air carrier that conducts flying of the kind covered by subsection 1.D, including international operations, unless such operations are performed by Pilots on the NAC Seniority List pursuant to and in accordance with the terms and conditions of this Agreement and any other applicable agreement between the Company and the Union. If the Company, its Parent or their Affiliates acquires a Controlling Interest in an air carrier that conducts flying of the kind covered by subsection 1.D of the Agreement, the acquired carrier will be subject to the procedures of subsection 1.G.
3. The Company, its Parent and their Affiliates may enter into a sale, lease, transfer or other disposition of aircraft on the Company's Operations Specifications to any Entity which is not an Affiliate. If that Entity uses the aircraft to provide service to the Company, Parent or an Affiliate, the Entity shall not use the aircraft to transport more than a *de minimus* amount of cargo to service the Company, Parent or an Affiliate. In addition, the use of the aircraft shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots. Transactions described and allowed pursuant to this subsection 1.D.3 shall be considered transactions within the "normal course of business," as such term is used herein and in subsection 1.F, below. In no event shall a transaction described in this subsection 1.D.3 or in subsection 1.F be deemed a transaction within the normal course of business if such transaction provides for or results in the sale, lease, transfer or any other disposition of more than twenty-five percent (25%) (rounded up the nearest whole number) of the aircraft listed on the Company's Operations Specifications in a single transaction or a series of transactions measured over a rolling twenty-four (24) Month period. Furthermore, in the event of a transaction described in this subsection 1.D.3 is one occurring within the normal course of business and involves a United States air carrier or Entity or a foreign Entity with whom the Company, its Parent or Affiliate have a corporate relationship (e.g., joint venture), the Company shall use its best efforts to attempt to secure the employment with the purchaser, lessor or transferee of any Pilots Furloughed or intended to be Furloughed as a result of such transaction.

E. WET LEASE IN.

1. If the Company's operational requirements necessitate the Wet Lease In of additional aircraft in order to provide service to its customers, the Company, its Parent and their Affiliates agree to the procedures set forth in this subsection 1.E.
2. Within fourteen (14) Days after determining that a Wet Lease is necessary the Company shall notify the Union. The notification will include the reason(s) for the Wet Lease, the aircraft to be utilized, the hours of flying, the duration, and effect of the Wet Lease on the Pilots. The Company shall furnish the Union with all information relevant to the Wet Lease. If the Company is unable to provide notice within fourteen (14) Days due to operational reasons, it shall provide notice as soon as practicable. The allowable time period for a Wet Lease may not exceed one hundred and eighty (180) Days unless a greater period of time is agreed to by the Union. A Wet Lease for purposes of developing a New Market shall not exceed twenty-four (24) consecutive Months from the date of the first revenue trip. A New Market for purposes of this subsection means a city pair that the Company does not currently serve but intends to serve on a regular basis. Subject to a reasonable confidentiality agreement, the Union shall have the right to periodically review any such initial Wet Leases(s) or extension thereof, and the parties shall agree on any proposed modifications thereto as they affect Pilots, as a condition of the modifications taking effect.
3. A Wet Lease shall not directly or indirectly: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots.

F. SUCCESSORS TRANSACTIONS.

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. The Company, its Parent and their Affiliates agree that the operations covered by this Agreement, including those operations which directly or indirectly affect the Pilots covered hereunder, shall not be sold, conveyed, or otherwise transferred or Assigned to any Entity without first securing the written agreement of said Entity that it will, as an irrevocable and material condition of transaction, assume the employment of Pilots on the Northern Air Cargo Seniority List, adopt and assume this Agreement in its entirety and assume all of the Company's obligations under the Agreement. The Company shall ensure that timely written notice of the existence of this Agreement is provided to any potential purchaser, transferee, lessee, administrator, executor or assignee of the operations covered by this Agreement or any substantial part thereof. In order to verify that such notice is provided, the Company shall also deliver a copy to the Union, subject to an

appropriate confidentiality agreement, no later than ten (10) Days prior to the closing under a definitive agreement with respect to the transaction. No such transaction as described herein shall be deemed completed or legally enforceable by any Entity for any purpose unless and until the Union receives written verification from the Company and the potential purchaser, transferee, lessee, administrator, executor or assignee evidencing that it will, as a an irrevocable and material condition of the transaction, assume the employment of Pilots on the Northern Air Cargo Seniority List, adopt and assume this Agreement in its entirety and assume all of the Company's obligations under the Agreement. For purposes of this subsection 1.F., a "successor" or "assign" includes any Entity that acquires all or substantially all of the assets or a Controlling Interest of the equity of the Company through a single transaction or multi-step related transaction that closes within a twenty-four (24) Month period. It is understood that this subsection 1.F shall be applicable except for transactions in the normal course of business, if any, which such transactions shall be covered by subsection 1.D.3., above.

G. LABOR PROTECTIVE PROTECTIONS IN THE EVENT OF A SUCCESSOR TRANSACTION OR ACQUISITION OF AN AIR CARRIER.

Unless the parties agree otherwise, the Company, its Parent and their Affiliates agree that the following provisions shall apply in the event of a transaction referred to in subsection 1.F. or the acquisition of an air carrier that may affect the employment and/or Seniority rights of Pilots on the NAC Seniority List.

1. Seniority integration shall occur in accordance with the following procedures:
 - a. If the Pilots and other Flight Deck Crewmembers, if any (hereinafter, "Crewmembers"), of the other pre-transaction carrier(s) are all represented by the IBT, there shall be a Seniority integration of the pre-transaction Crewmember groups in accordance with the IBT Seniority Merger Policy ("IBT Merger Policy") in effect as of the date of the transaction or as of such other date as the parties may agree upon;
 - b. If the IBT Merger Policy is not in effect, there shall be a Seniority integration in accordance with the provisions of the McCaskill Bond Amendment, 49 U.S.C. §42112;
 - c. If the Crewmembers at one or more of the pre-transaction carriers are not represented by the IBT, and the representational body (ies) of the Crewmembers do not agree to follow the IBT Merger Policy, the representatives of the pre-transaction Crewmembers shall integrate the Seniority of the Crewmembers in accordance with the provisions of the McCaskill Bond Amendment, 49 U.S.C. §4081, shall apply; and

- d. The Company or other Successor, as appropriate, will accept the integrated Seniority List.
2. Unless the parties agree otherwise, integrated Seniority List(s) shall not take effect until a Single Collective Bargaining Agreement (SCBA) covering the pre-transaction Crewmember groups is in effect; however, the Union may commence Seniority integration proceedings at any time after the Union is on notice of a transaction referred to subsection 1.F.
3. The flight operations (e.g., aircraft, aircraft orders and deliveries, crews, Training, scheduling) of the carriers shall remain separate until the procedures set forth in this subsection 1.G are concluded. The parties shall negotiate a mutually agreeable fence agreement. Unless the parties agree otherwise, negotiations for the fence agreement shall not exceed six (6) Months from the date fence negotiations begin. Only outstanding items remaining in dispute at the end of this period shall be submitted to binding Interest Arbitration for resolution. Unless the parties agree otherwise, fence agreements shall remain in effect until a SCBA agreement covering the pre-transaction Crewmember groups is in effect.
4. Until fence agreements are removed, Seniority Lists are integrated and a SCBA covering the pre-transaction Crewmember groups is in effect, all operations and Crewmembers of the respective pre-transaction carriers shall remain separate and the aircraft operated by each of the pre-transaction carriers shall be operated exclusively by the respective Crewmember groups of the respective pre-transaction air carriers.
5. Until a SCBA covering the pre-transaction Crewmember groups is in effect, no Pilots on the Northern Air Cargo Seniority List shall be Furloughed or reduced in status or pay as an effect of or in anticipation of the merger.
6. Prior to an operational merger, the parties shall commence and conclude negotiations over the amalgamation of the respective individual collective bargaining agreements into a SCBA and/or modifications to the existing Agreement. Unless the parties agree otherwise, negotiations shall not exceed one (1) Year from the date a final and binding integrated Seniority List is agreed upon by the respective pre-transaction Crewmember groups or pursuant to arbitration, whichever is applicable. Only outstanding items remaining in dispute at the end of this period shall be submitted to binding Interest Arbitration for resolution.
7. Unless and until an operational merger is finally effectuated, the Union will continue to be recognized as the representative of the pre-merger Pilot craft or class to the extent provided by law. In the event of an operational merger, the representative of the post-merger craft or class will be established pursuant to Section 2, Ninth of the RLA.

8. Subject to applicable securities and other laws and regulations, the Company, its Parent and their Affiliates shall provide the Union with timely briefings and presentations regarding material agreements relating to mergers and potential mergers. At the Company's request, confidential business information shall be subject to a reasonable confidentiality agreement. The Company may redact pricing and other sensitive financial information. The Company shall not be in violation of this subsection 1.G.8 if it is prevented from providing the information requested by the Union as a result of a confidentiality agreement with a customer or other third-party. The Company shall make a reasonable effort to obtain the information from such customer or third party. A representative of the Airline Division and/or the Local Union shall inform the Company who shall receive information under this paragraph.

H. INFORMATION SHARING AND EXPEDITED DISPUTE RESOLUTION.

1. Upon request of the Union, Company and Union Representatives will meet to discuss any concerns, issues or other matters relating to the provisions set forth in this Section 1. Additionally, the Company, its Parent and their Affiliates shall provide the Union with the information reasonably necessary to enforce the requirements of this Section 1. Proprietary, sensitive or confidential information shall be reviewed by the Union Representatives under standard confidentiality agreements at the Company's request. The Company shall not be in violation of this subsection 1.H if it is prevented from providing the information requested by the Union as a result of confidentiality agreement with a customer or other third-party. The Company shall make a reasonable effort to obtain the information from such customer or third party. A representative of the Airline Division and/or the Local Union shall inform the Company who shall receive information under this paragraph.
2. A Grievance filed by the Union alleging a violation of Section 1 of the Agreement, shall, at the request of either party, bypass the initial steps of the Grievance process and shall be submitted and heard on an expedited basis directly before the System Board of Adjustment ("System Board") sitting with a neutral Arbitrator. The dispute shall be heard by the System Board of Adjustment no later than thirty (30) Days following the submission of the Grievance to the System Board and decided no later than thirty (30) Days after close of the record, unless the parties agree otherwise in writing.
3. If the System Board determines that there has been a violation of this Section 1, it shall fashion an appropriate remedy. The parties hereby agree

to be bound by the determination/award of the System Board and waive any and all rights to petition any and all courts or tribunals seeking in whole or in part to vacate such determination/award. The parties' consent to the jurisdiction and venue of the United States District Court for the Western District of Washington to enforce the Duty to arbitrate as well as proceedings to enforce the determination/award. The parties agree that the choice of law in any such proceeding under this paragraph will be the RLA, 45 U.S.C. Sections 151.

I. FOREIGN OPERATIONS.

1. The parties agree to apply this Agreement and the RLA, without limitation, to Pilots and Company Aircraft and associated operations outside the United States.
2. Notwithstanding subsection 1.1.1., above, the Company is not required to apply this Agreement or the RLA if the application of this Agreement or any provisions herein is impermissible in light of the applicable foreign or United States laws or regulations.

J. DEFINITIONS. For the purposes of this Section 1, the following definitions will apply:

1. "Affiliate," with respect to a specified Entity, means:
 - a. any Subsidiary, Parent or division of the specified Entity, or
 - b. any other Subsidiary, Parent or division of either a Parent or a Subsidiary of the specified Entity, or
 - c. any Entity that Controls the specified Entity or is Controlled by the specified Entity whether directly or indirectly through the Control of other Entities.
2. "Subsidiary" means any Entity that is Controlled by another Entity.
3. "Parent" means any Entity that Controls another Entity.
4. "Entity" means a natural person, corporation, association, partnership, trust or any other form for conducting business, and any combination or concert of any of the foregoing.
5. "Control" or "Controlling Interest" of an Entity shall mean the ownership of an equity interest representing more than fifty percent (50%) of the outstanding capital stock of an Entity or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities

then entitled to vote generally in the election of such Entity's board of directors or other governing body.

Note: Subject to a mutually agreeable side letter, the Union will agree to identify NAS as the Parent and to state that Saltchuk Resources, Inc. is not a Parent or an Affiliate for applicable purposes under Section 1 of the Agreement. – (See Parent LOA)

SECTION 2 DEFINITIONS

The following terms as used in this Agreement shall be construed as follows:

ACARS	Aircraft Communications Addressing and Reporting System - digital datalink system for transmission of short messages between aircraft and ground stations via air band radio or satellite.
Active Service	A Pilot who is available for an Assignment, on Sick Leave, Vacation or for any Leaves of Absence where and to the extent that Longevity is accrued for any part of a Month. As provided in this Agreement, Periods of Furlough or for Leaves of Absence where Longevity is not accrued, do not constitute Active Service.
Aeko Kula Inc.	An affiliate of Northern Air Cargo and Northern Aviation Services.
Agreement	This Collective Bargaining Agreement, including any Side Letters to this Agreement; Memorandum of Understanding and Letters of Agreement made contemporaneous with or expressly part of this Collective Bargaining Agreement.
Aircraft Type	A specific make and model aircraft, as defined by the FARs.
Airman's Medical Certificate Standards	The medical standards, as prescribed in FAR part 67, that are required for a Pilot to possess at Airman's Medical Certificate.
Allowances	A monetary amount allowed by the Company for business expenses.
Aloft	Means all Flight Time in the air, Block to Block.
Aloha Air Cargo	Aeko Kula Inc., d/b/a Aloha Air Cargo, an affiliate of Northern Air Cargo, Inc. and subsidiary of Northern Aviation Services, Inc., a wholly-owned subsidiary of Saltchuk Resources, Inc.

Alternate Travel	A Pilot's approved travel to or from a Duty location that does not include his Domicile or Residence
AMC	Airline Mobility Command. The Reserve Air Fleet and Troop Mobilization Center for CRAF flying.
AME	Aviation Medical Examiner. FAA designated Medical Examiner, as provided in the FAR's.
Annual Vacation Bid	The process when Pilots bid for their annual Vacation Weeks for the upcoming Year
AQP	Advanced Qualification Program. A Training program for Pilots operating under FAR parts 121 and 135.
Arbitrator	A Third-Party Representative chosen from a qualified list of neutrals, to help render a judgement between the Company and the Union.
Armed Services	All branches of the United States military forces.
ASAP	Aviation Safety Action Program.
Assigned	Given an Assignment by the Company.
Assignment	1) A Flight Assignment, Reserve Period, Training or any other activity that is directed by the Company. 2) an awarded or Assigned Vacancy (Domicile or Position).
ATC Delay	A schedule delay due to Air Traffic Control.
Augmented Crew	A flight crew complement consisting of three (3) Pilots.
Award Process	Monthly Bid Process in Section 14; Vacancy /Displacement Bid Process in Section 18.
Awarded Vacation	A Vacation week(s) awarded to a Pilot during the annual Vacation Bidding process, from unassigned Vacation in Open Time or requested Day-at-a-time Vacation during the Monthly Bid Period.
Base Month	A Pilot's Reference Month in which he is due to perform Proficiency or non-Proficiency Training.
Basic Agreement	This Collective Bargaining Agreement.

Basic Model	The base model of an Aircraft Type (e.g., B767, B757, B737, B727, etc.), which may require FAA mandated Differences Training.
Basic Pilot Crew	An Un-augmented Crew: One (1) Captain, one (1) First Officer.
Beneficiary	A person or persons named as recipients of employee benefits or proceeds of a plan or policy upon the employee's death or separation from employment with the Company.
Bereavement Leave	A Leave of Absence due to death of an immediate family member.
Bid Period	See Monthly Bid Period.
Birds of a Feather	A support group associated with HIMS program.
Blackout Period/ Dates	1) Specific Dates when the Company constructs Composite Bid Lines. During this time, no Trip Trades, Trip Drops, or Open Time awards for the new Month shall be processed. 2) Dates during the SAP Process that have limitations on Transactions.
Block Time	The time when an aircraft's brakes are released for push back or taxi to the time when an aircraft's brakes are set at the end of operation.
Bump	When a more Senior Pilot Displaces a more Junior Pilot in a System Bid.
Business Day	Each Day from Monday through Friday, except for Company Holidays, when the Company is open for business.
Bypass Pay	The Pay protection a Pilot receives when a more junior Pilot is Trained in a higher paying Position before a more senior Pilot completes Training for the same Position, or as provided for in this Agreement, a Pilot who is nearing Retirement and is withheld from Training in a higher paying aircraft.
Bypass Rights	The right of a Pilot to bypass a Recall from Furlough if there is a more junior Pilot available.

Bypass Training	Delay of a Pilot's Training for a new Position by the Company due to operational reasons, as provided in this Agreement.
Captain	A Pilot who is in command of an aircraft, (i.e., Pilot in Command) and is responsible for the manipulation of, or who manipulates the flight controls of an aircraft while under way, including takeoff and landing of such aircraft, and who is properly qualified to serve as, and holds a current airman's certificate authorizing service as a Captain and who holds a Captain bid status.
CASS	Cockpit Access Security System.
CBA	Collective Bargaining Agreement.
CBT	Computer Based Training.
Charters	An offline or online revenue flight that is not a regularly scheduled flight. Extra Sections are not considered Charter Flights.
Check(Checking)	A Check Ride, or any portion thereof, a phase in a Training Event.
Check Airman, (Full)	A Pilot who is approved by the Company and the FAA to perform instruction, Training and Checking Events in an aircraft, Simulator or classroom.
Check Airman, (Line)	A Pilot who is designated by the Company and approved by FAA to perform instruction, Training and Checking Events in an aircraft during Line operations or in a classroom.
Checking Event	Operating Experience, Proficiency check, Line Check, Type Rating Check, AQP event, Oral Exam, written exam, evaluation ride.
Check-Off Form	A form prepared and furnished by the Union authorizing the Company to deduct from the paycheck of each Pilot, and remit to the Union, membership dues.
Check Ride	A flight or Simulator session to evaluate the proficiency of a Pilot.

Chief Pilot	A manager directly responsible to the Director, Flight Operations for all flying operations as provided by Federal Aviation Regulations and Company policies.
Classroom Training	Ground School. Training performed in a non-flying environment (e.g., not in an aircraft or Simulator).
Coach Plus.	A class of seating on commercial passenger carriers that is above basic Coach seating but below Business or First-Class seating. Coach Plus may include any of several amenities such as extra room, catering or entertainment not afforded in Coach.
Coach Seating	A basic class of seating on commercial passenger carriers.
COBRA	Consolidated Omnibus Budget Reconciliation Act of 1985. A federal law that requires the Company to provide eligible employees with the option to continue Company health insurance coverage after leaving employment. As provided in this Agreement, COBRA coverage is at the employee's expense.
Cockpit Video	Any video recording of the flight deck.
COLOA	Company Offered Leave of Absence.
Commercial Air Carrier	An approved FAA Part 121 or Part 135 passenger air carrier.
Commercial Transportation	A regulated mode of transportation for hire by land, air or water. (e.g.; airline transport, taxi, Uber, Lyft, bus, train, water ferry or taxi).
Commute	Travel between a Crewmember's Resident Airport or other location and his Domicile, or other location not at the direction of the Company.
Company	Northern Air Cargo, Inc.
Company Aircraft	All aircraft owned, leased, or otherwise operated by the Company or a Company Affiliate.

Company-Directed Assignment	Scheduled work that a Pilot performs at the direction of the Company. A scheduled Assignment on a Pilots Line.
Company Equipment	(1) Items used for conducting Company business provided by the Company. (2) Aircraft on the Company's Operation Specifications.
Company Intranet	The Company's internal communications server(s).
Company Offered Leave of Absence	A Company Offered Leave of Absence is a Leave that a Pilot may voluntarily accept. Normally offered prior to announcing a Displacement Bid that will include Furloughs.
Company Paid Move	As provided in Section 6 (Expenses, Lodging and Transportation, a move from an existing Residence to a new Residence that qualifies for Company payment or reimbursement.
Company Policy	Guidelines for conduct or otherwise providing standards for Pilots, as described in various Company manuals.
Company Provided Benefits	As provided in Section 5 (Retirement and Insurance), Benefit's provided to a Pilot by the Company (Health Insurance, AD&D Insurance. Life Insurance, Company 401(k) Retirement Savings Plan). Some of these benefits are provided at no cost to the Pilot, while other benefits require a cost share relationship between the Pilot and the Company, or fully paid by the Pilot (e.g., Short-Term and Long-Term Disability "buy-up" plans.
Composite Line	A line published as a blank line in the Bid Package. After SAP is completed the Composite Line is constructed by the Company of any combination of Duty and Duty-free times.
Composite Line Blackout Period	As provided in Section 14 (Scheduling), the period of time during the Monthly Bid Process where all Trip Trades and Trip Drops are suspended while the Company constructs Composite Lines

Comprehensive Airline Legal Liability Insurance	Company provided Insurance that covers Legal defense and indemnification of a Pilot if he is named as a defendant, or subpoenaed as a witness, by a claimant in legal proceedings arising out of the Pilot's performance of his duties.
Consolidation Requirements	Block Time required by FAR Part 121.434.
Contract Trainers	FAR Part 142 Training Center Employees or Full or Part-time Instructors who are not on the NAC Pilots System Seniority List or employed by the Company.
CONUS	Continental United States.
Corporate Aircraft	An Aircraft operated under FAR Part 91 or FAR Part 135.
Corrective Action	A process designed to correct a problem or potential problem which may include a level of corrective counseling or discipline.
Corrective Counseling	Company generated documentation of Corrective Counseling for a minor or greater offense, acknowledged by the Pilot, and submitted to his file.
CRAF	Civil Reserve Air Fleet.
Crew Meal(s)	A meal provided to the Crew on an operating flight by the Company.
Crewmember	A Pilot, Flight Engineer or Navigator whose name appears on the Pilots System Seniority List.
Crew Complement	A cockpit crew configuration consisting of one of the following: Un-Augmented Crew (2 Pilots), Augmented Crew (3 Pilots) or Heavy Crew (4 Pilots). As provided in Section 13 (Hours of Service) the required number of Crewmembers necessary to legally perform a Flight Segment(s).
Crew Scheduling	Part of the operational team located in the Operations Control Center (OCC) responsible for all flight planning/tracking and the scheduling of Pilot's.
CVR	Cockpit Voice Recorder.

Daily Pay Guarantee	The minimum pay a Pilot receives for a Day of scheduled Duty or other Company-Directed Assignment. Three and eighty-two hundredths hours (3.82) PCH.
Date of Hire	The date a Pilot commences Initial Training with the Company as a New Hire Pilot.
Date of Signing (DOS)	The Date this Agreement is signed into effect by authorized representatives of Northern Air Cargo, Inc. and the International Brotherhood of Teamsters.
Day	A Calendar Day (00:00-23:59:59) in Local Domicile Time (LDT).
Daily Open Time	After the Final Line Award, all Trip Pairings and Reserve Assignments that remain in Open Time after the publishing of the Final Bid Awards and any new Trip Pairings, or portions thereof, and Reserve Assignments that becomes available during the Month as a result of Trip Drops, Trip Trades with Open Time, Sick Leave, Vacations, Leaves of Absence, Training, new Charters/Trip Pairings/extra Flight Segments not considered Known Flying” prior to the Final Line Award.
Day Off	A scheduled Day free of all Duty, which is taken at a Pilot’s Domicile.
Deadhead Assignment	The Assignment of Deadhead travel to a Pilot by the Company.
Deadhead Drops	As provided in Section 14 (Scheduling), when a Pilot requests to “drop” all or a portion of a scheduled Deadhead Segment(s) in his Line.
Deadhead Pay	The amount of pay credited to a Pilot for Deadheading, calculated in conformity with Section 3.
Deadhead Segments	The Ground and/or Flight Segments that are scheduled in a Pilot’s Deadhead Travel.
Deadhead Travel	The movement of a Pilot by air or by surface transportation to or from a Flight or other Company-Directed Assignment, as provided in this Agreement.

Deficiencies (Training)	Failure to meet certain benchmarks in Training.
Derivative Model	An Aircraft that does not require a separate Type Rating from the current Basic Model of that Aircraft Type but may require FAA mandated Differences Training.
Designated Program	A rehabilitation program at a facility that meets the criteria of the FAA Special Issuance Program.
Differences Training	Required Training by the FAA and/or the Company for a Derivative Model of an Aircraft Type when the Pilot is already qualified.
Director of Flight Operations	Management position responsible for the administration and coordination of the Flight Operations Department, assuring that the department functions in accordance with Federal Aviation Regulations and the Company Operations Specifications.
Disciplinary (Dispute)	A disagreement between a Pilot and the Company for Disciplinary action taken against such Pilot for an alleged violation(s) of Company Policy.
Dispatch	Company department responsible for performing all necessary procedures for initiating, releasing and monitoring flights, as provided in Company manuals and FAR's. (Also see Flight Control).
Displaced Pilot	A Pilot with insufficient Seniority to hold his Position following a Displacement.
Displacement	The downgrade in Position or transfer to a different Domicile due to the reduction in Pilot staffing.
Displacement Bid	The process in which a Displacement is achieved in Seniority Order.
Displacement Notice	Notification posted on the Company's website and emailed to each Pilot of an upcoming Displacement Bid in which Displacements will occur.
Domestic	The United States of America and all US Territories.

Domestic Trip Pairing	A Trip Pairing from and to points within the United States of America and its Territories.
Domicile	A Company designated Airport at which Pilots are based regardless of their actual place of Residence. Pilots based at a Domicile shall have their Duty and other Company-Directed Assignments scheduled, rescheduled, awarded, Assigned, Reassigned, or planned to begin and end at that Domicile.
Double Crew	A Heavy Crew consisting of two (2) Captains and (2) First officers.
DPE	Designated Pilot Examiner
DPG	See Daily Pay Guarantee.
Duty	An activity Assigned to, scheduled for and/or performed by a Pilot at the direction of the Company. Duty includes Flight Assignments, pre- and post-flight activities, administrative work, Deadhead Transportation, Training, R-1, R-2 or R-4 Reserve, aircraft positioning on the ground, or any other Company-Directed Assignments deemed by the FAR's or in this Agreement to be used for a Pilot's Flight Time/Duty Time Limitations and for compensation calculations.
Duty Assignment	Any requirement to be on Duty or be Available for the Company, other than R-3 Reserve, that the FAA requires it to be calculated into a Pilot's Flight-Time/Duty-Time limitations.
Duty Free Period	A Period of time that is free from all responsibilities or the requirement to perform or be available for Duty or other Company-Directed Assignments.
Duty Off Time	The time when a Pilot is released from Duty at the end of a Company-Directed Assignment.
Duty On Time (DOT)	1) The time a Pilot is scheduled to report for a Trip Pairing or to begin a Reserve Assignment, other than R-3 Reserve, or when he actually reports for a Trip Pairing or begins a Reserve Assignment other than R-3 Reserve. 2) The hour and minutes expressed on a

Pilot's Line denoting when his Duty is scheduled or actually begins, whichever is the latter.

Duty Period	The continuous period of elapsed time beginning at the time when a Pilot is required to Report for Duty or the actual Report Time, whichever is later, until the time when the Pilot is Released from Duty and placed into Rest.
Duty Period Limitations	Duty Limitations within a Duty Period, as provided in Section 13 (Hours of Service).
Duty Rig	A method used to calculate pay credits as a ratio of the total Duty Period. The ratio is 1:2: One (1) Pay Credit Hour (PCH) for every two (2) hours of Duty, prorated on a minute for minute basis, as provided in this Agreement.
Duty Time Limitations	Time limits for Duty, as provided by the FAR's or in this Agreement.
ECD	Electronic Communication Device.
Effective Date	The date this Agreement is ratified and signed into effect by the appropriate officials, (b) the date on which a Vacancy becomes an active Position within the Company and/or Domicile, or (c) the date on which a change (e.g. an initiation, Resignation or termination) is to take place.
Eligible Dependent(s)	Spouse, children, domestic partner or other persons who can be claimed for the purposes of coverage or utilization of benefits, tax calculations or other conditions as provided in this Agreement or applicable Law.
Eligible Pilot	A Pilot who possesses the qualifications to be awarded or Assigned to a Position or to an Assignment.
Employee Services	The Company's Human Resources Department.
ERC	Event Review Committee.
Evaluation Ride	A Checking Event to determine eligibility to either maintain or advance into a Position.

Executive Council (EXCO)	The Pilot's elected Union Representative body at Northern Air Cargo.
EXCO Chairman	The Chairman of the Union's Executive Committee.
Expenses	Business related costs borne or reimbursed by the Company.
Extension	An Involuntary Assignment to a Flight Segment(s) or other Duty after the last segment of a Pilot's originally scheduled Trip Pairing that would not violate the Pilot's legality and is within the limitations that are provided for in Section 14.
FAA	Federal Aviation Administration.
FAA Medical Certificate	Medical Certification required by FAR Part 61 to exercise the privileges of a Pilot's Airman Certificate.
FAR's	Federal Aviation Regulations
Fatigue	A physiological state of reduced mental or physical performance capability resulting from lack of sleep or increased physical activity that can reduce a Pilot's alertness and ability to safely operate an Aircraft or perform safety-related duties.
FCIR	Flight Crew Incident Report.
FDR	Flight Data Recorder.
Federal Statutes	Laws enacted by Congress with (and in some circumstances without) the approval of the President. Federal statutes are published in three formats: (1) initially as individual slip laws, (2) in compilations of slip laws known as session laws, and (3) as codified law incorporated into a code.
Fence Agreement	(1) An interim agreement that allows the separation of a combined Pilot Group and allows for vacancies to be filled by Pilots on their respective, pre-merger Seniority List prior to allowing anyone from the remainder of the combined Pilot group to bid on such Vacancies. (2) An initial and interim agreement delineating the separation of work, work rules, equipment, Training, etc. until a

Single Collective Bargaining Agreement (SCBA) is reached merging the two Pilot groups.

Ferry Flight	A non-revenue Flight operated under specific conditions to a location where Maintenance can be performed, as provided in the FAR's and Company Manuals.
FIFO	First In - First Out Reserve Scheduling. As provided in Section 15 (Reserves), the process for assigning Trip Pairings and other Company-Directed Assignments to Pilot's performing a Reserve Assignments.
Final Bid Awards/ Final Lines	A Pilot's final awarded Line after the construction of the Composite Lines during the Monthly Bid Process.
First Officer	A Pilot who is Second-In-Command of the aircraft or in the event of an Augmented or Heavy Crew, the Second-in-Command or International Relief Officer (IRO) whose primary responsibilities are to assist or relieve the Captain in navigation, communication and manipulation of aircraft controls while underway.
Flight Assignment	A Flight Segment or series of Flight Segments, which may also include a Deadhead or a Reserve Assignment, one or more Duty Periods and Rest Periods to which a Pilot is Assigned. Same as a Trip Pairing.
Flight Control	Company department responsible for performing all necessary procedures for initiating, releasing and monitoring flights, as provided in Company manuals and FAR's. (Also see Dispatch).
Flight Deck	The Cockpit of an aircraft.
Flight Engineer	A member of a flight crew responsible for the aircraft's engines and other systems during flight.
Flight Operations (Dept.)	Department responsible for the operation and movement of aircraft and flight crews.
Flight Pay	Monetary Compensation to a Pilot for a Flight Assignment.
Flight Segment	A single flight from an origin to a destination.

Flight Standards	The Company authorized procedures and responsibilities when performing Line Pilot or Check Airman Duties. A Check Airman may examine a Line Pilot or another Check Airmen to determine their proficiency to exercise the Duties of such standards.
Flight Time	The time in hours and minutes from brake release for push back or taxi out until block in.
Flight Time Limitations	Flight Time Limitations, as provided in Section 13 (Hours of Service).
Flying Pilot	A pilot controlling the movement of the aircraft.
FMLA	Family and Medical Leave Act of 1993. A United States federal law requiring covered employers to provide employees with job-protected and unpaid leave, with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave, for qualified medical and family reasons.
Footprint	The period of time that is overlapped by a block of Days of Company-Directed Assignments that are scheduled on a Pilot's Monthly Bid Line; (e.g.: Duty, Vacation, Non-Flying Assignments).
FOQA	Flight Operational Quality Assurance. A program designed to enhance flight safety through controlled analysis of recorded flight data information.
FPL	Flight Pay Loss.
FSP	Flight Standards Program.
FSRB	Flight Standards Review Board.
Full Flight Simulator	A FAA approved "Level C" or higher Simulator in which all phases of flight Training and evaluation can be performed.
Furlough	The voluntary or involuntary removal of a Pilot from Active Service as a Pilot with the Company due to a reduction in force, or the period of time during which

such Pilot has Recall rights back to Active Service with the Company, as provided in this Agreement.

Furloughed Pilot	A Pilot who has been removed from Active Service due to a reduction in force.
Galley Equipment	The Equipment on an aircraft that is used for storage and preparation of food and beverages.
GMT	Greenwich Mean Time.
Grievance	A dispute between the Union or Pilot(s) and the Company for alleged Company violation(s) of this Agreement that may be Disciplinary or Non-Disciplinary in nature.
Grievance Meeting	As provided in Section 19 (Grievances), a meeting within the Grievance Process.
Grievant	A Pilot who presents a complaint for alleged violation of this Agreement (Grievance).
Ground Instruction	Training or instruction given or performed in a class room, home study, CBT, CPT, including but not limited to non-moving aircraft or a Full Flight Simulator in "Parked" mode.
Ground Instructor	An Individual who provides Classroom Training.
Ground School	A part of the FAA or Company required Training (e.g. Initial, Transition, Upgrade, Non-Flying Company Training). Ground Instruction.
Heavy Crew	A Cockpit Crew Complement consisting of four (4) Pilots.
HIMS	Human Intervention Motivational Study: An FAA approved formal program for the benefit of Pilots who may suffer from drug or alcohol related issues.
Home Study Training	Self-guided initial, recurrent, transition, or Upgrade Training that a Pilot typically completes using web-based or paper media. Required Training that is to be completed by a Pilot at a time and location of his choosing.

Hostile Area	Means a geographic area outside the United States in which an act(s) of war (declared or undeclared), invasion, acts of foreign enemies, warlike hostilities, civil war, rebellion, revolution, insurrection, martial law, exercise military or usurp of power, or any attempt of usurpation of power, are being committed, or are openly threatened to be committed in the near future against a foreign government or against the United States government or its citizens or interests, or any hostile detonation of any weapon of war employing atomic or nuclear fission and or fusion or any like reaction or radioactive force matter. This definition will not include a commercial airport(s) that is open for operations by air carriers subject to the jurisdiction of the FAA. A smaller geographic unit within a country, city or locale may be identified as a Hostile Area without rendering the entire country, city or locale a Hostile Area.
Hostile Area Operations	A Flight Segment, any portion of which is, in origin, destination, overflight or transiting over a Hostile Area.
Hostile Area Operations Pool	A list of Pilots who volunteer to be available for Hostile Area Operations.
Hot Meal	A Company provided Meal that is heated, as provided in Section 6 (Expenses, Lodging and Transportation).
Hourly Pay	Monetary compensation earned and calculated on an hourly basis or portion thereof, as provided in this Agreement.
Hourly Pay Rate	Hourly Pay Rate as published in the Hourly Pay Rate tables in Appendix A.
HR Online System	Employee Services Intranet communications.
Human Resources Manager	Northern Aviation Services, Managing Director Employee Services
IASA	International Aviation Safety Assessment. An FAA program that monitors foreign carriers for compliance with ICAO standards.

IBT	International Brotherhood of Teamsters.
ICAO	International Civil Aviation Organization.
ICCA	Initial Cadre Check Airman: any Pilot performing Check Airman Duty for any aircraft model or type, that is defined as New Aircraft, as provided in this Agreement.
Imaging Recording Device	A camera or another electronic device capable of capturing and recording an image, photograph or video.
Immediate Family	Parent/Step Parent/Parent in Law; All Grandparents/Grandchildren, regardless of generation; Spouse, Domestic Partner; Children/Step Children/Adopted Children; Brother/Sister/Step Brother/Step Sister.
Initial Call	The first attempt by the Company to call a Pilot while on Reserve.
Initial Contact	The first positive two-way communication between a Pilot and the Company.
Initial Line Award	A Pilot's Initial Line awards prior to the Integration Period, as provided in Section 14 (Scheduling).
Initial Training	Required Training of new hire pilots that includes Company indoctrination and aircraft Training programs.
Instructor Pilot	A person who gives Ground Instruction or Simulator Instruction.
Integration Period	The period during the Monthly Bid Period where the Initial "Lines are adjusted as the result of Trip Pairings and Reserve Assignments being dropped from Lines due to conflicts with other Assignments from the previous Month's Line award or Assignments and and/or accrued benefits that were not found in the Initial Lines but shall be constructed in a Pilot's Line for that Month. (e.g., Vacation, Vacation Slides, Military Leave, Training, OE, Conflicts occurring as the result of a Trip Pairing(s) in the previous Month's Line award.

Integration Procedures	The procedures in Section 14 (Scheduling) that are to be followed when it is necessary to adjust a Pilot's awarded Line during the Integration Period.
International Deadhead Travel	Deadhead Travel that is scheduled, for one or more segments, to travel to or from a Domestic location and an International location, or all Deadhead Travel between International Locations.
International Domicile	A Domicile located outside of the United States of America or its Territories, as provided in this Agreement.
International Duty	The Duty that is performed on a Trip Pairing by a Pilot that involves flying to or from an International Location or performing another Company-Directed Assignment in an International Location.
International Operations	All Company operations in an International Location. All Flight Segments performed between an International and Domestic Locations. All other Company-Directed Assignments that include travel to, travel from and at an International location.
International Trip Pairing	A Trip Pairing that has at least one (1) Flight Segment that is scheduled to land in an International location.
Investigatory Meeting	A formal meeting in the Disciplinary process in which the Company and the Pilot, with optional Union Representation, discuss allegations against the Pilot for which discipline might result, as well as the Pilot's defense to the allegations.
Involuntary Assignment	When Crew Scheduling involuntarily assign a Pilot to Duty on a Day Off, or additional Duty to an Assignment that is being performed by a Pilot.
Irregular Operations (IROP's)	Operations when an unforeseeable or unpredictable event, or an event not within the control of the Company, including, but not limited to, severe weather, natural disasters, or other system disruptions that result in significant loss of schedule synchronization.
Jeppesen Charts	A brand name for navigation charts for Cockpit use.

Jump-seat	An aircraft cockpit observer seat, cabin crew designated seat, supernumerary seat or another seat not designated as a normal passenger seat.
Junior Assignment	The procedure used by Crew Scheduling to involuntarily assign a Pilot to Duty on a Day Off, in inverse Seniority Order, beginning with the most junior available Pilot. The Involuntary Assignment of a Pilot to a flight(s) on his Day(s) off, outside of normal extension procedures, as provided in this Agreement.
Jury Duty	Mandatory civic requirement of a person to be available at a Court of Law until released from jury service by a judge.
KCM	Known Crew Member Program. A Transportation Security Administration program for crewmembers to enter the secure area of specific airport terminals with proper credentials, bypassing the normal public security checkpoints.
Known Flying	The earliest time a Trip Pairing(s), or portions thereof and/or Reserve Assignment(s) is needed to be Assigned or awarded to a Pilot. All Known Flying shall be placed in a Line during Line Construction or in Open Time, as provided in Section 14 (Scheduling).
Layover Period	The period of time after the end of a Pilot's Rest Period and with no immediate Duty Assignment by the Company, while on a Trip Pairing and away from his Domicile.
LDT	Local Domicile Time.
Leave of Absence	A period of time when a Pilot is not available for Duty, which may include several types of Leaves, as provided in this Agreement.
LOA	Letter of Agreement: An additional addendum to this Agreement, separate from the main body of this Agreement.
Line Check	An operational evaluation event conducted to observe a pilot's performance of his duties and responsibilities during line flights dispatched under FAR Part 121. A

Line Check may be given by a Check Airman or Designated FAA Inspector.

Line (Line of Time)	A Pilot's scheduled activities for a Bid Period including scheduled Days, Duty Periods, layovers, deadhead time or other duties Assigned by the Company.
Line Construction	A process undertaken by the Company, with input from the Union Scheduling Committee, to build the Bid Package.
Line Flying	Flying, Reserve Assignments or other Company-Directed Assignments that non-Management Pilots perform for the Company.
Line Pilot	A Pilot who is not a Management Pilot.
Local Union	International Brotherhood of Teamsters Local.
Local in Nature	Transportation to a rest accommodation that is within thirty (30) minutes travel time of the location where a Pilot's scheduled Assignment begins or ends, except when the Company and Union agree on a different time(s) for a particular location(s).
Local Time	Local Time at each Domicile.
Longevity	Cumulative time a Pilot has been in employed with the Company as a Pilot, which shall begin accruing the Day the Pilot begins Initial Training and shall continue to accrue uninterrupted, except as provided in the Agreement.
Long-Call Reserve	As provided for in Section 15 (Reserve), a R3 Reserve Pilot shall be Reserve/phone availability period is from 0000 to 2359 and who is required to report at his Residence Airport no earlier than twelve (12) hours after the Initial Call to his primary contact number. A R3 Assignment is not a RAP.
Long-Term Training	Scheduled Training for a period of fifteen (15) Days or more, including Days off, from the beginning to the completion of such Training, including any OE.
Long-Term Disability (LTD)	Long-Term disability Insurance that provides a benefit to the Pilot and is provided by the company.

Maintenance Crew	A person whose job description is to administer and/or perform aircraft maintenance functions on behalf of the Company.
Maintenance Delay	A Delay of a flight due to mechanical aircraft irregularities; scheduled or unscheduled events relating to the airworthiness of an aircraft, (e.g. inspections, repairs).
Management Pilots	Company Pilots on the Seniority List, who hold the position of Vice President of Flight Operations, Director of Operations, Director of Flight Standards, Chief Pilot, Assistant Chief Pilot, or Manager of Flight Training, as provided in this Agreement.
M&IE	Meals and Incidental Expenses
Medical Certificate	A certificate required by FAR Part 61 that is necessary to exercise the privileges of a Pilot Certificate.
Medical Certification	A document provided by an authorized physician stating that a Pilot is/was medically unfit to perform his duties as a pilot and/or such Pilot will be medically fit to resume his duties at a specified date. This document shall make no mention as to what the medical issue is.
Medical Leave of Absence	A Leave of Absence due to a Medical condition, as provided in Section 8 (Leaves of Absence).
Medical Review Process	The Process of obtaining a second medical opinion if the results of the first examination are in question, as provided in this Agreement.
MEL	Minimum Equipment List. A list of equipment on the aircraft that may be inoperative under listed conditions and time constraints.
Minimum Rest	A period of time free of all responsibility for Duty or other Company-Directed Assignments following completion of a Duty Period and during which time the Pilot cannot be required to be contactable by the Company.
Minor Offense	An incident or conduct that may be resolved, utilizing corrective counseling and documentation, but does not

require continuing through the Grievance process. However, a Minor Offense may be subject to resolution by the Professional Standards Committee.

Month	1) A Calendar Month under the Gregorian Calendar or for the purpose of Pilots' Monthly Bids. 2) A Month, with the following exceptions: January shall end on January 30, February shall commence on January 31 and end on March 1; and March shall commence on March 2.
Monthly Bid Package	Information provided by the Company to the Pilots containing all Known Flying, Trip Pairings, Reserve Periods, Training, and any other Assignments and information required, as provided in this Agreement.
Monthly Bid Period	The process where Pilots bid and are awarded or Assigned Lines that are constructed from Monthly Flying or Reserve Assignments participate in the Schedule Adjustment Period (SAP) and when Composite Lines are constructed.
Monthly Bid Period Timeline	The timeline each Month where the sequence of events during the Bidding process are found, as provided in Section 14 (Scheduling).
Monthly Minimum Days Off Guarantee	The minimum number of Scheduled Days Off in Domicile that is required to be provided to a Pilot in a Month, unless otherwise provided for in this Agreement.
Monthly Pay Guarantee	The Minimum Pay Guarantee per Month (i.e., 65 PCH), except as otherwise provided for in the Agreement.
MTOW	Maximum takeoff weight.
Multi-Day Trip Pairing	Company Directed Assignment which may contain a combination of Flight Assignments, Reserve Assignments, Deadhead and Rest or Layover Periods, beginning and ending at a Pilot's Domicile and greater than one (1) Day in duration.
NAC	Northern Air Cargo, Inc.
NAC Pilot System Seniority List	The list of all Pilots employed by the Company as of the date the list was last published.

NAS	Northern Aviation Services, Inc.
National Mediation Board	The governing agency for the Railway Labor Act.
Neutral Board Member	An Arbitrator that is selected from a list of neutrals, provided by the National Mediation Board, for the Northern Air Cargo Pilots System Board of Adjustment.
New Aircraft Type	An Aircraft Type that is not, as of the DOS of this Agreement, being operated under the Company's operating certificate.
New Domicile	A New Domicile is the opening of a Domicile that has not previously existed or has previously closed and subsequently re-opened. A Domicile shall be considered a New Domicile for twelve (12) Months from the first posted Effective Date for such Domicile. The introduction of a New Aircraft Type, as provided in Section 4, New Aircraft Type, into an existing Domicile shall be considered a New Domicile for such New Aircraft Type.
New Hire Class	An Initial Training class that consists of New Hire Pilots.
New Hire Pilot	A Pilot who is in Initial Training and who has not completed his Operating Experience (OE).
New Market	A city pair that the Company does not currently serve but intends to serve on a regular basis.
Night Trip Pairing	A Trip Pairing consisting of a single Duty Period that is scheduled with Duty between the hours of 0001 and 0430.
NMB	National Mediation Board.
Non-Disciplinary Dispute	A Dispute concerning the Company's compliance with a provisions(s) in this Agreement.
Non-Flying Assignment	A Company-Directed Assignment that does not include flying duties.

Non-Flying Pilot	A Pilot who is not the primary manipulator of the Controls in the Cockpit. The Non-Flying Pilot provides support for the Pilot managing the flight controls.
Northern Air Cargo, Inc.	The “Company.”
Notice of Investigatory Meeting	The required notice given to a Pilot of impending Investigatory Meeting.
NRFO	Non-Routine Flight Operation. The operation of an aircraft which does not involve common carriage. Such operation may or may not require specialized Training. As provided by FAR's and Federal Supplement to INFO 08032, NRFO's are categorized into two (2) Groups: Group 1 does not require specialized Training. Group 2 requires specialized Training (e.g., Test Flights).
NTSB	National Transportation Safety Board.
Observer (Training)	As provided in Section 12 (Training), when a Pilot is experiences a failure in his Simulator Training, he may request a Pilot who is on the EXCO, another Check Airman or an FAA Inspector to sit in the Simulator as an Observer” and watch his next Check Ride.
Operators Experience (OE)	The initial line flying period, supervised by a check airman, mandated by the FAA for a Pilot in a new position.
OE Integration	As provided in Section 14 (Scheduling), the Integration process during the Monthly Bid Period that adjusts Lines to accommodate OE Training.
Open Time	The location where an unassigned Trip Pairings or portions thereof, and/or Reserve Assignments are found.
Open Time Procedures	The procedure where unassigned Trip Pairings or portions thereof, and/or Reserve Assignments are awarded or Assigned to Pilots, as provided in Section 14 (Scheduling)
Operations Specifications	The document specifying the privileges and limitations of the certificate holder under the FAR's.

Out-of-Domicile (Pilot/ Assignment)	A Pilot from another Domicile. A Pilot performing a Reserve Assignment that is scheduled at a Domicile being utilized to perform a Company-Directed Assignment that originates at another Domicile. A Trip Pairing or Reserve Assignment originating in a different Domicile other than his own.
Partial Trip Drop	A Trip Drop request that involves only a portion of a Trip Pairing or Days in a block of Reserve.
Part Time Check Airman	As provided in this Agreement, A Check Airmen who is not scheduled to perform Training Duties for an entire Month.
Pay Rate	A Pilot's applicable hourly Pay Rate, as provided in Section 3 (Compensation).
PCD	Personal Communication Device.
Pay Credit Hour(s) (PCH)	Pay for all credit time earned from Duty or other Company-Directed Assignments, as provided for in the Agreement.
Per Diem	The expense allowance a Pilot receives from the Company for incidental expenses (e.g., meals, tips), as provided in this Agreement.
Permanent Vacancies	A Position Vacancy at a Domicile that is anticipated to be greater than twelve (12) Months in duration. There are two types of Permanent Vacancies: (1) Primary Vacancies; and, (2) Secondary Vacancies.
Personal Communication Device (PCD)	A Company approved, or a Company provided and required Communication Device (e.g. cell phone, laptop, tablet).
Phantom Award	As provided in Section 22 (Check Airmen and Instructors), or as in Section 23, for a Management Pilot, if a Check Airman/Instructor or Management Pilot holds a Vacancy but do not immediately occupy and maintains his current Position in order to continue his

Checking Duties in that aircraft. A Check Airman or Instructor who holds such "Phantom Bid" shall be paid the higher of Hourly Pay Rate between his current Position and his Phantom Bid Position.

Pick-up (Open Time)	A Trip Pairing or Reserve Assignment selected from Open Time During SAP or Daily Open Time without an associated Trade or Drop.
Pilot	A Captain, First Officer, Flight Engineer or Navigator whose name appears on the Northern Air Cargo Pilots System Seniority List (including those pilots from the previous Aloha Air Cargo Pilot's Seniority List, as the result of the Integrated Seniority List (ISL) award in Appendix B of this Agreement).
PLOA	Personal Leave of Absence
Pool Pilot	A Pilot who has opted into the Hostile Area Operations Pool and is subject to Hostile Area Assignments.
Position	Status (Captain/First Officer/Flight Engineer/Navigator) and Aircraft Type (e.g., B767, B737).
Positioning Flight	The airborne movement of an airworthy aircraft from one location to another.
Positive Contact	As provided in this Agreement, when <u>both</u> the Company and a Pilot make contact with one another through an authorized means.
Positive Space (Deadheading)	Confirmed seating airline tickets.
PPE	Personal Protective Equipment
Premium Pay	Additional Pay increases above a Pilot's Hourly Pay Rate that he is paid when performing specific Company-Directed Assignments.
PRIA	Pilot Record Improvement Act, a federal regulation. 29.K.5.
Primary Residence	The geographic location where a Pilot lives the majority of the time and is on record with the Company for various purposes such as tax or travel considerations.

Primary Vacancy	A Vacancy, as the result of the Company posting in a Vacancy Bid.
Probationary Period	A Pilot's first three hundred sixty-five (365) Days of Active Service with the Company, commencing with his Date of Hire.
Proficiency Check	A proficiency evaluation of maneuvers and procedures conducted in a Simulator or airplane as part of an initial, a recurrent or a Requalification Training program, and is the equivalent of Line Operational Evaluation (LOE) under an Advanced Qualification Program (AQP).
Protest Period	The defined periods of time within the Monthly Bid Period when a Pilot, who has an awarded Line may submit to the Company potential errors with his award and for the purpose to remedy potential errors.
PRTE	Preference for Recurrent Training Events Bidding
Qualification Event	A validation event to maintain or reestablish a Pilot's Position, which shall be conducted by a Check Airman. Maneuvers are specified in applicable FAR and AQP source documents. This is a train-to-proficiency event; however, proficiency in all maneuvers must be achieved within the allotted time for the event
Reassignment/ Reassigned/Reassign	1) An involuntary change to a Pilot's Company-Directed Assignment on his scheduled Workday(s), as provided for in this Agreement. 2) involuntarily changed to a different location when performing a Company-Directed Assignment.
Recall	The process from which a Furloughed Pilot is returned to service with the Company.
Recall Notice	The notice given to Pilots who are eligible to return from Furlough as a result of a Vacancy Bid.
Recording Device	Any electronic device used to record audio, visual and/or performance data.
Recurrent Training	Periodic Training and Checking required by the FAA (e.g., Home Study, Ground School and Simulator

Training), for a Pilot to maintain currency/qualification in his Position.

Regular Line	As provided in Section 14 (Scheduling), a planned sequence of Trip Pairings that also may include Combination Trip Pairings, and a limited number of Reserve Assignments with intervening Days Off. These Assignments are then arranged in a Line of Time for a Month.
Release Date	The Date designated by the National Mediation Board when the Union and the Company are authorized to exercise "Self Help" measures after Section 6 Negotiations conclude.
Remedial Training	Training a Pilot receives when he fails or is not recommended for any phase of a Training or Qualification Event, as provided for in Section 12.
Replacement	A pilot who is involuntarily relieved from a Trip Pairing or portion thereof (e.g. Replaced for Operation Experience, Replaced for currency requirements etc.).
Report Time	The scheduled or actual time, whichever is the latter, a Pilot is required to report for an Assignment.
Requalification Training	Required Training (ground and/or flight) and any associated Proficiency Check(s)/Qualification Checks for a Position a pilot is initially qualified but is no longer current.
Reroute	When a Flight Segment is changed or redirected to a different location.
Reserve Assignment/ Reserve	An Assignment (R1, R2, R3 or R4) whereby a Pilot is available to be Assigned by the Company to a Trip Pairing or other Company-Directed Assignment, as provided for in this Agreement.
Reserve Availability Period (RAP)	A R1 or R2 Assignment in a Pilot's Bid Line, or a R4 Assignment in which a Pilot is obligated to remain available to the Company for the purpose of being Assigned a Trip Pairing or any additional Duty, as specified in this Agreement. RAP's are considered Duty.

Reserve Bid Line Holder	A Pilot who is awarded or Assigned to a Reserve Line
Reserve Line	A Line of Time in a Month which is constructed with only Reserve Assignments and Days Off.
Residence	A Pilot's Primary Residence.
Residence Airport	As provided in this Agreement, a Pilot's designated Airport of use for all Company provided Deadhead transportation to and from an Assignment when performing R3 Reserve or a TDY.
Resignation	The formal notification by a Pilot to the Company of the Date that the Pilot intends to sever his services with the Company.
Rest Period (Rest/Required Rest)	As provided in this Agreement, a Duty-Free period of time the Company is required to provide a Pilot between Assignments. The Rest Period is a scheduled period of time, free from all Duty or other Company-Directed Assignments, between such Assignment and his next scheduled Company-Directed Assignment or between an Assignment and a Layover Period.
Return to Active Service	The date agreed upon by the Company and the Pilot for the Pilot's return to Duty from a Leave of Absence.
Revenue Service	Utilization of aircraft in scheduled, charter and other operations for the purpose to produce income for the Company.
RGS	Recurrent Ground School
RON	Remain Over Night
Route Check	A Check a Pilot receives by a Designated FAA Inspector when he is performing a Trip Pairing between two city pairs flown by the Company.
Schedule Adjustment Period (SAP)	As provided in Section 14 (Scheduling) the process during the Monthly Bid Period where a Pilot may modify his Initial Line Award after the Integration procedure through "Pick-Up and "Trade" transactions.

SAP Blackout Dates	Specific Dates of the Year during the SAP Process where transactions are limited, as provided in Section 14 (Scheduling).
SCBA	Single Collective Bargaining Agreement.
Scheduled Days Off	Certain Days Off built into the Bid Lines in the Monthly Bid Package.
Scheduled Flight	A published, regularly occurring flight.
Scheduling Committee	Two Union members appointed by the Union, the Chief Pilot and another management representative.
Second-in-Command	A First Officer. A Pilot who is a required Crewmember of the aircraft, whose Duty is to assist or relieve the Pilot-in-Command (Captain) in the manipulation of the flight controls of an aircraft while underway, including take-off and landing of such aircraft, and who is properly qualified to serve as and who holds a current airman's certificate authorizing him to serve as such First Officer.
Secondary Line(s)	A Line(s) that are constructed after the Integration Period during one of the Scheduling Process provided for in Section 14 (Scheduling).
Secondary Vacancy	A Vacancy that the Company has elected to fill when created by a Pilot leaving his current Position for a newly awarded or Assigned Position Vacancy.
Security Identification Display Areas (SIDA)	Secure areas at an airport where a security clearance and the display of a job specific photo ID are always required.
Seniority	A Pilot's relative position on the Northern Air Cargo Pilot's System Seniority List, which shall be based on his length of service with the Company, starting on his Date of Hire and continuing to accrue thereafter, unless otherwise provided for in this Agreement.
Seniority Date	The date which determines Pilot's relative position on the NAC System Seniority List.
Seniority List	Northern Air Cargo System Seniority List.

Seniority Order	Except as otherwise provided for in this Agreement, the method of selection for a Company-Directed Assignment, from the most senior Pilot first to most junior Pilot last.
SFAR	Special Federal Aviation Regulations.
Short Call Reserve (Domicile-(R1) and Out-of-Domicile-(R2))	As Provided for in this Agreement, a Reserve Assignment whereby after a Pilot on R1 or R2 receives an Initial Call by Crew Scheduling to his primary contact number, he shall be required to report at his Domicile (R1) or a location other than his Domicile (R2) for an Assignment no later than, two (2) hours when performing a R1 Reserve Assignment or one (1) hour when performing a R2 Reserve Assignment. R1 and R2 Reserve Assignment are RAP's.
Short Term Disability	As provided for in this Agreement, the basic insurance policy provided by the Company for a Pilot when he is unable to perform his Duties for a period of time between Sick Leave and Long-Term Disability (LTD). The Pilot shall have the option to voluntarily buy additional STD coverage.
Short-Term Training	Any Training that is scheduled for less than fifteen (15) Days and is on a Pilots Line.
Sick Bank	As provided for in this Agreement, a Pilot's granted Sick Days less Sick Days taken.
Sick Days	An annual granted benefit that is given to a Pilot, as a result of his Longevity, that is used to compensate for lost PCH resulting from injury, sickness, or as otherwise provided for in this Agreement. Such Benefit is given in Days, as provided for in this Agreement.
Sick Leave	The period of time a Pilot is not available to perform his scheduled Company-Directed Assignment(s) due to illness or injury. Available Sick Days in his Sick Bank shall be used to Compensate a Pilot when on Sick Leave.
Simulator	A Training device in compliance with the minimum standards for a Level A Simulator specified in FAA

Advisory Circular 120-40, as may be amended (presently, a full-size replica of a specific type or make, model and series airplane cockpit, including the assemblage of equipment and computer software programs necessary to represent the airplane in ground and flight operations, a visual system providing an out-of-the-cockpit view, a force (motion) cueing system which provides at least equivalent to that of a three degree of freedom motion system).

Simulator Training	A Training Assignment that is scheduled for and/or performed in a Simulator
Single Day Vacation	As provided in this Agreement, Vacation that is requested and taken in individual Days.
Split-Trip Pairing	A Trip Pairing that is constructed with Flight Segment(s) and/or Deadhead Assignment (s) and a RAP Assignment. Split-Trip Pairing.
Standard Conus Rate	As provided in Section 6 (Expenses, Lodging and Transportation), the IRS authorized allowance for expenses incurred by a Pilot.
Standing Bid	The list of preferences on file with the Company that represents a Pilot's preferences for Vacancy and Displacement Bid Awards pertaining to Position, Domicile and if applicable TDY Assignments.
Status	Captain, First Officer, Flight Engineer, Navigator
Super-Seniority	As provided in Section 14 (Scheduling), the deviation from Seniority Order during SAP that allows a Pilot whose Line is below MPG due to the Integration procedures to have preferential bidding to return his Line PCH to the MPG.
System Board of Adjustment	A three (3) member board, unless otherwise provided for in this Agreement, that consists of an Arbitrator, a Union Member and a Company Member that hears and resolves disputes between the Company and the Union.
System Seniority List	The list, in Seniority Order, of all Pilots employed by
Temporary Duty	

Vacancy (TDY)	As provided in Section 18 (Filling of Vacancies), a temporary Assignment whereby a Pilot, per his Standing Bid, may bid and be awarded to or as a result of an insufficient number of bidders, be Assigned to such Assignment. All TDY Vacancies shall be at a location other than the Pilot's Domicile and his Assignments shall begin and end at the TDY Location.
Training/Training Event	A Company-sponsored program of instruction and/or evaluation required by the Company or FAA (e.g., New Hire, Transition, Upgrade, Difference, Requalification Training). Training is considered Duty for the purpose of this Agreement.
Training Bid	Monthly Bid Line containing Training, as provided in this Agreement.
Training Bubble	A Temporary over-staffing situation to cover airline operations while in a period of Training.
Training Contract	An agreement between a Pilot and the Company that requires the Pilot to maintain his employment with the Company for a specific period of time or repay all, or a pro rata portion of his Training costs. As provided in this Agreement, Training Contracts are not authorized at Northern Air Cargo.
Training Date	The awarded or Assigned date when a Pilot's Training Event begins.
Training Device	A Training aid such as a Flight Simulator, procedures Training device, Computer Based Training aids, or other materials or devices to aid in Training.
Transition Days	As provided in Section 14 (Scheduling), the first five (5) Days of each new Month where Transition Integration takes place.
Transition Training	Required Training that involves a Pilot changing his Aircraft Type, but not Status. (e.g., Captain 737 to Captain 767 or F/0 737 to F/0 767).
Transition Trip Pairing	A Trip Pairing that extends from one Bid Period into the next.

Trip Drop	A voluntary change in a Pilot's schedule where a Trip Pairing(s) or portion thereof or a Reserve Assignment(s) is removed from his Line.
Trip Irregularity	Factors that may delay, interrupt or extend a Flight Assignment such as weather or mechanical issues.
Trip Pairing	A Company Directed Assignment that may contain a combination of Flight Segments, Reserve Assignments, Deadhead, intervening Rest Periods and Layover Periods that are paired together and are scheduled to begin or end at a Pilot's Domicile or TDY Location, whichever is applicable.
Trip Rig	The method used to calculate a pay credit as a ratio of the total Time Away from Domicile (TAFD) during a Trip Pairing. The ratio is 1:4.90 One (1) PCH for every four and ninety hundredths (4.90) hours away from Domicile, prorated on a minute-by-minute basis, as provided in Section 3 (Compensation).
Trip Trade	A voluntary change in a pilot's schedule where Trip Pairings or portions thereof, or Reserve Assignments are exchanged between two (2) Pilots, or between a Pilot and Open Time.
Trip Trade Form	The paper or electronic form that is used to request a Trip Trade and is submitted to Crew Scheduling or Dispatcher on Duty.
TSA	Transportation Security Administration.
Type	Individual aircraft design or closely related group of aircraft that require specialized Training and licensing to act as Pilot in Command.
Type Rating	A qualification on a Pilot's Certificate to operate a specific Type of aircraft, as required by the FARs.
Type Ride	The oral and flight check required to obtain a Type Rating.
UltiPro	At the time of the DOS of this Agreement, the website that is utilized for viewing and/or selection options by the Company for, but not limited to, pay, benefits, personal employment information and Training.

Unilateral Drop	A Trip Drop into Open Time without an associated Trade or Pick-up.
Union	The International Brotherhood of Teamsters, IBT Airline Division or other IBT Locals that are designated in writing to the Company by the Airline Division, as authorized Representatives of the Pilots.
Union Business Agent	An authorized Union Representative from a Local whose responsibility is to provide support in the negotiations and enforcement of this Agreement.
Union Leave	As provided in Section 8 (Leaves of Absence), Short or Long-Term Leave granted a Pilot to conduct Union Business.
Union Negotiating Committee	As provided for in this Agreement, the committee of three (3) Pilots selected to represent the NAC Pilot group in all contract negotiations.
Union (Pilot) Representative	An authorized Representative of the Union. (e.g., EXCO Member, Union Committee Chairman/member, Union Shop Stewart, International Representative).
Union Representation	A Union member who advocates for a Pilot in the case of a Grievance or Disciplinary issue.
Upgrade Training	Required Training that involves a change in Status (e.g. F.O. 737 to Captain 737).
USERRA	Uniformed Services Employment and Reemployment Rights Act.
UTC	Universal Time Coordinate.
Vacancy	A Position at a Permanent or Temporary Domicile that the Company posts for bid and is Awarded or Assigned to a Pilot, in accordance with Section 18.
Vacancy Bid	The method by which all Pilots on the System Seniority List may utilize their Seniority to bid on Vacancies and exercise their Displacement preference.

Vacation	An accrued benefit of scheduled Day(s), free from all Company-Directed Assignments, that is scheduled and paid, as provided in Section 11 (Paid Time Off) and Section 3 (Compensation).
Vacation Accrual	Paid Time Off (PTO) Accrual, as provided in Section 11.B
Vacation Block	A block of four (4) or more consecutive Days in a Pilot's Line that is designated as Vacation.
Vacancy Bulletin	Required published information accompanying a Vacancy Bid, as provided in Section 18 (Filling of Vacancies)
Vacation Cancellation	A Pilot's Vacation that is cancelled due to: 1) the Company involuntarily cancelling his Vacation; 2) the Company requests that he cancels his Vacation and he accepts, or; 3) the Pilot initiates the cancellation of his Vacation.
Vacation Slide	As provided in Section 14 (Scheduling), the process by which a Pilot has the option to request moving his block of Vacation, with limitations, to an earlier date or later date in a Month, or the next Month if originally scheduled to begin at the end of the current Month, into the following Month.
Vacation Week	A calendar Week, based on the Gregorian Calendar, of Vacation that is put out for bid by the Company during the Annual Vacation Bid.
Video Recording	The recording of moving visual images made digitally or on videotape.
Voluntary Furlough	A Furlough that may be offered by the Company for voluntary acceptance by Pilots should a reduction in workforce become necessary.
Volunteer Open Time Flying	A Pilot who voluntarily make himself available on his Day(s) Off to perform a Trip Pairing or Reserve Assignment from Open Time.
Volunteer Pilot Available (VPA).	As provided for in Section 14, the process a Pilot can notify the Company and make himself available on his

	Day(s) Off to be Assigned Trip Pairings and/or Reserve Assignment in Open Time.
VPA Assignment	An unassigned Trip Pairing or Reserve Assignment from Open Time that is Assigned to a Pilot on the Volunteer Pilot Available list.
VPA Request Specifications	The conditions and limitations a Pilot may attach to his VPA notification.
Weather Delay	A scheduled delay due to departure or arrival weather conditions (e.g., below minimums), severe weather, or other weather conditions deemed to adversely affect the safety or legality of a flight.
Week	1) A calendar Week, based on the Gregorian Calendar, or 2) in cases of provisions in the Section 14, Scheduling, the 1 st Week in February shall include January 31 and the last Week in February shall include March 1 st .
Wet Lease (Wet Lease IN)	An agreement in which the Company leases an Aircraft and Crew from another carrier for a specific period of time, as provided for in this Agreement.
Wide Body	A large aircraft, with a fuselage from 16 to more than 20 feet in diameter.
Workday	A Day when a Pilot performs or is scheduled to perform a Company-Directed Assignment(s).
Worker's Compensation	A program that insures workers for injuries or illness incurred through their employment.
Year	A calendar Year, based on the Gregorian Calendar, from January first through December thirty first

SECTION 3 COMPENSATION

A. LONGEVITY.

Longevity shall begin to accrue on the first Day a Pilot reports for Initial Training (to include any Company orientation) and shall continue to accrue Longevity except as otherwise provided for in this Agreement, A Pilot who was on the Aloha Air Cargo Pilot System Seniority List prior to this Agreement shall be credited for his Longevity, as provided in Section 16 (Seniority).

B. HOURLY PAY RATES.

1. Captain and First Officer
 - a. A Pilot shall receive an Hourly Pay Rate based on his Position and Longevity with the Company. The Hourly Pay Rates for B737 and B767 Aircraft Types are listed in Appendix A. of this Section 3.
 - b. For any New Aircraft Types or their derivatives, the applicable Hourly Pay Rates shall be determined, as provided in Section 4 (New Aircraft Type).
2. Hourly Pay Rates for all Pilots shall be as provided in this Section 3 (Compensation), Appendix A.
3. On the Amendable Date of this Agreement and every anniversary thereafter until the Effective Date of an amended Agreement, Hourly Pay Rates shall increase by two percent (2%).
4. The Company may pay "signing" or "retention" bonuses to attract or retain Pilots. If a signing bonus is given to a New Hire Pilot, the Company shall provide a retention bonus to all applicable senior Pilots on the NAC Pilot System Seniority List to assure that their earnings, based on the Monthly Pay Guarantee, their Pay Rate, as provided in Appendix A of this Section 3 (Compensation) and a Retention Bonus, pro-rated on a Monthly basis, is at least two percent (2%) higher than the New Hire Pilot's projected earnings.

C. PAY CREDIT HOURS ("PCH").

A Pilot shall be compensated for all PCH accumulated during the Month, as provided in Section 14 (Scheduling). His Monthly pay shall be calculated by multiplying his accumulated PCH by his applicable Hourly Pay Rate, as provided in this Section 3.

D. PAY GUARANTEES.

1. A Pilot's Monthly Pay Guarantee ("MPG") per Month shall be sixty-five (65) PCH.
2. A Pilot's Daily Pay Guarantee ("DPG") per Workday shall be 3.82 PCH. When a Pilot is scheduled for a single Duty Period that overlaps two (2) Days, it shall constitute one (1) Workday. Furthermore, when a Pilot is scheduled for two (2) separate Duty Periods, all or part of which occur in the same Day, this shall constitute two (2) Workdays.
3. A Pilot who is available for Duty for a full Month shall be compensated for no less than his MPG, as may be increased or decreased, as provided elsewhere in this Section 3.
4. Except as otherwise provided in this Agreement, A Pilot who is unavailable for Duty during a portion of a Month shall have his MPG reduced accordingly; *provided*, a Pilot on Vacation, in Training, on Sick Leave or on a Leave of Absences, as provided in Section 8, shall be credited for all PCH that is dropped from his Line, as provided in this Section 3, and he shall not have his MPG reduced.
5. A Pilot who drops a Trip Pairing or Reserve Assignment, as provided in Section 14 (Scheduling), shall have his accumulated PCH for the Month reduced by the PCH value of the dropped Trip Pairing or Reserve Assignment. If his accumulated PCH value falls below his MPG, his MPG shall be reduced accordingly.
6. If a Pilot Trip Trades and the PCH value of his new Trip Pairing is less than his original Trip Pairing, his accumulated PCH for the Month shall be reduced by the PCH differential. If his accumulated PCH falls below his MPG, his MPG shall be reduced accordingly. If his new Trip Pairing has more PCH than his original Trip Pairing, his accumulated PCH for the Month shall be increased accordingly.
7. A Pilot awarded Open Time, as provided in Section 14 (Scheduling), shall have the PCH of such Open Time added to his MPG or accumulated PCH, whichever is greater.

E. TRIP PAIRING PCH.

The PCH value of a Trip Pairing shall be the PCH value of subsections 3.E.1., 3.E.2., 3.E.3., or 3.E.4., whichever is greater:

1. Flight Operations PCH, to include the sum of the scheduled or actual value, whichever is greater, of the following four (4) items:

a. Block Time PCH

One (1) PCH for every hour of Block Time, prorated on a minute-by-minute basis; plus,

b. Reassignment/Reroute/Replacement/Cancellation PCH

If a Pilot is Reassigned, Rerouted, Replaced, including Displacement, or any portion of a Trip Pairing or other Company-Directed Assignment in his Line is cancelled, he shall be credited with the greater value the following:

(1) The PCH value of his originally scheduled Assignment; or,

(2) The PCH of the Pilot's reassignment, calculated as provided in subsection 3.E.

c. When a Pilot is performing a Trip Pairing or other Company-Directed Assignment and as the result of a delay or compliance to the provisions in this Agreement, it causes Crew Scheduling to Replace him on any portion of a scheduled Assignment in his Line, unless he is subsequently Reassigned to another Assignment after being Replaced, he shall be paid, in addition to the PCH earned from his previous Assignment(s), the scheduled PCH lost due to his Replacement.

d. Deadheading PCH

(1) When Deadheading by air, as provided in Section 7 (Deadheading), a Pilot shall be paid with the greater of: fifty percent (50%) of all scheduled Deadhead block time, as provided in this subsection 3.E.1; or ii) one hundred percent (100% of the Duty Rig for all Duty Periods involving any Deadhead, as provided in 3.E.2; or iii) one hundred percent (100%) of the Trip Rig for all Time Away from Domicile when Deadhead, as provided in 3.E.3., prorated on a minute-by-minute basis.

(2) When Deadheading by surface transportation, as provided in Section 7 (Deadheading), a Pilot shall be paid the greater of: i) fifty percent

(50%) of the scheduled Deadhead time, as provided in Section 7, or;
ii) one hundred percent (100%) of the Duty Rig for all Duty Periods that involve Deadhead, or; (iii) one hundred percent (100%) of the Trip Rig for all Time Away from Domicile when Deadheading, prorated on a minute-by-minute basis.

2. Minimum Duty Period PCH (DUTY RIG). A Pilot shall be credited with the greater of the following when on a Trip Pairing:
 - a. One (1) PCH for every two (2) scheduled or actual hours on Duty (1:2), whichever is greater, prorated on a minute-by-minute basis; or,
 - b. His DPG per Duty Period, as applicable.
3. Time Away From Domicile PCH (TRIP RIG)
 - a. A Pilot's Time Away from Domicile ("TAFD") shall be measured from the time he reports for Duty at his Domicile at the beginning of a Trip Pairing until released from Duty at his Domicile the end of his Trip Pairing.
 - b. A Pilot shall be credited with a minimum of one (1) PCH for every 4.90 scheduled or actual hours of TAFD (1:.49), prorated on a minute-by-minute basis, when on a Trip Pairing.
4. The cumulative DPG, as provided in subsection 3.D.2 for the entire Trip Pairing.

F. RESERVE PCH.

1. There shall be Reserve Availability Periods (RAP) performed during each Month, as provided in Section 15 (Reserve Duty).
 - a. A Pilot who has a Reserve Line, as provided in Section 14 (Scheduling) shall receive his MPG or his accumulated PCH during the Month, as provided in subsection 3.N., whichever is greater.
 - b. Except as provided in subsection 3.F.2., a Pilot who is scheduled to perform a Reserve Assignment, as provided in Section 15 (Reserve), shall receive the greater of the DPG, or when Assigned to a Trip Pairing or other Company-Directed Assignment, the PCH earned from such Assignment, as provided in this Section 3, whichever is greater.
2. A Pilot with a "Split-Trip" (*i.e.*, scheduled Trip Pairing and R-1 RAP, back-to-back, within the same Duty Period), shall be credited with the applicable PCH for the Trip Pairing and fifty percent (50%) of the DPG for the scheduled R-1 RAP. When Assigned to a Trip Pairing or other Company-

Directed Assignment from a Split Trip's R-1 RAP, a Pilot shall receive the PCH earned from such Assignment, as provided in this Section 3, or fifty percent (50%) of the DPG, whichever is greater, in addition to the earned PCH from the scheduled Trip Pairing in the Split-Trip.

3. A Pilot with a Split-Trip with an R-2 RAP scheduled in it shall be paid one hundred percent (100%) of the DPG for each R-2 RAP that is scheduled in his Trip Pairing. If Assigned to a Trip Pairing or other Company-Directed Assignment from a Split Trip's R-2 RAP, a Pilot shall receive the PCH earned from such Assigned Duty, as provided in this Section 3, or the DPG, whichever is greater, in addition to the earned PCH from the other Flight Segments in the Trip Pairing that is included in the Split-Trip.
4. For each Reassignment from a R-1 or R-2 RAP to a R-4 (Airport Reserve) RAP, a Pilot shall be paid:
 - a. One (1) PCH in addition to all other PCH earned in a Month, as provided in Subsection 3.N (Monthly cumulative PCH) for the Reassignment to R-4, and
 - b. When Assigned by Crew Scheduling to a Trip Pairing or other Company-Directed Assignment from a R-4 RAP, the earned PCH, as provided in this Section 3 (Compensation) or the DPG, whichever is greater, for each Day of such Assignment.

G. TRAINING PCH.

A Pilot Assigned to Training shall be credited with PCH as follows:

1. Classroom = the greater of 4.0 PCH per Day or one (1) PCH for every two (2) hours of Classroom Training. When calculating the length of time for such Classroom Training, one (1) hour shall be deducted from the total time if such Training has lunch scheduled in its curriculum.
2. Simulator = One (1) PCH per hour of Simulator period, prorated on a minute-by-minute basis, plus one-half (1/2) PCH per brief or debrief; *provided*, the total shall be no less five (5) PCH.
3. The DPG for each Day Off that is scheduled in excess of the minimum Days Off requirements for Ground School or Simulator Training, as provided in subsection 12.D.
4. If Training is (Reassigned) after a Pilot receives his Initial Line Award, he shall be credited, on a Day-by-Day basis, with the PCH of the Trip Pairing(s), Reserve Assignments or any other Company-Directed Assignments that is dropped from his Line, or the applicable PCH, as

provided in subsections 3.G.1, 3.G.2 or 3.G.3, whichever is greater. A Pilot shall not be Reassigned for Training on a Day Off, unless he agrees otherwise.

H. HOME STUDY TRAINING PAY.

1. If the Company requires any form of Home Study Training, a Pilot who successfully completes such module(s) shall receive fifty percent (50%) of his applicable Hourly Pay Rate for each hour required to complete such module(s), prorated on a minute-by-minute basis. Such Home Study compensation shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N. No Overtime or other Premiums, as provided in this Section 3, shall be applicable.
2. Modules selected for Home Study shall be applicable to all Pilots in a Fleet and must not shift back and forth between classroom and Home Study for the purpose of balancing Pilot-staffing requirements.
3. The time-value of an FAA approved module(s) shall be as determined by the FAA.
4. The time-value of a Company required module(s), shall be as mutually agreed upon between the Company and the Union.
5. A Pilot shall be credited with a minimum of one (1) hour for the completion of any Home Study Training module.
6. A Pilot shall not be required to participate in Home Study when on Flight or Reserve Assignment, but he may voluntarily elect to do so.

I. PAID TIME OFF (“PTO”) PCH AND PREMIUMS.

1. A Pilot shall be credited the PCH value of all Trip Pairings, Reserve Duty or any other Company-Directed Assignments that were removed from his Line for Vacation and are protected with a PTO Day(s), limited only by the number of available PTO Days in his PTO Bank.
2. A Pilot shall be credited with the scheduled PCH of all Duty Assignments inside his Vacation Block that are protected by using a PTO Day from his PTO Bank for each Day with a Duty Assignment, or the DPG for each Day inside his Vacation Block, whichever is greater.
3. If a Pilot’s Vacation is cancelled due to changing Positions or Domiciles, as provided in Section 11 (Paid Time Off), he shall have the option of taking pay in lieu of rescheduling his Vacation. If he decides to be paid out, he shall be paid the equivalent of his DPG for each Day in his forgone Vacation

Block, limited by the number of PTO Days in his PTO Bank. An equal amount of PTO Days shall be deducted from his PTO Bank. Such payment shall be over and above his MPG for the Month.

4. When the Company requires Vacations to be cancelled, a Pilot shall be paid for any voluntary or involuntary Vacation Cancellations that are affected by this Company requirement by selecting one (1) of the following two (2) options:

- a. OPTION #1:

- (1) On a 1:1 basis, surrender the number of PTO Days from his PTO Bank equal to the number of Days in his cancelled Vacation Block and be paid four (4) PCH for each surrendered PTO Day at two hundred percent (200%) of his applicable Hourly Pay Rate at the time the Vacation was to be taken.
- (2) If the Pilot does not have sufficient PTO Days in his Vacation Bank to surrender, as provided in subsection 3.I.4.a.(1)., he shall be paid one hundred percent (100%) of his applicable Hourly Pay Rate for each Vacation Day that could not be covered by a PTO Day.
- (3) A Pilot shall be paid the applicable PCH, as provided in subsection 3.E., for all Duty or Company-Directed Assignments he performs that overlap any portion of his cancelled Vacation Block, at one hundred fifty percent (150%) of his applicable Hourly Pay Rate, except when the Company cancels, or if a Reassignment prohibits a Pilot from performing any portion of a Duty or other Company-Directed Assignment that was scheduled to overlap a portion of his cancelled Vacation Block, he shall be paid the Reassignment/Reroute/Replacement/Cancellation PCH, as provided in subsection 3.E.1.b., for the entire Assignment, at one hundred Fifty Percent (150%) of his Hourly Pay Rate.

- b. OPTION #2:

- (1) A Pilot retains the number of applicable PTO Days in his PTO Bank, as provided in subsection 3.I.4.a.(1), and he shall be paid four (4) PCH for each Day in his Vacation Block, at one hundred percent (100%) of his applicable Hourly Pay Rate for each retained Day.
- (2) Subsection 3.I.4.a.(3) is applicable.

5. When the Company requires Vacations to be cancelled in a Month that results in more than three (3) Months of Vacation Cancellations in a rolling twelve (12) consecutive Month period, as provided in subsection 11.E.5.b,

a Pilot who has voluntarily or involuntarily had his Vacation cancelled shall be paid two hundred percent (200%) of his applicable Hourly Pay Rate for all Duty or Company Directed Assignments he performs that overlap any portion of his cancelled Vacation Block. Furthermore, if the Company cancels all or any portion of such Assignment(s) or resulting from a Reassignment he is unable to perform any portion of such Assignment, the Pilot shall be paid the applicable Reassignment/Reroute/Replacement/Cancellation PCH, as provided in subsection 3.E.1.b., at two hundred percent (200%) of his applicable Hourly Pay Rate.

6. Any prepaid costs (e.g., non-refundable airline tickets, pre-paid, non-refundable hotel reservations or tour deposits, or any other services that were directly related to his Vacation) incurred by the Pilot due to the cancellation of his Vacation, as provided in subsection 3.I.2, shall, be reimbursed in full by the Company within thirty (30) Days after submission of receipts.
7. A Pilot who resigns, retires or is terminated for any reason shall be paid out for any accrued, but unused PTO. He shall be credited his DPG for each unused PTO Day in his PTO Bank, multiplied by his Hourly Pay Rate at the time he separates his employment from the Company. Such payment shall be included in the Pilot's final paycheck.

J. LEAVE OF ABSENCE PCH.

1. Sick Leave.

A Pilot on Sick Leave shall be credited on a Day-by-Day basis with all scheduled PCH of his Trip Pairing, Reserve Duty or any other Company-Directed Assignment that was removed from his Line, limited by the number of Sick Days in his Sick Leave Bank.

2. Military Leave.

A Pilot who is not available for all or part of the Month(s), or drops PCH due to his Military obligations, shall be paid the greater of his pro-rated MPG, or all earned PCH during the Month(s). He shall not earn the PCH for any Duty that is subsequently dropped, after the publishing of the Lines, due to his Military obligation.

3. Jury Duty.

- a. A Pilot shall be credited with all scheduled PCH of his Trip Pairing, Reserve Duty or any other Company-Directed Assignment that was removed from his Line for Jury Duty.
- b. If a Pilot is awarded and performs Open Time on his Line's scheduled Day(s) Off while performing Jury Duty, all PCH earned shall be paid as provided in subsection 3.Q. (Open Time Premium).

4. Bereavement Leave.

A Pilot shall be credited with all scheduled PCH of his Trip Pairing, Reserve Duty or any other Company-Directed Assignment that was removed from his Line for Bereavement Leave.

K. MOVING TRAVEL DAY PCH.

A Pilot with a Paid Move, as provided in Section 6 (Expenses, Lodging & Transportation), shall be credited with the PCH for all Trip Pairings, Reserve Assignments or any other Company-Directed Assignments that are removed from his Line to accommodate his Paid Move, consistent with limits stated in Section 6.

L. NON-ROUTINE FLIGHT OPERATION ("NRFO") PREMIUM.

1. A Pilot who performs a Non-Routine Flight Operation ("NRFO"), as provided in Section 2 (Definitions), he shall be credited with the scheduled or actual PCH of such Assignment, whichever is greater, calculated per subsection 3.E., as if such Assignment was a Trip Pairing.
2. If a NRFO Assignment requires the Pilot to have specialized Training, he shall be paid one hundred fifty percent (150%) of his applicable Hourly Pay Rate for all PCH earned during the Assignment. Such NRFO Premium shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N.

M. TAXI PCH.

If a Pilot is given a non-scheduled Assignment to reposition an aircraft on the ground, he shall be credited with one-sixth (1/6) PCH or the actual PCH value of such Assignment, whichever is greater.

N. MONTHLY CUMULATIVE PCH.

A Pilot's cumulative PCH during a Month shall be the greater of the following:

1. The Pilot's MPG, as was increased or decreased due to his Trip Trades, awarded or Assigned Open Time, Trip Drops, Involuntary Assignments or applicable unavailability; or,
2. The cumulative DPG for each scheduled Workday in his Line for the Month, or
3. The sum of the following PCH, as provided elsewhere in this Section 3, earned during the Month:
 - a. Trip Pairing PCH;
 - b. Reserve PCH;
 - c. Training PCH;
 - d. PTO PCH;
 - e. Leave of Absence PCH;
 - f. Moving Travel Day PCH;
 - g. Non-Routine Flight Operation ("NRFO") PCH;
 - h. Taxi PCH.
 - i. Instructor Pilot, Check Airman and APD PCH

O. PCH CREDIT WHEN EXCEEDING FAR LIMITATIONS.

A Pilot who is removed from a Trip Pairing(s), or portion thereof, due to exceeding any Federal Aviation Regulation ("FAR") annual Flight Time limitations shall be credited and compensated for all scheduled PCH removed, as a result of exceeding these limitations. However, this provision shall apply only to the extent that a Pilot's excess hours are due to Company Duty.

P. OPEN TIME PREMIUM.

1. During the Monthly Bid Period, when a Pilot is awarded or Assigned to an unassigned Trip Pairing, Reserve Assignment or another Company-Directed Assignment in the new Month, he shall be paid his regular Hourly Pay Rate and as provided in this Section 3 (Compensation), credited for all earned PCH from such Duty.
2. Other than the provision in subsection 3.P.1., when a Pilot is awarded or Assigned an Assignment from Open Time, he shall be paid one hundred fifty percent (150%) of his applicable Hourly Pay Rate and credited for all earned PCH from the Assignment, except, when a Pilot does not perform a portion of an Assignment(s) from Open Time in the current Month or after the Monthly Bid Period in the new Month due to his use of Sick Leave, the following shall exist:
 - a. If the Assignment(s) was a "pick-up" (i.e., straight pick up, no part of a

Trip Trade) in Open Time, he shall not be credited for the PCH from such Assignment that was not performed. EXAMPLE: A pilot picks up a five (5) PCH Trip Pairing and subsequently does not fly two (2) PCH of the Trip due to illness. The Pilot shall be credited only three (3) PCH and his Line value shall also increase three (3) PCH.

- b. If Assignment was part of a Trip Trade with an Assignment(s) from Open Time, he shall not be credited for the lesser of the PCH that was not performed or if the Trip Trade increased his Line value, the differential PCH between his original Assignment(s) and the Assignment(s) from Open Time. EXAMPLE: A Pilot trades two (2) of his Assignments in his Line for three (3) Assignments in Open Time. The net effect of the trade was an increase in his Line value of ten (10) PCH. Subsequently, the Pilot does not perform one, of a portion of the three (3) Assignments that were part of the Trip Trade. The PCH value for the Assignment that was not performed is five (5) PCH. The net result from not performing a portion of his Assignment (Sick Leave usage): his Line PCH shall only be increased five (5) PCH, due to the increased PCH from the Trip Trade.
- c. If the Assignment that was part of a Trip Trade and the PCH from the portion of the Assignment that was not performed exceeded the PCH increase in his Line value, as provided in subsection 3.P.2.b., the excess PCH in a Pilot's Line shall be protected by using Sick Days from his Sick Bank, as provided in subsection 3.J.1. EXAMPLE: Using the example above in subsection 3.P.2.b., the differential PCH from the Trip Trade increased his Line Value by ten (10) PCH and he picked up three (3) Assignments and traded away into Open Time two (2) Assignments from his Line. The PCH value of the three (3) Assignments that the Pilot received were: Assignment #1: twelve (12) PCH, Assignment #2: Six (6) PCH and Assignment #3: four (4) PCH. The Pilot does not perform Assignment #1, which is a two (2) Day Trip Pairing and Assignment #2, which is a one (1) Day Trip Pairing. The total PCH lost due to the Pilot's use of Sick Leave is 12+6 or 18 PCH. The net result of the three (3) Days of Sick Leave use is: The Pilot shall not be credited for the Ten (10) PCH increase that resulted from the Trip Trade and he shall use three (3) Sick Days from his Sick Bank to protect the remaining eight (8) PCH.
- d. If the Assignment was part of a Trip Trade that caused his Line PCH to decrease or stay the same, any PCH lost due to the Pilot's use of Sick Leave shall be protected by Sick Days in his Sick Bank, as provided in subsection 3.J.1., to the extent of available Sick Days in his Sick Bank. EXAMPLE: Using the same example above in subsection 3.P.2.c., with the exception that we'll say the Trip Trade caused the Pilot's Line PCH to decrease by one (1) PCH. The Pilot's first Trip in the Month that he did not perform is Assignment #1 (2- Day Trip with a scheduled PCH of 12 PCH) and the Second Trip Pairing that is not Performed in the Month is

Assignment #2 (1-Day Trip with a scheduled PCH of 6 PCH), he shall need to use Three (3) Sick Days in his Sick Bank to protect the eighteen (18) PCH, as a result of the Trip Trade decreasing his Line PCH. In this example, the Pilot uses the same number of Sick Days, but protects a higher PCH value. In the event the Pilot only had two (2) Sick Days in his Sick Bank, the Sick Days would've been used for Assignment #1, which would've protected twelve (12) PCH and the net affect would have been a loss of six (6) PCH (Assignment #2) from the Pilot's Line PCH.

- e. As provided in subsections 3.P.1 and 3.P.2., all earned PCH and Open Time Premium shall be in addition to the MPG, as provided in subsection 3.N.
3. If the Company cancels a Pilot's Open Time award less than twelve (12) hours prior to his Duty on Time ("DOT") or he is Replaced on any portion of an awarded Open Time Assignment, he shall, nonetheless, receive Open Time Premium for the scheduled PCH of his awarded Trip Pairing, Reserve Duty or other Company-directed Duty Assignment from Open Time, or his DPG for each scheduled Duty Day, whichever is greater.

Q. OVERTIME PREMIUM

1. As provided in Section 14 (Scheduling), a Pilot shall be paid one hundred fifty percent (150%) of his applicable Hourly Pay Rate for the PCH earned when he is on Duty on a scheduled Day Off due to:
 - a. Circumstances beyond the Company's control (*i.e.*, weather, mechanical, ATC or customer accommodation); or,
 - b. An Assignment to remain with an aircraft that requires time-consuming repairs.
2. A Pilot shall be paid one hundred fifty percent (150%) of his applicable Hourly Pay Rate for the PCH earned when he voluntarily accepts the Company's solicitation to perform previously unassigned Duty (not including Reassignment or Reroute, as provided in Section 14 (Scheduling)).
3. Overtime Premium shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N.

R. JUNIOR ASSIGNMENT (JA) PREMIUM.

1. A Pilot shall be paid two hundred percent (200%) of his applicable Hourly Pay Rate for the PCH earned when he is involuntarily Assigned to a JA.
2. If a Pilot is involuntarily Assigned to a second (2nd) JA during a rolling three

(3) Month period, he shall be paid two hundred and fifty percent (250%) of his applicable Hourly Pay Rate.

3. All Junior Assignment Premiums shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N.

S. INSTRUCTOR PILOT, CHECK AIRMAN AND AIRCREW PROGRAM DESIGNEE PREMIUMS.

1. A Check Airman shall be paid a one hundred fifteen percent (115%) of his applicable Hourly Pay Rate for all PCH earned when acting as a Check Airman.
2. An Aircrew Program Designee ("APD") shall be paid one hundred twenty percent (120%) of his applicable Hourly Pay Rate for all PCH earned when acting as an APD.
3. When an Instructor, Check Airman or APD is Assigned to perform Training on a lesser-paid Aircraft Type, he shall receive the applicable Hourly Pay Rate for the Position his system-wide Seniority allows him to hold for all earned PCH in the Month, provided he bids for and is awarded a Vacancy ("Phantom Award") in the higher paying Position.
4. Instructor Pilots, Check Airmen and APDs on Training or Checking Assignments shall be credited with PCH, as follows:
 - a. If the Assignment is at a Training facility, he shall be credited with Training PCH, as provided in subsection 3.G; *provided*, miscellaneous Ground School briefings shall be credited with two (2) PCH;
 - b. If he accepts an Assignment to perform a non-operating (jumpseat) Line Check on his scheduled Day Off, he shall be paid one hundred fifty percent (150%) of his applicable Hourly Pay Rate for all PCH earned for that Assignment, calculated as if it was a Trip Pairing, but no less than three (3) PCH for such Assignment;
 - c. If a Line Check Assignment is during his scheduled Trip Pairing or Reserve Duty Period, he shall be credited with two (2) PCH in addition to the PCH value of his Trip Pairing or Reserve Duty Period.
5. Instructor Pilots, Check Airmen and APD on administrative Assignments shall be compensated as follows:
 - a. If such Assignment is on a scheduled Workdays, he shall receive his DPG for each such Workday;

- b. If such Assignment is on a scheduled Day Off, he shall be paid one hundred seventy-five percent (175%) of his applicable Hourly Pay Rate, multiplied by the DPG for each Workday performed on a scheduled Day Off, prorated on a minute-by-minute basis. Such compensation shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N.

T. LANDING CREDIT PREMIUM.

If a Pilot actually exceeds the maximum number of landings allowable per Duty Period, as provided in Section 15 (Hours of Service), he shall be paid one hundred fifty percent (150%) of his applicable Hourly Pay Rate for each segment that exceeds such landing limitation. Such Landing Credit Premium shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N.

U. HOSTILE AREA PREMIUM.

A Pilot Assigned to a Hostile Area Operation, as provided in Section 28 (CRAF & Hostile Area Operations), shall be paid two hundred percent (200%) of his applicable Hourly Pay Rate for all PCH earned during a Duty Period that contains any amount of Hostile Area Operations. Such Hostile Area Premium shall be paid in addition to all PCH accumulated during a Month, as provided in subsection 3.N.

V. ELIGIBILITY FOR PREMIUMS.

Except as provided in subsection 3.P.2, to be eligible to be paid any of the premiums, as provided in this Section 3, a Pilot must actually perform the Duty required, unless he is prevented from performing such Duty due to Reassignment, Reroute, Cancellation or Displacement, as provided in Section 14 (Scheduling).

W. PAY WHEN CHANGING POSITIONS

1. If the Company delays sending a Pilot to his Training for sixty (60) Days or less and a more junior Pilot who was awarded the same Position in the same or latter Displacement or Vacancy Bid begins receiving his higher Hourly Pay Rate for that Position, as provided in this Section 3, the delayed Pilot shall receive his higher Hourly Pay Rate for that Position,, as provided in Section 18 (Filling of Vacancies). If any such Training delay exceeds sixty (60) Days, the more senior Pilot shall begin receiving the higher Hourly Pay Rate beginning on the sixty -first (61st) Day after his Assigned Training Date.

2. In all cases, a Pilot shall receive his new Hourly Pay Rate, as provided in this Section 3, for all credited PCH once he commences Operating Experience (“OE”) in a new Position.
3. If the Company obtains the services of Initial Cadre Check Airmen (“ICCA”), as provided in Section 4 (New Aircraft Type), the following shall apply:
 - a. If a Captain is selected as an ICCA, he shall be compensated as a Captain on the New Aircraft Type, as provided in Section 4, and shall be entitled to Check Airman Premiums, as provided in subsection 3.S.
 - b. If a First Officer is selected as an ICCA, while serving in that capacity he shall be compensated as a Captain on the New Aircraft Type, as provided in Section 4, and shall be entitled to Check Airman Premiums, as provided in subsection 3.S. Upon the end of his ICCA Assignment, as provided in Section 4, such Pilot shall revert to his Position as First Officer on the New Aircraft Type and shall be compensated for that Position accordingly, as provided in this Section 3 (Compensation).
 - c. Each Captain who bid and was awarded a Position occupied by an ICCA shall receive the appropriate Hourly Pay Rate for that Position in Seniority Order on a man-for-man basis with the ICCA. Such compensation shall begin on the date the respective ICCA first operates the Company’s New Aircraft Type in Training or Checking activities, as provided in Section 10 (Training).

X. BYPASS PAY.

If a Pilot is within two (2) Years of mandatory retirement age, the Company may elect to not award him a Vacancy in a higher paying Position that his Seniority allows him to hold. Such Pilot shall be “pay protected” at the Hourly Pay Rate for the higher paying Position, as provided in this Section 3, beginning on the posted Effective Date of that Vacancy.

Y. PAYCHECKS/

1. The Company shall pay Pilots in United States dollars.
2. Paychecks shall be issued on the eighth (8th) and twenty-third (22nd) Days of each Month. If a payday falls on a Company-wide observed holiday, payment shall be made on the last prior Business Day.
3. The paycheck on the eighth (8th) shall include one-half (1/2) of a Pilot’s MPG for the Month and all earned PCH in excess of his MPG from the previous Month. The paycheck on the twenty-third (22nd) shall include the remaining one-half (1/2) of his MPG for the Month.

4. The Company shall provide each Pilot with access to their pay stub on payday.
5. The Company shall not make payroll deductions without written authorization from the Pilot or a court order requiring the Company to do so.
6. The Company shall provide the following information with or on a Pilot's pay stub:
 - a. PCH earned for that pay period;
 - b. The Pilot's applicable Hourly Pay Rate for all PCH earned during that pay period;
 - c. The Pilot's accruals in his Sick Leave and PTO Banks, as of the end of that pay period;
 - d. Sick Leave Days and/or PTO Day(s) used during the pay period.
7. If the Company denies any item of pay or expenses, the Pilot shall be notified in writing.
8. If a pay error in excess of five hundred dollars (\$500.00) occurs, the Pilot shall be paid in full within five (5) Business Days after verification of the error. If less than five hundred dollars (\$500) it shall be reconciled in his next paycheck.

Z. BANK DIRECT DEPOSITS.

Upon request, the Company shall arrange to direct deposit the paycheck of any Pilot to the financial institution of his choice.

AA. PILOT PAY RECORDS.

Within thirty (30) Days after the close of each Year, the Company shall forward to the Union Business Agents a complete list of all Pilots employed during the Year. The list shall include each Pilot's payroll number and total gross earnings for the Year. Additionally, such list shall show the Pilot's Position, active or inactive, and, if inactive, the date such Pilot was placed on Leave of Absence or Furlough and the subsequent Recall date, if applicable.

APPENDIX A

B767 Captain

B767 First Officer

Longevity	DOS	DOS+1	DOS+2	DOS+3	DOS+4	Amend. *		DOS	DOS+1	DOS+2	DOS+3	DOS+4	Amend. *
1	\$ 161.78	\$ 166.64	\$ 171.64	\$ 176.79	\$ 182.09	\$ 185.73		\$ 84.22	\$ 86.75	\$ 89.35	\$ 92.03	\$ 94.79	\$ 96.69
2	\$ 167.04	\$ 172.05	\$ 177.22	\$ 182.53	\$ 188.01	\$ 191.77		\$ 104.49	\$ 107.62	\$ 110.85	\$ 114.18	\$ 117.60	\$ 119.95
3	\$ 172.47	\$ 177.65	\$ 182.98	\$ 188.46	\$ 194.12	\$ 198.00		\$ 110.21	\$ 113.52	\$ 116.93	\$ 120.43	\$ 124.05	\$ 126.53
4	\$ 178.08	\$ 183.42	\$ 188.92	\$ 194.59	\$ 200.43	\$ 204.44		\$ 116.20	\$ 119.68	\$ 123.28	\$ 126.97	\$ 130.78	\$ 133.40
5	\$ 183.86	\$ 189.38	\$ 195.06	\$ 200.91	\$ 206.94	\$ 211.08		\$ 122.46	\$ 126.13	\$ 129.91	\$ 133.81	\$ 137.83	\$ 140.59
6	\$ 189.84	\$ 195.54	\$ 201.40	\$ 207.44	\$ 213.67	\$ 217.94		\$ 129.00	\$ 132.87	\$ 136.85	\$ 140.96	\$ 145.19	\$ 148.09
7	\$ 196.01	\$ 201.89	\$ 207.95	\$ 214.19	\$ 220.61	\$ 225.02		\$ 135.84	\$ 139.91	\$ 144.11	\$ 148.43	\$ 152.88	\$ 155.94
8	\$ 202.38	\$ 208.45	\$ 214.71	\$ 221.15	\$ 227.78	\$ 232.34		\$ 142.98	\$ 147.27	\$ 151.69	\$ 156.24	\$ 160.93	\$ 164.15
9	\$ 208.96	\$ 215.23	\$ 221.68	\$ 228.33	\$ 235.18	\$ 239.88		\$ 147.63	\$ 152.06	\$ 156.62	\$ 161.32	\$ 166.16	\$ 169.48
10	\$ 215.75	\$ 222.22	\$ 228.89	\$ 235.75	\$ 242.83	\$ 247.69		\$ 152.43	\$ 157.00	\$ 161.71	\$ 166.56	\$ 171.56	\$ 174.99
11	\$ 222.76	\$ 229.44	\$ 236.33	\$ 243.42	\$ 250.72	\$ 255.73		\$ 157.38	\$ 162.10	\$ 166.96	\$ 171.97	\$ 177.13	\$ 180.67
12	\$ 230.00	\$ 236.90	\$ 244.01	\$ 251.33	\$ 258.87	\$ 264.05		\$ 162.50	\$ 167.38	\$ 172.40	\$ 177.57	\$ 182.90	\$ 186.56
B737 CAPTAIN								B737 FIRST OFFICER					
Longevity	DOS	DOS+1	DOS+2	DOS+3	DOS+4	Amend. *		DOS	DOS+1	DOS+2	DOS+3	DOS+4	Amend. *
1	\$ 133.08	\$ 135.74	\$ 138.45	\$ 141.22	\$ 144.05	\$ 146.93		\$ 83.73	\$ 85.40	\$ 87.11	\$ 88.85	\$ 90.63	\$ 92.44
2	\$ 137.40	\$ 140.15	\$ 142.95	\$ 145.81	\$ 148.73	\$ 151.70		\$ 88.25	\$ 90.01	\$ 91.81	\$ 93.65	\$ 95.52	\$ 97.43
3	\$ 141.87	\$ 144.71	\$ 147.60	\$ 150.55	\$ 153.56	\$ 156.63		\$ 92.97	\$ 94.83	\$ 96.73	\$ 98.66	\$ 100.63	\$ 102.64
4	\$ 146.48	\$ 149.41	\$ 152.40	\$ 155.45	\$ 158.55	\$ 161.72		\$ 97.91	\$ 99.86	\$ 101.86	\$ 103.90	\$ 105.98	\$ 108.10
5	\$ 151.24	\$ 154.27	\$ 157.35	\$ 160.50	\$ 163.71	\$ 166.98		\$ 103.07	\$ 105.13	\$ 107.23	\$ 109.37	\$ 111.56	\$ 113.79
6	\$ 156.16	\$ 159.28	\$ 162.46	\$ 165.71	\$ 169.03	\$ 172.41		\$ 108.46	\$ 110.63	\$ 112.84	\$ 115.10	\$ 117.40	\$ 119.75
7	\$ 161.23	\$ 164.46	\$ 167.74	\$ 171.10	\$ 174.52	\$ 178.01		\$ 114.09	\$ 116.37	\$ 118.70	\$ 121.07	\$ 123.50	\$ 125.97
8	\$ 166.47	\$ 169.80	\$ 173.20	\$ 176.66	\$ 180.19	\$ 183.79		\$ 119.98	\$ 122.37	\$ 124.82	\$ 127.32	\$ 129.87	\$ 132.47
9	\$ 171.88	\$ 175.32	\$ 178.83	\$ 182.40	\$ 186.05	\$ 189.77		\$ 123.87	\$ 126.35	\$ 128.88	\$ 131.46	\$ 134.09	\$ 136.77
10	\$ 177.47	\$ 181.02	\$ 184.64	\$ 188.33	\$ 192.10	\$ 195.94		\$ 127.90	\$ 130.46	\$ 133.07	\$ 135.73	\$ 138.44	\$ 141.21
11	\$ 183.23	\$ 186.90	\$ 190.64	\$ 194.45	\$ 198.34	\$ 202.31		\$ 132.06	\$ 134.70	\$ 137.39	\$ 140.14	\$ 142.94	\$ 145.80
12	\$ 189.19	\$ 192.97	\$ 196.83	\$ 200.77	\$ 204.79	\$ 208.89		\$ 136.34	\$ 139.07	\$ 141.85	\$ 144.69	\$ 147.58	\$ 150.53
B767 COLA->	3.00%	3.00%	3.00%	3.00%	3.00%	2.00% *		B767 F/O =	70.65%	Captain @	8	Years	
B737 COLA->	2.00%	2.00%	2.00%	2.00%	2.00%	2.00% *		B737 F/O =	72.07%	Captain @	8	Years	
	2.00%	* Increase on Amendable Date and every anniversary, thereafter, until a new Agreement is effective.											
	3.25%	Longevity Curve.											
	\$0	Annual Retention Bonus.											

SECTION 4 NEW AIRCRAFT

A. AIRCRAFT TYPES.

1. A New Aircraft Type is defined as an Aircraft Type with a distinct Aircraft model or Type that is not presently being operated under the Company's operating certificate.
2. A Derivative Model of an Aircraft Type is defined as an Aircraft that does not require a separate Type Rating than does the current basic model of that Aircraft Type, but may require Federal Aviation Administration ("FAA") mandated Differences Training and the parties have agreed does not require separate Vacancy Bids, as provided in Section 18 (Filling of Vacancies)

B. FILLING OF NEW AIRCRAFT VACANCIES.

1. The Company shall announce each Vacancy on a New Aircraft Type and award such Vacancies pursuant to the provisions of Section 18 (Filling of Vacancies).
2. The Company shall post job openings for Check Airmen and Instructors in the same manner as Position Vacancies are posted, as provided in Section 18 (Filling of Vacancies). If there are not sufficient qualified Pilots who have bid for and been selected by the Company and approved by the FAA as Initial Cadre Check Airmen ("ICCA") on that New Aircraft Type, the Company may temporarily obtain the services of another ICCA, as follows:
 - a. The Company may select an ICCA from those Pilots who bid and were awarded a First Officer Vacancy on the New Aircraft Type and who have sufficient experience to satisfy the FAA and become ICCA on the New Aircraft Type. A First Officer serving as an ICCA shall be compensated as provided in Section 3 (Compensation).
 - b. The Company may hire New Hire Pilots, who are qualified and sufficiently experienced to satisfy the FAA and become ICCA on the New Aircraft Type. Unless there is an insufficient number of Captains and/or First Officers who have sufficient experience or an interest in becoming an ICCA, the ratio of New Hire ICCAs to current Seniority List Pilots who has the experience and desire to become an ICCA, shall be one-to-five (1:5). All New Hire ICCAs shall be placed on the Northern Air Cargo Pilots System Seniority List ("Seniority List"), as provided in Section 16 (Seniority), prior to assuming any ICCA duties.

- c. In all cases, ICCAs shall be utilized solely for the purposes of Training and Checking Pilots covered by this Agreement, as provided in Section 10, Training. ICCAs may operate the Company's New Aircraft Type in either Status (*i.e.*, Captain or First Officer). Except when there are no qualified Pilots available for Revenue Operations, ICCA's may not be paired together in Revenue Service, as a Flight Deck Crew for the initial five hundred and forty-five (545) Days of operation under the Company's Operating Certificate, except they may be paired for the purpose to meet FAA Operational Requirements (*i.e.*, Proving Runs, initiating new areas of operations (*e.g.*, Atlantic, Pacific operations) that are added to the Airline's Operations Specification or for ongoing Initial Operating Experience ("OE") Training.
- d. The Assignment of a First Officer or New Hire Pilot serving as an ICCA, as provided in subsection 4.B.2.a., shall not exceed five hundred forty-five (545) Days, unless extended by the mutual agreement of the parties.
- e. After his Assignment has ended, all First Officers serving as an ICCA shall: (1) revert to a Position that his Seniority can hold; and, (2) he shall be compensated for that Position accordingly, as provided in Section 3 (Compensation); and, (3) he shall have his time spent as an ICCA credited against the time required for his Probationary Period, as provided in Section 16 (Seniority).
- f. When a Pilot has been awarded a Vacancy in a New Aircraft Type and he is withheld from his awarded Training Date, as provided in Section 18 (Filling of Vacancies) while a less senior ICCA is occupying that Position, he shall be pay protected, as provided in subsection 3.W., Pay When Changing Positions.

C. TRAINING ON NEW AIRCRAFT.

Training on a New Aircraft Type or Derivative Model Aircraft shall be as provided in Section 12 (Training).

D. NEW AIRCRAFT NEGOTIATIONS

1. The Company shall notify the Union of any determination, or intent, to place into service "New Aircraft", which are other than the B-737 or B757/B767. Notice may be given under this section at any time, but no later than ninety (90) Days in advance of placing New Aircraft into Revenue Service. If the New Aircraft shall operate in the same or a substantially similar operation, the parties shall meet promptly following written request by either party to negotiate Hourly Pay Rates applicable to such New Aircraft that differ from those contained in the Agreement or has otherwise been mutually agreed to by the parties. If the New Aircraft shall operate in a substantially different

operation, the parties shall meet promptly following written request by either party to negotiate Hourly Pay Rates and working conditions applicable to such New Aircraft that differ from those contained in the Agreement or has otherwise been mutually agreed to by the parties.

2. If the New Aircraft type shall operate in the same or a substantially similar operation, the parties shall meet promptly following written request by either party to negotiate Hourly Pay Rates applicable to such New Aircraft Type that differ from those contained in the Agreement or has otherwise been mutually agreed to by the parties. If the New Aircraft Type shall operate in a substantially different operation, the parties shall meet promptly following written request by either party to negotiate Hourly Pay Rates and working conditions applicable to such New Aircraft Type that differ from those contained in the Agreement or has otherwise been mutually agreed to by the parties.
3. If the parties are unable to reach agreement on the issues bargained within ninety (90) Days from the date of the start of negotiations, unless the parties mutually agree to extend the aforementioned deadline, the parties shall submit their respective last offers on disputed matters to interest arbitration.
4. The dispute shall be heard before an Arbitrator selected in accordance with the procedures set forth in Section 21 (System Board of Adjustment).
5. The Arbitrator's resolution of the disputed issues shall be binding on the parties with respect to the particular dispute but shall have no precedential or binding effect on other or future disputes arising under this Section 4.
6. Nothing set forth in this Section 4 shall prevent the Company from introducing a New Aircraft Type into Revenue Service before negotiations have concluded and/or the Arbitrator issues his decision. The Company may, when placing a New Aircraft Type in service, compensate Pilots and apply terms and conditions of employment that are consistent with its last offer made in negotiations as of the date service began. Additional compensation, if any, due to arbitrated changes in rules and/or working conditions shall be retroactive to the first Day the New Aircraft Type was placed into service. There shall be no retroactive adjustment for lower Hourly Pay Rates. The Arbitrator shall have no jurisdiction to issue a decision or award affecting Hourly Pay Rates, rules or working conditions for existing Aircraft.

F. GENERAL

1. In case the Company acquires or operates aircraft requiring the services of Navigators and/or Flight Engineers, such employee(s) shall be qualified as a Pilot and shall come under the terms of this Agreement, and shall be

placed on the Seniority List, as provided in Section 16 (Seniority).

2. A Pilot shall bid and be Assigned to operate only one Aircraft Type at a time in Regular Line operations; *provided*, Check Airmen and/or Instructors shall be allowed to be dual qualified and operate more than one Aircraft Type prior to the FAA's approval and addition of a New Aircraft to the Company's operations specifications
3. The Company shall inform the Union of any pending major modifications to Aircraft or components and any other changes that affect the safety of flight. The Company shall allow the Union the opportunity to make recommendations to the Company on any major modifications to Aircraft or components thereof and any other changes that affect the safety of flight.

**SECTION 5
RETIREMENT AND INSURANCE**

**A. COMPANY SPONSORED 401(K) RETIREMENT SAVINGS PLAN
("COMPANY 401(K) PLAN")**

1. Pilots shall participate in the Company 401(k) Plan on the same terms and conditions as all other employees then in effect on January 1, 2018.
2. The Company shall contribute an amount equivalent to one hundred percent (100%) of a Pilot's total contribution not to exceed a total of four percent (4%) of the Pilot's annual income.
3. The Company shall make payroll deductions for each Pilot who participates in the Company 401(k) Plan and deposit the funds in the account designated by the Pilot in accordance with applicable laws.
4. If the Company offers Company 401(k) Plan benefit improvements to any other employee group, including Management Pilots, all Pilot's covered under this Agreement shall be eligible to participate on the same terms and conditions.

**B. THE NORTHERN AIR CARGO PILOT'S DEFINED CONTRIBUTION PLAN
(THE "DC PLAN").**

1. Following the Date of Signing of this Agreement (DOS), the Company shall establish a qualified money purchase defined contribution plan (the "DC Plan") that includes individual Retirement Accounts for all Pilots who are covered under this Agreement and are on the Northern Air Cargo Pilots System Seniority List. Participation in this DC Plan shall begin on July 1, 2021 for all Pilots who are on the NAC Pilots System Seniority List at the time of the DOS of this Agreement. For Pilots hired after that date, participation shall begin on the first Day of the Month following completion of three (3) Years of continuous service with the Company.
2. The Company shall make Monthly contributions from the DC Plan into each Eligible Pilot's individual Retirement Account in the amount of four percent (4%) for all hours compensated that Month as a Pilot.
3. A Pilot shall be one hundred percent (100%) vested in his 401(k) Plan upon his first (1st) Day of participation in the plan.
4. For the first three (3) Years of Service (first one thousand ninety-five (1095) Days of employment) with the Company, a Pilot shall not receive DC Plan contributions in his Retirement Account.

5. A Pilot shall be vested in his DC Plan at a rate of twenty percent (20%) per Year of Service (three hundred sixty-five Day period) with the Company, until one hundred percent (100%) vested on his fifth (5th) Anniversary Date of employment with the Company. All Years of Service (three hundred sixty-five Day periods), including all prior Years of Service before the DOS of this Agreement, count for vesting purposes.
6. As provided in the Pilot Retirement Board Letter of Agreement, the Union and the Company may invite Subject Matter Experts (SME's) from the financial sector or representatives from the Company, Local or from the IBT in Washington DC to attend a Retirement Board meeting.
7. The DC Plan and the 401(k) Plan shall provide that contributions shall be reduced as necessary to satisfy IRS Code Section 415(c) in the following order: first, reduce the Pilot's post-Tax contributions, then if necessary, reduce Company contributions to the DC Pension Plan; and lastly, reduce the Pilot's pre-tax contributions to the Company 401(k) Plan. Any required reduction in either of these Plans to satisfy Code Section 415(c) shall be returned to the Pilot in his next paycheck following this corrective distribution.
8. If there is a change in law or regulation causing a reduction in the DC Plan benefits due to a reduction in the limits contained in IRS Code Section 415(c), the Company shall establish a procedure through qualified or if unavailable non-qualified means to continue providing the contribution at the level in effect prior to the change in law or regulation.
9. The Company shall have the DC Plan operational within ninety (90) Days prior to July 1st, 2021 and shall provide to the Union a draft of the plan document no later than thirty (30) Days thereafter.
10. All contributions to the Pilot DC Plan shall be deposited into the Pilot's Individual Retirement Account on each pay date in the Month, as provided in subsection 3.Z.2.

C. HEALTH CARE COVERAGE

1. The Company shall provide each Eligible Pilot and his Eligible Dependents with health care coverage that includes medical, dental, vision and prescription drug benefits as set forth in this subsection 5.C.
2. Beginning on October 1, 2018, or on the first Day of the Month following completion of the Special Open Enrollment Period as provided for in subsection 5.C.5, whichever is later, the Pilots and their Eligible Dependents shall be eligible for all medical, dental, and vision coverage

through Plans 1042 and 1244 of The Michigan Conference Teamsters Welfare Fund (MCTWF). The Monthly contribution rates to be paid by the Company shall be determined for each MCTWF Plan's Coverage Tier in accordance with subsection 5.C.4.a. through 5.C.4.e.

3. Pilots enrolling in health insurance coverage must contribute the difference between the Monthly rates set by MCTWF for each Plan's Coverage Tier, as provided in subsection 5.C.10., and the Company's contribution (per Pilot) for each MCTWF Plan Coverage Tier as provided in Subsection 5.C.4. Pilot contributions for health and welfare coverage shall be made by payroll deduction by the Company and remitted by the Company on their behalf to the MCTWF.

4. The Company's Total Contribution for health insurance coverage for all Pilots in the bargaining unit covered by this Agreement, shall not exceed \$71,916.67 (\$863,000 annually) per Month, based on a 98-pilot bargaining unit from the inception of MCTWF coverage, as provided in Subsection 5.C.2, until December 31, 2018. Thereafter, the Company's Total Contribution shall be subject to an annual adjustment on the Effective Date of MCTWF Plan rates each Year, as provided in Subsection 5.C.10.¹ Annual adjustments to the Company's Total Contribution shall be based as follows:

- a. The lesser of six percent (6%) or the "weighted" average rate change for health insurance policies provided for the Company's non-Pilot employees at its Anchorage and Honolulu Domiciles. The Company's contribution shall be adjusted down if the average rate change for non-Pilot employees is a negative number.

- b. As provided in this subsection 5.C.4.b., these yearly, weighted averages shall be used for determining the yearly average adjustment to the Company's health Insurance costs. The following percentages are the 2018 Pilot census data for Pilot enrollment in each Company plan, as of June 1, 2018. The following percentage in each plan is as follows:

NAC	AAC
(1) ALASKA HSA: 23%	(1) HSMA 739: 13%
(2) ALASKA PPO: 30%	(2) HSMA 753: 28%
	(3) Hawaii Kaiser HMO: 6%

- c. When determining the yearly health Insurance cost increases for the Company, the Company shall use the higher cost of the same Company provided health Insurance plans that were in effect at the DOS of this

¹ As of the DOS of this Agreement presently known MCTWF Plan rate changes are effective on March 31, 2019, March 29, 2020 and April 4, 2021. Rate change Effective Dates thereafter shall be determined by the MCTWF Trustees.

Agreement or if the Company purchases additional plan(s) that provide equal or greater health insurance benefits for its non-Pilot employees, those new plan(s) shall be used for comparison purposes. A health insurance plan that provides a “significantly” reduced health insurance benefit that replaces a health insurance plan that was in effect as of the DOS for the non-Pilot employees, shall not be used for future calculations under this Section 5 (Retirement and Insurance). In such a case, the percentage adjustment for the replaced plan that was applicable in the Year prior to replacement shall be used instead of the replacement plan in future Company contribution calculations.

(1) For purposes of Subsection 5.C.4.c, “significantly reduced health insurance benefit” means more than a six percent (6%) increase in projected average employee out of pocket expenses associated with obtaining insurance coverage (including deductibles, co-pays and maximum limits). The term does not include loss of a particular medical provider or facility from a network, or changes in cost-saving measures such as wellness program or generic drug discounting.

(2) This Subsection 5.C.4.c is not applicable where a health insurance plan listed in Subsection 5.C.4.b is changed or replaced as a result of federal, state or local law requirements. For instance, Company cost percentage changes that are due to plan modifications or replacements mandated by the State of Hawaii to HMSA 739 and/or 753, shall be included in the annual cost calculation with the new mandated modifications or replacements in effect.

(3) The following **example** illustrates what happens when one of the plans stated in Subsection 5.C.4.b is replaced:

(i) For 2019, the non-Pilot’s plans stated in Subsection 5.C.4.b have increased from 2018 as follows:

Alaska HSA	2.5%
Alaska PPO	5.0%
HSMA 739	3.5%
HSMA 753	4.0%
Hawaii Kaiser	3.0%

(ii) For 2020, NAC has replaced the Alaska PPO for 2020 with another plan with a significantly reduced benefit. The other plans, which are retained, have lower percentage increases than the prior Year:

Alaska HSA	1.5%
Replacement Plan	5.0%

HSMA 739	2.5%
HSMA 753	3.0%
Hawaii Kaiser	2.0%

(iii) In this example, the replacement plan was a significantly reduced benefit, so the increase number for that plan is 5%, which is the percentage by which the plan it replaced increased from 2018 to 2019.

d. The following examples shall be used when calculating the company's annual adjustment for health Insurance:

(1) For example, rates to be in effect on January 1, 2019 for the Company's non-Pilots are increased from the previous Plan Year by four percent (4%) in Hawaii HMSA 753, three percent (3%) in Hawaii HMSA 739, two percent (2%) in Hawaii Kaiser HMO, five percent (5%) in Alaska HSA Plan, and six percent (6%) in Alaska PPO Plan.² The "weighted" average rate increase for all Plans is four and six tenths percent (4.6%). Under this scenario, and assuming there has been no increase in the total number of Pilots in the bargaining unit who are eligible for Company health insurance contributions since the DOS of this Agreement, the Company's Total Contribution beginning March 31, 2019 shall be increased by four and six tenths percent (4.6%), for a total Contribution of \$75,224.84 (\$71,916.67 plus four and six tenths percent (4.6%)) per Month.

(2) If the weighted average rate is, for example, a negative two and one tenth's percent (2.1%) for 2019, the Company's contribution per Pilot beginning March 31, 2018 will decrease by that amount: \$71,916.67 less 2.1% = \$70,406.42.

(3) If the weighted average rate change for non-Pilot employees for 2019 is, for example, a six and nine tenth's percent (6.9%) increase, the Company's contribution beginning March 31, 2019 is capped at six percent (6%). In such case, its maximum contribution for the Pilot base line group is \$76,231.67 (\$71,916.67 plus 6%), or \$777.88 per Pilot.

e. The Company's contribution is subject to annual adjustment due to any increase in the total number of Pilots in the bargaining unit who are eligible for health insurance (i.e. Pilots who are not on Furlough or Leaves of absence not qualifying for Company health insurance

contributions). Any increase in the Company's Total Contribution due to an increase in the total number of Pilots in the bargaining unit shall be calculated as of February 1 each Year on the basis of the Company's cost per Pilot at the DOS of this Agreement. The average cost per Pilot at the DOS is \$733.85 per Month ($\$71,916.67 \div 98$). The Company's Total Contribution shall increase by \$733.85 per Month per additional Pilot, adjusted each Year to reflect MCTWF rate increases, as provided in subsection 5.C.10. The following is an example of the calculation due to an increase in Pilots:

- (1) On February 1, 2019, the total number of Pilots in the bargaining unit who are eligible for Company contributions for MCTWF health insurance coverage has increase to 106 pilots, an increase of eight (8) Pilots. The Company's Total Contribution shall increase by \$5,870.75 ($\733.85×8) to \$77,787.42 ($\$71,916.67 + \$5,870.75$) per Month. That new Monthly Total Contribution is then subject to any weighted average rate change as provided in subsection 5.C.4.a. If that weighted average change is, for example, a four and six tenths percent (4.6%) increase between 2018 and 2019, the Company's Monthly Total Contribution beginning March 31, 2019 will be \$81,365.64 ($\$77,787.42$ plus four and six tenths percent (4.6%).
 - (2) Under the previous example, the per Pilot Monthly contribution by the Company would increase to \$767.60 per Pilot if non-Pilot rates increase by a weighted average of four and six tenths percent (4.6%). They would decrease to 718.44 per pilot if average rates for non-Pilots decrease by two and one-tenth percent (2.1%).
5. A Special Open Enrollment Period for MCTWF Plans for (60) Days shall commence not later than the Day after the DOS of this Agreement. Thereafter, Pilots may opt into MCTWF coverage when hired or, for existing Pilots, during the next Special Open Enrollment Period that is scheduled for 7/01/21 with an Effective Date of 8/29/21. If no re-enrollment form is received from a Pilot wishing to change plans, he shall be required to continue to participate in his current elected plan for an additional three (3) Years. A new Special Open Enrollment Period shall commence once every three (3) Years during the Month of July.
 6. A Pilot may make a change to his/her Coverage Tier election during any Special Open Enrollment Period or at any time when he has a change of circumstances as defined in IRS guidelines (e.g., divorce, children reaching the age of 26, marriage, child birth, etc.).
 7. A Pilot may opt-out of MTWF Plan coverage during the 2018 Special Enrollment Period or during any Special Open Enrollment Period, provided the Pilot provides

proof of primary health insurance coverage that is satisfactory to the MCTWF.

8. A Pilot who is in the bargaining unit at the DOS of this Agreement and has “opted-out” of health insurance under the MCTWF may elect to enroll into a MCTWF plan, if and when allowed by controlling plan documents. When a Pilot opts into a MCTWF plan, health Insurance coverage for the Pilot and any covered dependents shall begin on the first (1st) Day of the following Month, after approval of his enrollment. Any adjustments to the Company contribution, as a result of pilot “opt-ins” under this Subsection shall not change until the following March 31st.

9. As provided in subsections 5.C.4.a through 5.C.4.e., a Pilot’s Monthly Contributions for each MCTWF Plan and Coverage Tier through March 30, 2019, shall be determined on the basis of how many Pilots are enrolled in MCTWF coverage and after apportioning the Company’s Total Contribution between MCTWF Plans and Coverage Tiers:
 - a. To determine the Pilot contribution rate for each MCTWF Plan and Coverage Tier, the Company’s Total Monthly Contribution shall be calculated, as provided in subsection 5.C.4 for each Plan and Coverage Tier.

 - b. For MCTWF coverage through March 30, 2019, the number of Pilots who are enrolled in MCTWF coverage shall be determined in the Special Open Enrollment Period as provided in subsection 5.C.5. For purposes of calculating the Company’s contribution to be effective at the time of MCTWF rate changes each Year thereafter, the total number of enrolled Pilots shall be determined as of the first (1st) Day of February in that Year.

 - c. Pilot Contribution rates for each MCTWF Plan and Coverage Tier, which are the difference between the MCTWF rates and Company contributions for each MCTWF Plan and Coverage Tier, shall be determined by agreement between the Union’s Executive Council (EXCO) and the applicable Company representatives by December 1 each Year for the following Year.³ Between February 1st and February 25th of each new Year, the Union and Company representatives shall meet to determine to what extent, if any, a change in the previous Year’s cost sharing relationship between the Pilot and the Company needs adjustment for the upcoming new Year. Once a determination is made by the parties, they shall communicate the results of their meeting to all Pilot’s prior to the new Year. The cost-share relationship for each new

Year shall be determined by the parties, as provided in this Section 5 (Retirement and Insurance).

10. The Coverage Tiers for MCTWF 1042 and 1244 Packages is as follows:

**Michigan Conference of Teamsters Welfare Fund (MCTWF)
Benefit Package 1042**

SCHEDULE OF BENEFITS

New Key 2a Medical Benefit	BCBS PPO Network	Non-BCBS Network	PPO
Annual Deductible	\$100 per individual \$200 per family	\$300 per individual \$600 per family	
Annual Out of Pocket Maximum includes medical copay and coinsurance amounts. MCTWF complies with the Affordable Care Act out-of-pocket cost limits*	\$1,500 per individual in excess of deductible \$3,000 per family in excess of deductible	\$3,000 per individual in excess of deductible \$6,000 per family in excess of deductible	
In-Patient Hospital Expenses	Covered 85%** of CC subject to deductible for up to 365 Days semi-private room or private room if medically necessary	Covered 75%** of MAB subject to deductible for up to 365 Days semi-private room or private room if medically necessary	
Hospital Emergency Expenses (must meet criteria)	Covered 100% of CC after \$100** copay (waived if admitted)	Covered 100% of MAB after \$100** copay (waived if admitted)	
Mental Health & Substance Use Disorder Benefits (must receive prior authorization for inpatient services by calling BCBS at 800-762-2382)	Inpatient Hospital: Covered 85%** of CC subject to deductible Inpatient Physician: Covered 85%** of CC subject to deductible Outpatient Physician: \$20** copay	Inpatient Hospital: Covered 75%** of MAB subject to deductible Inpatient Physician: Covered 75%** of MAB subject to deductible Outpatient Physician: Covered 70%** of MAB subject to deductible	
Surgical Expenses	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible	
Specified Organ Transplant Program Expenses	Covered 100% of CC. Must use a designated facility.	Covered 100% of CC. Must use a designated facility.	
Maternity Expenses Pre/Post Natal Delivery	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible	

Anesthesia Expenses	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible
Ambulance Expenses Ground/Air/Water	Covered 85%** of CC subject to deductible	Covered 85%** of MAB subject to deductible
X-ray and Diagnostic Testing Expenses	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible
Laboratory Expenses Fluids/Pathology/Diagnostic Tests	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible

New Key 2a Medical Benefit	BCBS PPO Network	Non-BCBS PPO Network
Physician Charges Inpatient Outpatient Primary Care Visit Outpatient Specialist Visit Outpatient Urgent Care Visit MDLIVE Telehealth Consultation	Covered 85%** of CC subject to deductible \$20** copay \$40** copay \$45** copay \$10** copay (currently waived)	Covered 75%** of MAB subject to deductible Covered 70%** of MAB subject to deductible Covered 70%** of MAB subject to deductible Covered 70%** of MAB subject to deductible Not Covered
New Key 2a Medical Benefit	BCBS PPO Network	Non-BCBS PPO Network
Wellness Benefit Physical / GYN Exam / Well Child Exam	Covered 100% of CC Deductible & coinsurance waived	Covered 75%** of MAB subject to deductible
Wellness Benefit Pap Smear Screening & Mammogram Screening	Covered 100% of CC Deductible & coinsurance waived	Covered 75%** of MAB subject to deductible
Wellness Benefit Child Immunization / Adult Flu Vaccination	Covered 100% of CC Deductible & coinsurance waived	Covered 75%** of MAB subject to deductible
Injection Expenses	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible
Chiropractic Expenses	24 spinal manipulations per person annually covered 80% of CC. One mechanical traction per Day only with spinal manipulation covered under Physical, Speech & Occupational Therapy Expenses. One "new patient" office visit every 36 Months and one "established patient" office visit annually, per chiropractor, covered under Physician Charges - Outpatient/Office Visit.	24 spinal manipulations per person annually covered 70% of MAB. One mechanical traction per Day only with spinal manipulation covered under Physical, Speech & Occupational Therapy Expenses. One "new patient" office visit every 36 Months and one "established patient" office visit annually, per chiropractor, covered under Physician Charges - Outpatient/Office Visit.
Hearing Expenses	Covered 85%** of CC subject to deductible, up to \$1,000 per person, per aid every 2 Years	Covered 85%** of MAB subject to deductible, up to \$1,000 per person, per aid every 2 Years

Outpatient Cancer Treatment (e.g. chemotherapy & radiation therapy)	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible
Physical, Speech & Occupational Therapy Expenses	Covered 85%** of CC subject to deductible	Covered 75%** of MAB subject to deductible
Home Health Care Expenses	Covered 85%** of CC subject to deductible	Covered 85%** of MAB subject to deductible
Skilled Nursing Facility Expenses	85%** eligible expenses subject to deductible for room and board and other medical services up to 730 Days reduced by 2 times the number of Days in hospital.	85%** eligible expenses subject to deductible for room and board and other medical services up to 730 Days reduced by 2 times the number of Days in hospital.

New Key 2a Medical Benefit		BCBS PPO Network	Non-BCBS PPO Network		
Hospice Expenses	Care	Covered 85%** of CC subject to deductible	Covered 85%** of MAB subject to deductible		
Durable Medical Equipment Expenses	Medical and Supplies	Covered 85%** of CC subject to deductible	Covered 85%** of scheduled amount subject to deductible		
Prosthetic and Expenses	Devices and Orthotics	Covered 85%** of CC subject to deductible	Covered 85%** of MAB subject to deductible		
Survivor Benefits	Health	Provides up to 36 Months of free medical and prescription drug coverage for eligible spouses and dependent children of participants who die while actively covered under a MCTWF medical benefits package. Coverage will mirror the benefits provided to the deceased participant's MCTWF participating group.	Provides up to 36 Months of free medical and prescription drug coverage for eligible spouses and dependent children of participants who die while actively covered under a MCTWF medical benefits package. Coverage will mirror the benefits provided to the deceased participant's MCTWF participating group.		
New Rx2 Prescription Drug Benefit		Caremark Pharmacy Network			
		Covered in full after the below applicable copay at a participating retail or mail order pharmacy.			
		Retail & Mail Up to 34 Days	Retail 90 & Mail 35 - 60 Days	Retail 90 61 - 90 Days	Mail 61 - 90 Days
Generic Preferred Brand Non-Preferred Brand		\$10 copay \$20 copay \$35 copay	\$20 copay \$40 copay \$70 copay	\$30 copay \$60 copay \$105 copay	\$20 copay \$45 copay \$80 copay
Dental Benefit	Delta Dental PPO Network	Delta Dental Premier Network	Non-Delta Dental Network		
Dental Package 3	Dental: Class I covered in full; Class II 80% in excess of deductible; Class III 60% of CC in excess of deductible. Class II & Class III \$50 per person and	Dental: Class I covered in full; Class II 80% in excess of deductible; Class III 55% of CC in excess of deductible. Class II & Class III \$50 per person and \$100 per family annual deductible. Annual maximum	Dental: Class I 100% of MAB; Class II 80% of MAB in excess of deductible; Class III 55% of MAB in excess of deductible. Class II & Class III \$50 per person and \$100 per family annual deductible. Annual maximum		

	<p>\$100 per family annual deductible. Annual maximum \$1,600 per person. Orthodontic: 50% of CC in excess of deductible up to \$1,500 lifetime per adult/child.</p>	<p>\$1,500 per person. Orthodontic: 50% of CC in excess of deductible up to \$1,500 lifetime per adult/child.</p>	<p>\$1,500 per person. Orthodontic: 50% of MAB in excess of deductible up to \$1,500 lifetime per child.</p>
--	---	--	---

Standard Vision Benefit	EyeMed Vision Network	Non-EyeMed Vision Network
<p>Vision</p>	<p>One exam and one vision correction option¹ per person per calendar Year. Exam 100% of CC. Frames covered up to retail value of \$125, you are responsible for any charges in excess after a 20% discount. 100% of CC for pair of clear plastic single, bifocal, trifocal or lenticular lenses. 100% of CC for progressive lenses after a copay of \$42 for Standard lenses, \$72 for Premium Tier 1 lenses, \$82 for Premium Tier 2 lenses, \$107 for Premium Tier 3 lenses, or \$42 plus 80% of charges less \$120 allowance for Premium Tier 4 lenses. 100% of CC per pair of polycarbonate lenses under age 19. Up to \$120 for contact lenses; you are responsible for any charges in excess after a 15% discount for conventional contact lenses (no discount for disposable contact lenses). \$20 additional contact lens allowance when lenses are purchased through contactsdirect.com. 100% of CC for contact lens fitting; you are responsible up to \$40 for standard contact lens fitting and follow-up, or for the retail price less 10% for premium contacts lens fitting and follow-up. Up to \$250 per eye per lifetime for laser vision correction (Lasik or PRK) from U.S. Laser Network; you are responsible for any charges in excess after a 15% discount of CC or 5% off the promotional price (whichever is lower). ¹ A vision correction option is defined as either (a) one pair of lenses and frames, whether purchased together or separately, (b) contact lenses and fitting, or (c) laser</p>	<p>One exam and one vision correction option¹ per person per calendar Year. Exam up to \$50. Frames up to \$75. Up to \$50 for pair of clear plastic single lenses, up to \$60 for pair of bifocal lenses, up to \$70 for pair of trifocal lenses, and up to \$70 for pair of lenticular lenses. No coverage for progressive lenses. Up to \$80 for contact lenses. No coverage for contact lens fitting. Up to \$250 per eye per lifetime for laser vision correction. ¹A vision correction option is defined as either (a) one pair of lenses and frames, whether purchased together or separately, (b) contact lenses and fitting, or (c) laser vision correction for one or both eyes. Note: Coverage for one such annual vision option cannot be later replaced with coverage for another vision option.</p>

	<p>vision correction for one or both eyes. Note: Coverage for one such annual vision option cannot be later replaced with coverage for another vision option.</p>	
--	---	--

BENEFIT OPTION	BENEFIT LEVEL	TIER 1 EMPLOYEE ONLY	TIER 2 EMPLOYEE PLUS ANY CHILDREN	TIER 3 EMPLOYEE PLUS SPOUSE	TIER 4 FAMILY
Effective Date 04/01/2018					
Base Medical Benefits	New Key 2a	\$103.05	\$206.05	\$247.30	\$309.10
Prescription Drug Benefits	New Rx2	\$21.90	\$43.75	\$52.50	\$65.60
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$8.70	\$17.40	\$20.90	\$26.10
Package 1042	Total Weekly Rate Eff. 04/01/18	\$133.65	\$267.20	\$320.70	\$400.80
Effective Date 03/31/2019					
Base Medical Benefits	New Key 2a	\$102.80	\$205.60	\$246.70	\$308.40
Prescription Drug Benefits	New Rx2	\$26.40	\$52.75	\$63.35	\$79.10
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$7.85	\$15.70	\$18.80	\$23.50
Package 1042	Total Weekly Rate Eff. 03/31/19	\$137.05	\$274.05	\$328.85	\$411.10
Effective Date 03/29/2020					
Base Medical Benefits	New Key 2a	\$110.85	\$221.65	\$266.00	\$332.50
Prescription Drug Benefits	New Rx2	\$27.70	\$55.35	\$66.45	\$83.00
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$7.55	\$15.10	\$18.15	\$22.70
Package 1042	Total Weekly Rate Eff. 03/29/20	\$146.10	\$292.10	\$350.60	\$438.20
Effective Date 04/04/2021					
Base Medical Benefits	New Key 2a	\$115.50	\$231.10	\$277.30	\$346.60
Prescription Drug Benefits	New Rx2	\$27.75	\$55.50	\$66.60	\$83.20
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$7.55	\$15.10	\$18.10	\$22.60
Package 1042	Total Weekly Rate Eff. 04/04/21	\$150.80	\$301.70	\$362.00	\$452.40

**Michigan Conference of Teamsters Welfare Fund (MCTWF)
Benefit Package 1244**

SCHEDULE OF BENEFITS

New Key 1a Medical Benefit	BCBS PPO Network	Non-BCBS PPO Network
Annual Deductible	\$100 per individual \$200 per family	\$200 per individual \$400 per family
Annual Out of Pocket Maximum includes medical copay and coinsurance amounts. MCTWF complies with the Affordable Care Act out-of-pocket cost limits*	\$1,000 per individual in excess of deductible \$2,000 per family in excess of deductible	\$2,000 per individual in excess of deductible \$4,000 per family in excess of deductible
In-Patient Hospital Expenses	Covered 90%** of CC subject to deductible for up to 365 Days semi-private room or	Covered 80%** of MAB subject to deductible for up to 365 Days

	private room if medically necessary	semi-private room or private room if medically necessary
Hospital Emergency Expenses (must meet criteria)	Covered 100% of CC after \$75** copay (waived if admitted)	Covered 100% of MAB after \$75** copay (waived if admitted)

New Key 1a Medical Benefit	BCBS PPO Network	Non-BCBS PPO Network
Mental Health & Substance Use Disorder Benefits (must receive prior authorization for inpatient services by calling BCBS at 800-762-2382)	Inpatient Hospital: Covered 90%** of CC subject to deductible Inpatient Physician: Covered 90%** of CC subject to deductible Outpatient Physician: \$15** copay	Inpatient Hospital: Covered 80%** of MAB subject to deductible Inpatient Physician: Covered 80%** of MAB subject to deductible Outpatient Physician: Covered 70%** of MAB subject to deductible
Surgical Expenses	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Specified Organ Transplant Program Expenses	Covered 100% of CC. Must use a designated facility.	Covered 100% of CC. Must use a designated facility.
Maternity Expenses Pre/Post Natal Delivery	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Anesthesia Expenses	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Ambulance Expenses Ground/Air/Water	Covered 90%** of CC subject to deductible	Covered 90%** of MAB subject to deductible
X-ray and Diagnostic Testing Expenses	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Laboratory Expenses Fluids/Pathology/Diagnostic Tests	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Physician Charges Inpatient Outpatient Primary Care Visit Outpatient Specialist Visit Outpatient Urgent Care Visit MDLIVE Telehealth Consultation	Covered 90%** of CC subject to deductible \$15** copay \$30** copay \$35** copay \$10** copay (currently waived)	Covered 80%** of MAB subject to deductible Covered 70%** of MAB subject to deductible Covered 70%** of MAB subject to deductible Covered 70%** of MAB subject to deductible Not Covered
New Key 1a Medical Benefit	BCBS PPO Network	Non-BCBS PPO Network
Wellness Benefit Physical / GYN Exam / Well Child Exam	Covered 100% of CC Deductible & coinsurance waived	Covered 80%** of MAB subject to deductible
Wellness Benefit	Covered 100% of CC Deductible & coinsurance waived	Covered 80%** of MAB subject to deductible

Pap Smear Screening & Mammogram Screening		
Wellness Benefit Child Immunization / Adult Flu Vaccination	Covered 100% of CC Deductible & coinsurance waived	Covered 80%** of MAB subject to deductible
Injection Expenses	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Chiropractic Expenses	24 spinal manipulations per person annually covered 80% of CC. One mechanical traction per Day only with spinal manipulation covered under Physical, Speech & Occupational Therapy Expenses. One "new patient" office visit every 36 Months and one "established patient" office visit annually, per chiropractor, covered under Physician Charges - Outpatient/Office Visit.	24 spinal manipulations per person annually covered 70% of MAB. One mechanical traction per Day only with spinal manipulation covered under Physical, Speech & Occupational Therapy Expenses. One "new patient" office visit every 36 Months and one "established patient" office visit annually, per chiropractor, covered under Physician Charges - Outpatient/Office Visit.
Hearing Aid Expenses	Covered 90%** of CC subject to deductible, up to \$1,000 per person, per aid every 2 Years	Covered 90%** of MAB subject to deductible, up to \$1,000 per person, per aid every 2 Years
Outpatient Cancer Treatment (e.g. chemotherapy & radiation therapy)	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Physical, Speech & Occupational Therapy Expenses	Covered 90%** of CC subject to deductible	Covered 80%** of MAB subject to deductible
Home Health Care Expenses	Covered 90%** of CC subject to deductible	Covered 90%** of MAB subject to deductible
Skilled Nursing Facility Expenses	90%** eligible expenses subject to deductible for room and board and other medical services up to 730 Days reduced by 2 times the number of Days in hospital.	90%** eligible expenses subject to deductible for room and board and other medical services up to 730 Days reduced by 2 times the number of Days in hospital.
Hospice Care Expenses	Covered 90%** of CC subject to deductible	Covered 90%** of MAB subject to deductible
Durable Medical Equipment and Medical Supplies Expenses	Covered 90%** of CC subject to deductible	Covered 90%** of scheduled amount subject to deductible

Prosthetic and Expenses	Devices Orthotics	Covered 90%** of CC subject to deductible	Covered 90%** of MAB subject to deductible	
Survivor Benefits	Health	Provides up to 36 Months of free medical and prescription drug coverage for eligible spouses and dependent children of participants who die while actively covered under a MCTWF medical benefits package. Coverage will mirror the benefits provided to the deceased participant's MCTWF participating group.		
New Prescription Drug Benefit	Rx2	Caremark Pharmacy Network		
		Covered in full after the below applicable copay at a participating retail or mail order pharmacy.		
		Retail & Mail Up to 34 Days	Retail 90 & Mail 35 - 60 Days	Retail 90 61 - 90 Days
Generic Preferred Brand Non-Preferred Brand		\$10 copay \$20 copay \$35 copay	\$20 copay \$40 copay \$70 copay	\$30 copay \$60 copay \$105 copay
Dental Benefit	Delta Dental Network	PPO	Delta Dental Premier Network	Non-Delta Dental Network
Dental Package 3	Dental: Class I covered in full; Class II 80% in excess of deductible; Class III 60% of CC in excess of deductible. Class II & Class III \$50 per person and \$100 per family annual deductible. Annual maximum \$1,600 per person. Orthodontic: 50% of CC in excess of deductible up to \$1,500 lifetime per adult/child.		Dental: Class I covered in full; Class II 80% in excess of deductible; Class III 55% of CC in excess of deductible. Class II & Class III \$50 per person and \$100 per family annual deductible. Annual maximum \$1,500 per person. Orthodontic: 50% of CC in excess of deductible up to \$1,500 lifetime per adult/child.	Dental: Class I 100% of MAB; Class II 80% of MAB in excess of deductible; Class III 55% of MAB in excess of deductible. Class II & Class III \$50 per person and \$100 per family annual deductible. Annual maximum \$1,500 per person. Orthodontic: 50% of MAB in excess of deductible up to \$1,500 lifetime per child.

Standard Vision Benefit	EyeMed Vision Network	Non-EyeMed Vision Network
<p>Vision</p>	<p>One exam and one vision correction option¹ per person per calendar Year. Exam 100% of CC. Frames covered up to retail value of \$125, you are responsible for any charges in excess after a 20% discount. 100% of CC for pair of clear plastic single, bifocal, trifocal or lenticular lenses. 100% of CC for progressive lenses after a copay of \$42 for Standard lenses, \$72 for Premium Tier 1 lenses, \$82 for Premium Tier 2 lenses, \$107 for Premium Tier 3 lenses, or \$42 plus 80% of charges less \$120 allowance for Premium Tier 4 lenses. 100% of CC per pair of polycarbonate lenses under age 19. Up to \$120 for contact lenses; you are responsible for any charges in excess after a 15% discount for conventional contact lenses (no discount for disposable contact lenses,). \$20 additional contact lens allowance when lenses are purchased through contactdirect.com.</p> <p>100% of CC for contact lens fitting; you are responsible up to \$40 for standard contact lens fitting and follow-up, or for the retail price less 10% for premium contacts lens fitting and follow-up. Up to \$250 per eye per lifetime for laser vision correction (Lasik or PRK) from U.S. Laser Network; you are responsible for any charges in excess after a 15% discount of CC or 5% off the promotional price (whichever is lower). ¹ A vision correction option is defined as either (a) one pair of lenses and frames, whether purchased together or separately, (b) contact lenses and fitting, or (c) laser vision correction for</p>	<p>One exam and one vision correction option¹ per person per calendar Year. Exam up to \$50. Frames up to \$75. Up to \$50 for pair of clear plastic single lenses, up to \$60 for pair of bifocal lenses, up to \$70 for pair of trifocal lenses, and up to \$70 for pair of lenticular lenses. No coverage for progressive lenses. Up to \$80 for contact lenses. No coverage for contact lens fitting. Up to \$250 per eye per lifetime for laser vision correction. ¹A vision correction option is defined as either (a) one pair of lenses and frames, whether purchased together or separately, (b) contact lenses and fitting, or (c) laser vision correction for one or both eyes. Note: Coverage for one such annual vision option cannot be later replaced with coverage for another vision option.</p>

	<p>one or both eyes. Note: Coverage for one such annual vision option cannot be later replaced with coverage for another vision option.</p>	
<p>Other Benefit(s)</p>	<p>Coverage</p>	
<p>Benefit Bank Weeks</p>	<p>Receive 6 benefit bank weeks for the period of 04/01/2018 through 3/31/2021.***</p>	

CC (Contracted Charges) means the agreed upon fees between MCTWF and in-network providers.

BENEFIT OPTION	BENEFIT LEVEL	TIER 1 EMPLOYEE ONLY	TIER 2 EMPLOYEE PLUS ANY CHILDREN	TIER 3 EMPLOYEE PLUS SPOUSE	TIER 4 FAMILY
Effective Date 04/01/2018					
Base Medical Benefits	New Key 1a	\$105.95	\$211.95	\$254.35	\$317.90
Prescription Drug Benefits	New Rx2	\$21.90	\$43.75	\$52.50	\$65.65
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$8.70	\$17.40	\$20.90	\$26.10
Package 1244	Total Weekly Rate Eff. 04/01/18	\$136.55	\$273.10	\$327.75	\$409.65
Effective Date 03/31/2019					
Base Medical Benefits	New Key 1a	\$105.70	\$211.40	\$253.70	\$317.10
Prescription Drug Benefits	New Rx2	\$26.40	\$52.75	\$63.35	\$79.15
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$7.85	\$15.70	\$18.80	\$23.55
Package 1244	Total Weekly Rate Eff. 03/31/19	\$139.95	\$279.85	\$335.85	\$419.80
Effective Date 03/29/2020					
Base Medical Benefits	New Key 1a	\$114.00	\$227.95	\$273.55	\$341.95
Prescription Drug Benefits	New Rx2	\$27.70	\$55.35	\$66.45	\$83.05
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$7.55	\$15.10	\$18.15	\$22.70
Package 1244	View SBC* Total Weekly Rate Eff. 03/29/20	\$149.25	\$298.40	\$358.15	\$447.70
Effective Date 04/04/2021					
Base Medical Benefits	New Key 1a	\$118.85	\$237.70	\$285.25	\$356.55
Prescription Drug Benefits	New Rx2	\$27.75	\$55.50	\$66.60	\$83.25
Dental & Optical Benefits	Dental & Optical Package 3 (D&O3)	\$7.55	\$15.10	\$18.10	\$22.60
Package 1244	Total Weekly Rate Eff. 04/04/21	\$154.15	\$308.30	\$369.95	\$462.40

D. LIFE INSURANCE, AD & D INSURANCE, SHORT TERM AND LONG-TERM DISABILITY

The Company shall provide a Basic Life Insurance, a Basic Accidental Death and Dismemberment (AD&D), Short Term Disability (STD) and a Long-term Disability (LTD) Benefits for all Pilots in accordance with the following schedule:

1. Benefit Levels & Coverage:
 - a. Life Insurance: One times annual earnings to a maximum of Two hundred-fifty thousand dollars (\$250,000).
 - b. AD&D: One times annual earnings to a maximum of two hundred-fifty thousand dollars (\$250,000). The Accidental Death and Dismemberment (AD&D) Benefit shall be on a twenty- four (24) hour basis including coverage while performing a Company-Directed Assignment.

- c. Subject to Plan requirements, Pilots may obtain additional Optional Life and AD&D Coverage as follows: A Pilot may purchase optional Life Insurance coverage up to two times (2X), three times (3X), four times (4X) or five times (5X) his yearly income, up to a maximum of five hundred thousand dollars (\$500,000). Optional additional AD&D coverage shall be in multiples of one hundred thousand dollars (\$100,000) up to five hundred thousand dollars (\$500,000). The cost for each level of either buy-up option shall be published annually during the Insurance Enrollment Period. For the purposes of this subsection, his yearly income shall be calculated by multiplying his highest Hourly Pay Rate for the Calendar Year times his Monthly Minimum Guarantee.
- d. Short Term Disability (STD) Plan: The Company shall provide all Pilots with Short Term Disability benefits for up to twenty-six (26) weeks after the initial date of the injury or illness that caused the Disability. The Company STD Plan shall provide a benefit equivalent to 60% of covered earnings with a maximum benefit of one (1) thousand dollars (\$1000) per Week.
- e. Short Term Disability (STD) "Buy-Up" Option: The Company shall offer all Pilots a "buy-up" (voluntarily at his own expense) option to the Company STD plan, to increase the benefit to 70% of covered earnings with a maximum weekly benefit of \$2,000.
- f. Long-Term Disability (LTD) Plan: The Company shall provide all Pilots with Long Term Disability Benefits of up to 60% of covered Monthly earnings up to a maximum of \$10,000 per Month. If a Pilot has been disabled for twenty-six (26) weeks due to an illness or injury, the Pilot shall have Long-term Disability (LTD) Benefits for up to sixty (60) Months or up to SSNRA (Social Security Normal Retirement Age), depending on the extent of the disability and whether or not it allows him to continue in the capacity as a FAR Part 121 Commercial Airline Pilot. All provisions of LTD shall be in accordance with the LTD Plan.
- g. LTD "Buy-Up" Option: The Company shall offer all Pilots a "buy-up" (voluntarily at his own expense) option to the Company LTD Plan, thereby increasing coverage from 60% to a maximum of a 70% coverage level. Every Pilot shall be guaranteed for initial enrollment for the buy-up option, but any late entrants shall need "evidence of insurability" (i.e., if the Pilot didn't enroll in the buy-up option when they first became eligible) before being eligible. The cost for this buy-up option shall be published annually during the Insurance Enrollment Period.

- 2.** All Premiums for all Company Provided benefits, excluding the Voluntary STD buy-up, Voluntary Life and AD&D, benefits as elected, pursuant to subsection 8.C.5, other voluntary benefits offered to all employees and any annual employee contribution for his Health Insurance, as provided in 5.B.4., shall be fully paid by the Company. This subsection also does not apply to employee contributions to the Company 401(k) plan.

SECTION 6 EXPENSES, TRANSPORTATION, AND LODGING

A. CREDIT CARDS

1. For all International Operations, the Company may provide Captains with a Company credit card, which shall be used in accordance with Company policy for all legitimate business-related expenses where the Company has not made direct bill arrangements.
2. While on official Company business, a Pilot shall be reimbursed for reasonable and necessary business expenses not subject to Per Diem or covered by a Company credit card.
3. Company issued credit cards may not be used by Pilots for meals and incidental expenses without prior approval of the Director of Operations or his designee; approved credit charges for meals shall be credited against Per Diem for all Pilots for whom such charges are made and permitted.
4. A Pilot shall contact the Company regarding unknown or fraudulent Company credit card charges. A Pilot will provide information regarding what he knows with respect to the disputed transactions. A Pilot may also be required to complete paperwork confirming the unknown or fraudulent charges. A Pilot shall not be held personally responsible for such unknown or fraudulent charges.

B. LODGING AND TRANSPORTATION

1. The Company shall provide each Pilot, while on Company business away from his Domicile, with single occupancy hotel lodging (one Pilot per room). The following criteria shall be used to determine suitability of lodging facilities:
 - a. Lodging is located in a safe, secure area that is regularly patrolled by police and/or private security. A hotel should have 24-hour front desk operation and, when practical, expedited crew check-in procedures.
 - b. Rooms are clean, secure, in good repair with primary and secondary locks (e.g., deadbolt), interior hallway entry doors and, to the maximum extent possible, located above ground level, away from city and traffic noises, elevators, maid's rooms, ice and vending machines. Motel style rooms with exterior entry doors will not be used.

- c. Rooms are furnished with private bathroom, double or larger sized bed, and, to the maximum extent possible, room darkening curtains, in-room operational heating/air conditioning controls, iron and ironing board, hair dryer, coffee maker, and, if available at hotel, cable television. Linens and towels are to be renewed daily.
 - d. Non-smoking rooms are available for all Pilots.
 - e. A restaurant (with room service) is located in the hotel, or at least one (1) other non-fast food type restaurant located within walking distance or accessible with hotel provided transportation.
2. When feasible, the Company shall apply the following additional criteria in selecting Pilot lodging facilities:
 - a. Lodging at or near the airport that is not more than thirty (30) minutes normal driving time from the Pilot's arriving and/or departing airports. With a Pilot's concurrence, the thirty (30) minute rule may be waived to provide alternative accommodations.
 - b. When making arrangements with hotels for Pilots to use, the Company shall require that a Pilot's room is available for occupancy within one (1) hour of his arrival. If a Pilot arrives at a hotel and his room is not immediately available, his Rest shall not begin until he is able to take occupancy of his room. The Pilot shall notify Crew Scheduling as soon as possible of any such delays in the start time of his Rest.
 - c. To the maximum extent possible, Internet access is provided directly by the hotel or by an outside vendor/service at no cost to the Pilot and is accessible in his room.
 - d. The Company shall make every reasonable effort to contract with hotels that provide breakfast at no cost to the Pilot.
 - e. An exercise facility is provided at no cost to the Pilot.
 - f. Fees are waived for local and toll-free calls.
3. Notwithstanding any right to Per Diem, as provided in subsection 6.C., a Pilot shall pay for incidental expenses incurred by him at a hotel (e.g., movies, laundry, personal telephone calls, room service, etc.).
4. The Company shall have the sole responsibility to make hotel selections, which shall be based upon the criteria, as provided in subsection 6.B.1. and 6.B.2. When the Company enters into a contract with a hotel for thirty (30) Days or longer, it shall notify the Union regarding the selection.

5. When fifty percent (50%) or more of the scheduled operations at a Domicile is considered Night Flying, or for scheduled breaks of four (4) hours or more between segments in a Trip Pairing, or between Trip Pairings in a single Duty Period and provided the Company controls the facility, the Company shall provide a Pilot with a suitable Pilot rest facility with beds or lodging, as provided in subsection 6.B.1. For other scheduled breaks occurring at a Domicile, a Pilot shall be provided access to a suitable lounge area that shall have comfortable seating, not open to the general public and where noise and lighting can be limited. For scheduled breaks of less than four (4) hours, when reasonably feasible, the Company shall provide such facilities at other locations.
6. If a Pilot reasonably determines that lodging provided by the Company will not afford him the opportunity to obtain adequate Rest, he shall attempt to obtain a more suitable location within the hotel. If such effort is not successful, the Pilot shall contact Crew Scheduling and coordinate alternative lodging with the appropriate Company personnel. If such alternative lodging is requested by the Pilot, it shall be approved. The Pilot's required Rest Period shall not begin until he checks in to such alternative lodging. When alternative Lodging (e.g., room change in his current hotel or a change to a new hotel) is required, his rest shall not begin until alternative lodging is secured.
7. If complaints arise from Pilots with regard to a hotel that has been selected by the Company, the Union shall provide a written explanation to the Director of Flight Operations, or designee, detailing the complaints. The Company shall promptly investigate the complaints and, if the hotel cannot remedy the deficiency, the Company shall select a replacement hotel.

C. PER DIEM

1. A Pilot shall receive Per Diem for all Duty or Company-Directed Assignments that incurs a Rest Period(s) at a location other than his Domicile. Per Diem shall be calculated from the time of his scheduled or actual Report Time at his Domicile, whichever is later, and continues until the scheduled or actual conclusion of such Duty or other Company-directed Assignment at his Domicile, whichever is later.
2. Per Diem shall be paid as follows:
 - a. United States

For Duty or other Company-Directed Assignments that are performed within the Contiguous United States, including all time during a layover in the United States, Fifty-Six Dollars (\$56) per Day.

b. International

For Duty or other Company-directed Assignment that contains a segment that is to or from an airport outside the contiguous United States, including all layover time in a location outside of the contiguous United States: Seventy-Two Dollars (\$72) per Day.

- c. The Per Diem rates, as provided in subparagraph 6.C., shall be increased by one (1) Dollar (\$1.00) per Day on each anniversary date of the Agreement.

D. CREW MEALS

1. If a Flight Segment is scheduled for longer than four (4) hours, the Company shall provide a Pilot with a meal on board Company Aircraft that is appropriate to the time of Day. If a Flight Segment is scheduled for longer than seven (7) hours, the Company shall provide a Pilot with a second meal on board Company Aircraft that is appropriate to the time of Day.
2. For a Flight Assignment with eight (8) hours of continuous Duty or more without an intermediate stop of at least one hour and thirty minutes (1:30) at a location that has an accessible eating facility, or two hours and thirty minutes (2:30) at an airport where ground transportation to an eating facility is not available, the Company shall provide a meal on board a Company Aircraft that is appropriate to the time of Day. For the purposes of this subsection, intra-Hawaii and intra-Alaska Flying shall not be considered applicable to this subsection.
3. The Company shall contract where possible with established inflight catering services to provide Crew Meals at no cost to the Pilots who are Assigned to such Flight Segments. A Pilot shall be given the opportunity to specify his Crew Meals from the catering service's menu. All Crew Meals shall have suitable beverages included (*e.g.*, hot coffee, tea, juice, soda and water).
4. If the Company fails to provide a Pilot with a Crew Meal, as provided in subsection 6.D.1. or 6.D.2, he may obtain at Company expense a meal to insure he is adequately nourished prior to the next Flight Segment or during a Flight Segment that requires an onboard Crew Meal(s).
5. If a problem arises with regard to Crew Meals, the Company and the Union shall meet in a timely manner after the problem was discovered to discuss and find a mutually agreeable remedy.
6. A Pilot Deadheading on Company Aircraft shall also be provided with a Crew Meal(s), as provided in subsection 6.D.1. and 6.D.2.

E. PARKING AND TRANSPORTATION.

1. The Company shall provide each Pilot, free lighted parking facilities, at the Pilot's Domicile.
2. If the distance from the Company-designated parking location to the passenger terminal or location of the Company's aircraft is ten (10) or more minutes walking time, or if weather conditions prohibit a Pilot from walking to or from the passenger terminal or location of the Company's aircraft in a clean and/or dry suitable manner, the Company shall provide a Pilot with free transportation between the designated parking location and the passenger terminal or location of the Company's aircraft.
3. If a hotel does not provide transportation, the Company shall provide and pay for licensed and insured transportation to and from the hotel and the airport, Training facility or any other location away from a Pilot's Domicile. When transportation is not provided within thirty (30) minutes after a Pilot is released from Duty, or within ten (10) minutes after the scheduled departure time from the hotel, a Pilot is authorized to use any Commercial Transportation at his disposal and shall be one reimbursed for the actual expenses incurred for any such transportation.
4. If no eating facility is available at the lodging facility or within a reasonable walking distance and such lodging facility does not provide transportation to an off-site restaurant, the Company shall be responsible for a Pilot's cab fare to and from an off-site restaurant.
5. A Pilot may, at his sole discretion, agree with the Company's request to use his personal vehicle for a work-related purpose, other than traveling to or from his Domicile. Such Pilot shall receive the then current Internal Revenue Service "business" mileage rate for such usage.
6. The Company shall not utilize light rail, subway, public transportation buses or ride-share vans (e.g., Super Shuttle) for Pilot transportation, unless no other transportation is available, and the scheduling of such transportation is absolutely necessary.
7. If a rental car is required, the Company shall prearrange and provide the payment means and be responsible for the cost associated with the use of such rental car. The class size of the rental car to be used shall be a mid-size or greater for two (2) Pilots and a full-size or greater class size for three (3) to four (4) Pilots.

F. PAID MOVE

1. The Company is not responsible for any moving expenses involving a New Hire Pilot reporting to his initial Domicile and shall not provide him with a Paid Move.
2. A Pilot shall be provided a Company Paid Move when, as provided in Section 18 (Filling of Vacancies): a) he is involuntarily Assigned or Bumps to a Position in a Domicile that differs from his current Domicile; b) relocates to a New Domicile, as provided in Section 21 (Domiciles; or, c) his existing Domicile is closed. Additionally, a Furloughed Pilot who is Recalled and Assigned to a Domicile other than his Domicile at the time of his Furlough shall be entitled to a Paid Move. In all cases, to be eligible for a Paid Move, the distance between a Pilot's old and new Primary Residences must be at least two hundred fifty (250) statute miles.
3. A Pilot shall make his request for a Paid Move at least thirty (30) Days prior to the anticipated start of such move.
4. The Company shall pay the following expenses incurred in association with a Paid Move:
 - a. Positive space airline transportation for the Pilot and his Eligible Dependents, as defined in Section 2 (Definitions), from the airport closest to his old Primary Residence to the airport closest to his new Primary Residence. Unless no other options are available, the Company shall not select an airline itinerary that contains a layover of more than three (3) hours between any two (2) segments.
 - b. A Pilot shall be reimbursed for the Meals and Incidental Expenses ("M&IE") daily allowance, not to exceed the "Standard Conus Rate," as published by the U.S. Government, for the Pilot and each Eligible Dependent, as defined in Section 2 (Definitions), who relocates with the Pilot to his new Primary Residence. Such M&IE shall be paid for up to thirteen (13) Days, including Travel Days, and for a maximum of seven (7) Days after the Pilot's arrival at his new Primary Residence, while waiting for his household goods to arrive. The Company shall also pay for the cost of reasonable hotel accommodations when the Pilot and his dependents, if any, are relocating to new Primary Residence. up to the allowable number of Days, as provided in this subsection.
 - c. If a Pilot with a Paid Move entitlement requests, the Company shall advance him his M&IE and expected hotel costs, as allowed in subsection 6.G.4.b. A request for an advance shall be made at least two (2) weeks in advance.

- (1) When requested, the Pilot shall provide to the Company the estimated number of Days for his travel, names and number of Eligible Dependents travelling, his travel itinerary, hotel reservations, including the cost of each reservation.
 - (2) A Pilot shall provide all receipts for reimbursement of any expenses incurred during a Company Paid Move that have not been paid in advance by the Company. The Company shall reimburse such costs that are in excess of an advance, within the limits stated in subsection 6.G.
 - (3) If hotel costs, as shown by receipts, are less than the amount advanced, or the actual number of Travel Days is less than was calculated, the Pilot shall reimburse the hotel costs and M&IE difference to the Company.
- d. If a Pilot with a Paid Move entitlement elects to drive to his new Primary Residence in lieu of travel by air, the Company shall reimburse him the IRS standard "moving" mileage rate in effect, as of the date of the move, for driving up to two (2) automobiles and/or motorcycles he owns or leases to his new Residence, based on the shortest Google mileage between the locations.
- (1) If a Pilot elects to have his automobile or motorcycle shipped to his new Domicile, the Company shall pay for the cost of shipping this vehicle by a bonded and insured third party transportation company. The Company shall directly pay the transportation company for the shipment of the vehicle.
 - (2) A Pilot who uses oceanic shipping to transport a vehicle, including transport by ferry, shall not be entitled to mileage expenses, as provided in subsection 6.F.4.d., associated with the relocation of such vehicle to his new Primary Residence.
 - (3) While waiting for his vehicle to arrive at his new Primary Residence, if shipped via oceanic transport, the Company will reimburse a Pilot for the cost of one (1) mid-sized rental car.
 - (4) The Company may request that the Pilot provide two or more estimates for costs allowed by subsection 6.F.4.d. When alternatives and/or options are available for such costs, the Company shall make the decision which options shall be utilized.
- e. A Pilot with a Paid Move entitlement shall obtain and provide to the Company two (2) estimates from licensed and bonded moving common carriers for movement of his household goods. Estimates shall include

the carrier's estimated costs for the packing, unpacking, insurance, storage (if applicable), and transport of the Pilot's household goods. The Company shall select the carrier to be utilized and shall pay the costs and, if necessary, insurance associated with the transportation, directly to the carrier. If a Pilot elects to rent a moving vehicle to transport his own household furniture and goods, the Company shall reimburse him for the cost of renting the vehicle, not to exceed the lowest estimated cost submitted by a common carrier.

- f. A Pilot who is entitled to a Company Paid Move, as provided in 6.F.2, shall receive on a one (1) time basis during his employment with the Company, a Company Paid Move as follows: The maximum allowance for any Company Paid Move shall be fifteen thousand dollars (\$15,000), if such move results in his new Primary Residence being located within two-hundred (200) Google Map miles of his new Domicile. If a Pilot's new Primary Residence is located outside of two hundred (200) Google Map miles of his new Domicile, but within four-hundred (400) Google Map miles of his new Domicile, the maximum allowance for a Company Paid Move shall be ten thousand dollars (\$10,000). For any Company Paid Move outside of four hundred (400) Google Map miles of his new Domicile, the maximum allowance for a Company Paid Move shall be seven thousand-five hundred dollars (\$7,500). These allowances are inclusive of all allowable costs of moving an Eligible Pilot and his dependent family members, household goods, vehicle and any other costs, as provided in subsection 6.F.4.
- g. Once a Pilot has used his one-time Company Paid Move, as provided in subsection 6.F.4.f., he shall receive, for all additional Company Paid Move entitlements under this subsection 6.F., a maximum allowance of fifteen thousand dollars (\$15,000) when he relocates his new Primary Residence within one hundred fifty (150) miles of his new Domicile.
- h. The Company shall pay moving expenses directly to the moving carrier for moving a Pilot's household goods based on the table of maximum amounts set forth below (subject to proof of relocation and receipts):
 - 501 – 1,000 statute miles - \$6,000
 - 1,001 – 1,500 statute miles - \$7,500
 - 1,501 – 2,000 statute miles - \$9,000
 - 2,001+ statute miles - \$10,000
 - To or from Hawaii or Alaska, as applicable – an additional \$1,000
- i. A Pilot who has a Paid Move entitlement shall be allowed to ship household goods using up to five (5) AAX containers or pallets, as applicable, of Company freight on a space available basis at no cost to such Pilot.

- j. The total amount reimbursed to the Pilot and/or paid on behalf of the Pilot under subsections 6.F.4.a.-h shall not exceed fifteen thousand dollars (\$15,000).
5. The following additional rules apply to Paid Moves:
- a. A Pilot shall have up to six (6) Months after the Effective Date of his Assignment to his new Domicile to inform the Company of his intent to engage in a Paid Move and shall have one (1) Year after such Effective Date to complete his Paid Move. This time may be extended by mutual written agreement between the Pilot and the Company.
 - b. Should a Pilot receive a second Paid Move entitlement prior to his using an earlier entitlement, he shall be entitled only to one (1) Paid Move.
 - c. Should a Pilot receive another Assignment which is located at the Domicile from which his first Paid Move entitlement originated prior to using the Paid Move entitlement associated with that first Reassignment, he shall receive no new Paid Move entitlement and shall also forfeit the first entitlement.
 - d. A Pilot who voluntarily terminates his employment within one (1) Year of receiving a Paid Move shall be responsible for repayment to the Company of the amounts paid by the Company for his Paid Move.

G. MOVING (TRAVEL) DAYS

1. A New Hire Pilot shall be provided three (3) consecutive Days, free of all Company-Directed Assignments, to travel to his new Domicile. Such Travel Days shall commence the first Day after he completes New Hire Training.
2. All Pilots, other than New Hire Pilots, shall be allowed up to ten (10) consecutive Days, uninterrupted and inclusive of any Travel Days, free of all Duty, for purposes of relocating to their new Domicile. Within this limitation, a Pilot's maximum number of Travel Days shall be as follows:
 - a. If relocating by air transportation – three (3) consecutive Days;
 - b. If relocating by driving his personal vehicle or moving van, as provided in subsections 6.F.4.d. or e., the total distance of travel divided by four hundred fifty (450) statute miles per Day, measured by Google Map. Remainders over one hundred (100) statute miles will provide for an extra Travel Day.

3. A Pilot shall have his Travel Days, as provided in subsection 6.G., included in his Bid Period Schedule Preferencing; *provided*, he informs the Company prior to the opening of bids for the Bid Period in which he intends to take his Travel Days. Travel Days included in Bid Period Schedule Preferencing shall have a pay value, as provided in Section 3 (Compensation). A Pilot whose Travel Days were included in Bid Period Schedule Preferencing shall not have his minimum Days Off prorated due to such Travel Days.
4. With notice to the Company, and upon mutual agreement, a Pilot entitled to a Paid Move may request to schedule his Travel Days on previously scheduled Workdays. If the Company agrees to such Travel Days, such Pilot's compensation shall not be reduced.
5. The Company shall bear no responsibility for additional expenses, or Moving Days back to the Pilot's previous Position, Domicile or Residence if a Pilot elects to take Moving Days prior to beginning Upgrade or Transition Training and subsequently does not complete such Training (*e.g.*, Training failure, withdrawal, Resignation). This provision shall not be applicable should the Company cancel the Pilot's Training and/or Permanent Vacancy.

H. UNPAID MOVES

If a Pilot is not entitled to a Paid Move, as provided in subsection 6.F., but decides to move his Primary Residence at his own expense, he shall not receive reimbursement of any costs associated with such move, nor shall he receive Travel Days, as provided in subsection 6.G. However, the following shall apply:

1. The Pilot may request, and the Company may consider, transporting all or a portion of such Pilot's household goods on Company Aircraft or ground vehicles, if space is available and if practical, at no cost to such Pilot.
2. Such Pilot shall lose any scheduled Pay Credit Hours ("PCH") on Days where Duty is dropped for such unpaid move. In the Month(s) such Pilot moves at his own expense he shall be paid for all Duty in accordance with Section 3, Compensation.

I. EXPENSE REPORTS

1. A Pilot shall submit an expense report in accordance with Company policy for all Company reimbursable expenses within thirty (30) Days after the last expense was incurred on his Duty Assignment or Paid Move.
2. The Company shall reimburse a Pilot for submitted expenses within thirty (30) Days following a Pilot's compliance with necessary expense reporting requirements.

3. The Pilot-in-Command of a Flight Segment, while on official Company business, shall be reimbursed for necessary and justifiable expenses when unusual or emergency conditions exist(s).

J. LOYALTY BENEFITS

Customer loyalty benefits, including Company issued credit card benefits, hotel points, airlines and rental car points, shall be the exclusive property of the individual Pilot. Nothing in this subsection prevents the Company from contracting for a hotel, airline or rental car price that is otherwise available to the public without loyalty benefits.

SECTION 7 DEADHEADING

A. DEADHEADING BY AIR

1. All Deadheading by air shall be on Company Aircraft or on Commercial Air Carriers or charter operators, as provided in subsection 7.A.2.
2. A Pilot shall not be required to Deadhead on a U.S. air carrier unless certified under Federal Aviation Regulations ("FAR") Part 121 or Part 135 and the carrier operates multi-engine, turbine powered, two (2)-pilot aircraft, unless the Company and the Union have agreed otherwise.
3. Preference shall be given to Part 121 U.S. scheduled flag air carriers over foreign air carriers for International Deadhead Travel. International is defined, as provided in Section 2 (Definitions). A foreign flag air carrier must be based in a country that has been determined by the Federal Aviation Administration's ("FAA's") International Aviation Safety Assessment ("IASA") program to comply with the standards established by the International Civil Aviation Organization ("ICAO"). Preference shall be given to foreign flag air carriers that code share with U.S. flag air carriers.
4. The Company shall acquire positive space passenger tickets for Pilots when Deadheading by air. A Pilot shall not be required to sit in a Jump-seat unless Deadheading on Company Aircraft.
5. Taking into consideration a Pilot's Duty Time and Rest requirements, cost operational needs and the date of scheduling the flight itinerary., The Company shall use its best efforts to schedule the shortest total Deadhead time by minimizing multiple Deadhead Segments and long airport layovers, and avoiding multiple carriers that do not code share with each other and/or require separate check-in. All Deadheading shall comply with the Duty Time limitations, as provided in Section 13 (Hours of Service).
6. Except as provided in subsection 7.A.8, the Company shall book seats in the following preferential order in coach seating: (i) an aisle or window seat; (ii) a bulkhead or exit row middle seat that reclines; (iii) a middle seat in the bulkhead or exit row that does not recline; (iv) a middle seat. In all cases, the Company shall book a seat for the Pilot when his reservations are made unless prevented from doing so by the airline.
7. For any International Deadhead that is six (6) hours or more (*i.e.*, when one (1) or more consecutive Deadhead Segments departs from or arrives at an International location), the Company shall provide "Coach Plus" and window or aisle seating when available, for all such Deadheading segments.

8. Notwithstanding the provisions of subsections 7.A.6. and 7.A.7, the Company may book seats in Business Class or better at its discretion.
9. If an airport layover between Deadheading segments is scheduled for more than six (6) hours, the Company shall provide a Deadheading Pilot with a hotel room, as provided in Section 6 (Expenses, Lodging & Transportation). Such airport layover shall not be considered Rest unless it is ten (10) hours or more, as provided in Section 13 (Hours of Service).
10. The Company shall pay for up to two (2) checked bags when a Pilot Deadheads and checks his bag(s), including travel to or from Training locations. Additionally, the Company shall reimburse the Pilot if he incurs any other required baggage storage or handling charge(s) while Deadheading (e.g., overhead bin storage).
11. The Company shall participate in the program to allow Known Crew Member ("KCM") access; at no cost to the Pilots.

B. SURFACE DEADHEAD

1. Surface transportation longer than thirty (30) minutes duration shall not be considered local in nature, but shall be considered Surface Deadhead Travel, as provided in this Section 7.
2. Scheduled driving time calculations for Surface Deadheading shall be determined by the time necessary to travel between the departure location and the arrival location by the most expeditious route and posted speed limits, as determined by Google Maps.
3. Time spent Surface Deadheading shall count towards a Pilot's daily Duty Time Limitations, as provided in Section 13 (Hours of Service).
4. Transportation local in nature to and from a layover hotel, as provided in Section 6 (Expenses, Lodging & Transportation), shall not be considered a Surface Deadhead.

C. DEADHEAD PAY

1. A Pilot shall be compensated for all time spent Deadheading, as provided in Section 3 (Compensation).
2. Report and release times for Deadheading by air or by surface transportation, as provided in Section 13 (Hours of Service), shall be considered part of a Deadhead Assignment.

D. ALTERNATE TRAVEL WHEN DEADHEADING

A Pilot may request to change his scheduled Deadhead (Alternative Travel) as follows:

1. Pre-Bid Request

- a. A Pilot may request Alternative Travel by submitting his request to Crew Scheduling on a form approved by the Company at the time he submits his Schedule Line Bid Request.
- b. The Company shall approve and book an Alternative Travel request, if it does not conflict with the needs of the service or the FARs; *provided*, if the cost of such Alternative Travel is more than the cost of the originally scheduled Deadhead, the Pilot shall reimburse the Company for such additional costs. The Pilot may specify the maximum reimbursable costs he is willing to incur at the time he makes his request. If the Company determines the costs exceed the Pilot's stated limit, the Company shall not book the Alternative Travel.
- c. A Pilot with approved Alternative Travel shall receive Deadhead Pay in accordance with his Assigned Duty, as if he had actually completed such Assignment.
- d. A Pilot on approved Alternative Travel is responsible for additional costs resulting from such Alternative Travel including any delays or Cancellations (e.g., hotel, meals) when travelling from a Company Assignment.

2. Post-bid Request

- a. A Pilot cannot deviate from a post-bid scheduled Deadhead Assignment unless the Company approves such deviation. The Company shall approve such request unless it creates a conflict with the needs of the service or the FARs.
 - b. If a Pilot's request to deviate from a previously scheduled Deadhead is approved, as provided in subsection 7.D.2.a., he shall receive Deadhead Pay for the scheduled time of his original Assignment, as provided in this Section 7, as if he had actually completed such Assignment; *provided*, he was scheduled to Deadhead on Company Aircraft, or he was scheduled to Deadhead by commercial Air Carrier and the Company has not yet purchased his ticket.
3. If the Company approves a Pilot's request to deviate from a Deadhead Assignment, as provided in subsection 7.D.2.a., that results from an

irregular operation (e.g., mechanical, cancellation, Reassignment) and the Company has not yet purchased his Deadhead ticket, his request shall be treated as a “pre-bid” Alternative Travel request, as provided in subsection 7.D.1.

E. GENERAL

1. Unless otherwise provided in this Agreement, the cost of Deadhead transportation shall be paid by the Company.
2. Except as provided in subsection 7.D.1.d., when the Company provides Deadhead transportation for a Pilot, he shall not be held responsible for the delays beyond his control.
3. If the Pilot provides his frequent flyer/rewards number to the Company, the Company shall provide such information to the airline at the time the Pilot's Deadhead reservation is made. The Company shall not be responsible for any errors, omissions or credits made related to frequent flyer numbers or points.
4. A Pilot shall be paid for all Deadhead Travel, as provided in Section 3 (Compensation).

SECTION 8 LEAVES OF ABSENCE

A. PERSONAL LEAVE OF ABSENCE (“PLOA”)

1. A Pilot who has completed his Probationary Period, as provided in Section 16 (Seniority), may submit a request to the Chief Pilot, or designee, for a Personal Leave of Absence (“PLOA”). The maximum duration of a PLOA shall be one (1) Year, unless a longer period is granted by the Chief Pilot, or designee.
2. Requests for a PLOA must:
 - a. Contain a statement of the reason(s) for the PLOA;
 - b. Be made prior to the opening of the Monthly Bid Period for the Month in which the Pilot intends to initiate his PLOA, if feasible.
3. The Company’s decision to grant or deny a PLOA request shall be subject to the operational needs of the Company. The Chief Pilot, or designee, shall respond in writing, granting the Pilot’s request or stating the reasons for denying the Pilot’s request.
4. If more than one (1) Pilot requests a PLOA, then, PLOAs shall be granted in Seniority Order, with a more senior Pilot’s request being granted in its entirety prior to the next most senior Pilot.
5. Once a PLOA has been granted, the leave request may not be withdrawn nor shall the length of the PLOA be reduced without the mutual consent of the Company and the Pilot. If a Pilot intends to return to Active Service prior to the expiration of his PLOA, he shall make his request to the Chief Pilot, or designee, who shall have the sole discretion to approve such Pilot’s request to return early.
6. A Pilot may request to use all or a portion of his accrued PTO, as provided in Section 11 (Paid Time Off), while on a PLOA. If he uses his PTO, it shall be paid up to the balance in his PTO Bank, as follows:
 - a. For a Month in which he receives a bid award as provided in Section 14 (Scheduling), he shall be paid up to the scheduled Pay Credit Hours (“PCH”) in his Monthly Line, as provided in Section 3 (Compensation) or his Monthly Pay Guarantee (“MPG”), whichever is greater.

- b. For a Month in which he was unable to bid, he shall be paid up to his MPG, as provided in Section 3 (Compensation).
7. A Pilot shall not accrue Sick Leave, as provided in Section 10 (Sick Leave), or PTO, as provided in Section 11 (Paid Time Off), during a PLOA. A Pilot on PLOA shall be responsible for the costs associated with continued participation in any insurance benefit plan to the extent allowed, as provided in Section 5 (Retirement & Insurance).
8. A Pilot may request an extension to his PLOA by submitting such request in writing to the Chief Pilot, or designee. A Pilot shall return to Active Service after the scheduled expiration of a PLOA, or any agreed extension, thereof. A Pilot who fails to do so shall be deemed to have voluntarily resigned from the Company and his name shall be removed from the NAC Pilots System Seniority List ("Seniority List).
9. A Pilot on PLOA shall retain and continue to accrue Seniority and shall retain but not continue to accrue Longevity after the end of the same Month in which he initiated his PLOA.
10. A Pilot on PLOA shall not work or train for a commercial air carrier, without prior written permission of the Chief Pilot, or designee.

B. COMPANY OFFERED LEAVES OF ABSENCE ("COLOA")

1. The Company may offer Company Offered Leave of Absence(s) ("COLOA") specific to a Monthly Bid(s).
2. All COLOAs shall be posted on the Company's intranet as soon as possible prior to the intended start date of the COLOAs. The published information shall contain: the timeline to submit a COLOA request; the Position(s) and Domicile(s) specific to the COLOA, if applicable; the COLOA duration; the COLOA purpose; and the number of COLOAs to be offered. The COLOA awards shall be published prior to opening the bid in which the COLOA(s) is included. COLOA awards will be published in the Monthly Bid Package.
3. When a COLOA offer is made on a Domicile-specific basis, the Company shall select Pilots who have volunteered for a COLOA in the order of their Domicile Seniority. If the COLOA offer is made on a system-wide basis, selection of volunteers shall be by system-wide Seniority.
4. An awarded COLOA shall be honored until its expiration, unless the termination of a COLOA is requested and is mutually agreed upon by the Company and the Pilot.

5. A Pilot on a COLOA shall be entitled to participate in the Company's Medical Insurance plan, as provided in Section 5 (Retirement & Insurance). The Company and Pilot shall continue to pay their respective portions of health insurance premiums for the entire duration of the COLOA.
6. A Pilot on a COLOA shall retain and continue to accrue Seniority, Longevity and all additional accrued benefits, as provided in the Agreement.

C. MEDICAL LEAVE OF ABSENCE

1. A Pilot shall be eligible for a Medical Leave of Absence when he is unable to hold a valid Federal Aviation Administration ("FAA") Medical Certificate or is unable to perform his Duties as a Pilot for an extended time period due to illness, injury or disability. A Medical Leave of Absence shall commence at the beginning of the next Month after the Pilot:
2.
 - a. Provides the Chief Pilot, or designee, with written documentation evidencing his initial or continuing inability to return to Active Service; and,
 - b. After the Pilot has exhausted all accrued Sick Leave, as provided in Section 10 (Sick Leave), all accrued PTO, as provided in Section 11 (Paid Time Off), and any available Short-Term Disability ("STD") Insurance, as provided in Section 5 (Retirement & Insurance).
3. A Pilot on a Medical Leave of Absence shall update the Company if there is a material change to his medical condition. The Company shall consider all information provided by the Pilot as "confidential" and shall not disclose any information to a third party without the Pilot's written consent, except if such disclosure is required by law. If the Company has a legal obligation to provide any of a Pilot's information to a third party, the Company shall provide the Pilot with written notice and the purpose of the disclosure.
4. If a Pilot is unable to return to Active Service after five (5) Years on a Medical Leave of Absence, the Pilot shall be considered medically retired, unless he is awaiting reinstatement of his FAA Medical Certificate. In such case, his Medical Leave shall be extended up to an additional two (2) Years. If such Pilot is unable to obtain a valid FAA Medical Certificate after a total of seven (7) Years, he shall be considered medically retired.
5. A Pilot's Medical Leave of Absence shall extend until the Day he returns to Active Service, or is placed on Furlough, as provided in Section 16, (Furlough and Recall).

6. A Pilot on a Medical Leave of Absence shall retain and accrue Seniority. He shall retain but shall not continue to accrue Longevity after ninety (90) Days on a Medical Leave of Absence.
7. A Pilot may elect to continue to participate in the Company health and dental insurance program, as provided in Section 5 (Retirement & Insurance), to the extent allowed under the Consolidated Omnibus Budget Reconciliation Act (COBRA) during a Medical Leave of Absence.

D. FAMILY AND MEDICAL LEAVE ACT (FMLA) AND STATE STATUTES

1. A Pilot on a Family and Medical Leave Act ("FMLA") Leave of Absence shall be required to use, concurrent with his FMLA Leave, his benefits up to their accrued balances to cover all lost scheduled PCH, as provided in Section 3 (Compensation), in the following order:
 - a. His accrued PTO, as provided in Section 11 (Paid Time Off); then,
 - b. His accrued Sick Leave, as provided in Section 10 (Sick Leave).
 - c. A FMLA Leave shall be unpaid once a Pilot has exhausted all his accrued Sick Leave and PTO.
2. A Pilot on FMLA Leave shall retain and continue to accrue Seniority and be provided benefits in accordance with FMLA. He shall retain but shall not continue to accrue Longevity after ninety (90) Days of a FMLA Leave.
3. Upon application on a Company provided form, a Pilot shall be granted either of the following kinds of Leaves of Absence as appropriate to care for a seriously injured or ill family member who is a covered member of the Armed Services, or to meet other covered exigencies caused by such service, in amounts allowed by and subject to all pertinent terms and conditions of the FMLA:
 - a. Military Caregiver Leave
 - b. Military Exigency Leave

E. MILITARY LEAVE OF ABSENCE ("MLOA")

1. The Company shall grant a Pilot a Military Leave of Absence ("MLOA") in accordance with the Uniformed Services Employment and Reemployment Rights Act ("USERRA") and any other applicable federal or state laws. A Pilot's retention and accrual of Seniority and Longevity, right to continuation

of health insurance under COBRA, any 401(k) benefits, and return from military leave or reemployment with the Company, shall be in accordance with the applicable provisions of USERRA or any other applicable federal or state laws. Subject to the provisions of Section 18 (Filling of Vacancies), a Pilot's entitlement to his Status and Domicile shall also be in accordance with the applicable provisions of USERRA, and any other applicable federal or state laws.

2. As soon as a Pilot is aware of the dates he is to report to fulfill his military obligations, he shall notify the Chief Pilot, or designee. Such notice shall be in writing and, if requested by the Chief Pilot, or designee, he shall include a copy of any orders or military Training schedule.
3. No Pilot shall bid for any schedule nor shall the Company award a schedule that includes a Duty Period conflicting with a period of military service, where such service has already been scheduled at the time the Pilot submits his bid.
4. A MLOA shall be unpaid. Pilots on MLOA who perform Duty in the same Month shall be paid for the PCH value of such Duty, as provided in Section 3 (Compensation).
5. A Pilot on MLOA and his Eligible Dependents (subject to TSA requirements or restrictions) shall remain eligible for all non-revenue and reduced rate travel privileges, including cockpit jumpseat privileges.

F. BEREAVEMENT LEAVE

1. If a Pilot suffers a death in his Immediate Family and desires a release from Duty, he shall immediately notify the Chief Pilot, or designee. Upon such notice, he shall be granted five (5) Days Off with pay for Bereavement Leave. Such Days Off shall be selected by the Pilot. The Days shall be taken in succession and, at the Pilot's option, may exclude any Scheduled Days Off in his Line. If additional time is required, the Pilot may request up to five (5) additional Days. Additional time, if granted, shall be charged PTO from his PTO Bank, as provided in Section 11 (Paid Time Off), to cover all lost PCH. If his PTO Bank is exhausted, the Pilot shall not be paid for any remaining lost PCH.
2. Immediate Family is defined as:
 - a. Parent/Step Parent/Parent in Law;
 - b. All Grandparents/Grandchildren, regardless of generation,
 - c. Spouse, Domestic Partner;

- d. Children/Step Children/Adopted Children;
 - e. Brother/Sister/Step Brother/Step Sister.
3. A Pilot on Company business when a death occurs may request Bereavement Leave and the Company shall, if requested by the Pilot, provide travel by the most expeditious means back to the Pilot's Domicile or to a commercial airport of his choice. If the travel to the airport of his choice is more expensive than returning to his Domicile, the Pilot shall reimburse the Company for the additional cost.
 4. At the sole discretion of the Chief Pilot, or designee, a Pilot may use accrued PTO or be granted unpaid time off for bereavement due to the death of a person other than an Immediate Family member, as provided in subsection 8.F.2.
 5. A Pilot on Bereavement Leave shall retain and continue to accrue Seniority, Longevity, Company provided Insurances, as provided in Section 5 (Retirement and Insurance), and all additional accrued benefits, as provided in the Agreement.

G. JURY DUTY LEAVE

1. A Pilot shall be excused from all Duty on Days when he is required to be present for Jury or other Court-required activity (all herein referred to as "Jury Duty") and shall be paid for the scheduled PCH for all conflicting Duty that is removed from his Line, as a result of his Jury Duty obligations.
2. When a Pilot receives a summons for Jury Duty, he shall promptly notify Crew Scheduling. If requested, the Pilot shall provide the Chief Pilot, or designee, with a copy of the summons and/or other documentation showing dates and times of expected Jury Duty or of Jury Duty actually served by the Pilot.
3. Unless otherwise mutually agreed to by the Pilot and the Company, a Pilot summoned for Jury Duty shall not perform any Company Duty, from the time he reports for Jury Duty until all obligations under the summons are satisfied. However, where Jury Duty is sporadic (e.g., Grand Jury service), time off shall be granted to a Pilot to perform his Jury Duty obligations. When the Pilot's Jury Duty does not conflict with his scheduled Duty Assignment, as provided in this Agreement, he shall perform such Assignment.
4. A Pilot shall be afforded reasonable travel time, if necessary, to report for Jury Duty. Travel costs associated with reporting for Jury Duty shall be the Pilot's responsibility; however, the Company shall use best efforts to help a

Pilot minimize such costs through scheduling and allowance of jump seat travel on Company Aircraft when available.

5. A Pilot on Jury Duty shall retain and continue to accrue Seniority, Longevity, Company provided Insurances, as provided in Section 5 (Retirement and Insurance), and all additional accrued benefits, as provided in the Agreement.

H. UNION LEAVE OF ABSENCE

1. The Company shall grant a Union Leave of Absence for one (1) Pilot for the purpose of accepting a full time elected or appointed position with the International or Local Union. A full time Union position shall be defined as one that is expected to last for a minimum of thirty (30) Days. The Union shall provide the Company with the expected duration of the full-time Union Leave. The Union shall notify the Company at least forty-five (45) Days prior to the beginning of a Union Leave.
2. Upon request by the Union and prior to the closing of the respective Monthly Bid, the Company shall release one (1) or more Pilots from Duty for the purpose of performing Local Union Committee duties. Unless requested by the Company, Union Leaves of Absences shall not exceed six (6) Duty Days in any given Month and such time shall be allotted to the Pilot(s) who are performing Union Duty by and at the discretion of the Union. During the Months when the Union is exercising the provisions, as provided in subsection 8.H.3, the total number of available Duty Days allowed, as provided in this subsection, shall be reduced to three (3) Days.
3. Upon request by the Union and prior to the closing of the respective Monthly Bid Period, the Company shall release from Duty up to three (3) Pilots to serve on the Union's Negotiating Committee. In the event the Company is "short-staffed" and does not have enough staffing to cover a Pilot Negotiator's scheduled Duty in his Position and Domicile, the Union shall meet with the Company to discuss their short-staffing concerns and shall not unreasonably deny the Company's request to limit the number of Pilot negotiators from a specific Position and Domicile. The duration of such release from Duty shall be as requested by the Union and, when feasible, the Union shall submit such releases in advance of the Monthly Bid Period for the Month in which negotiations occur. A Pilot released from Duty, as provided in this subsection, may make himself available for a Company-directed Assignment(s), when time between negotiating sessions and/or preparing for negotiations is sufficient to allow him to complete such Assignment.

4. To the maximum extent possible, the Pilot, Company and the Union shall cooperate to ensure that a Pilot who is on a Union Leave of Absence remains current.
5. Subject to the needs of the service, the Company may grant additional Union Leaves.
6. A Pilot on a Union Leave shall retain and continue to accrue Seniority, Longevity and all additional accrued benefits, as provided in the Agreement.
7. Except for a Pilot granted Union Leave under this Section 8 for whom the Union assumes direct responsibility for his compensation and benefits [e.g., a full time Officer of the International Brotherhood of Teamsters (IBT) or IBT Local], a Pilot on a Union Leave shall continue to retain all Company provided Insurances, as provided in Section 5 (Retirement & Insurance).

I. GENERAL

1. An unpaid Leave of Absence of up to two (2) Years shall be granted to a Pilot who is elected or appointed to an executive position with the State or Federal Government. A Pilot shall retain and continue to accrue Seniority and Longevity while on such Leave.
2. A Pilot on a Leave of Absence shall, at the time of obtaining approval for the Leave, inform the Chief Pilot, or designee, of his expected return date. The Pilot shall seek advance approval for any changes to his return date as soon as a change becomes foreseeable. If the return date is uncertain at the time of Leave approval, the Pilot shall keep the Chief Pilot, or designee, informed of his status and shall inform the Chief Pilot, or designee, as soon as the expected return date becomes known.
3. The Company shall provide a Pilot on a Leave of Absence with at least thirty (30) Days advance notice of any issues pertaining to his scheduled Return to Duty (e.g., his Training Dates, if applicable, any additional information about such scheduled Training, or any information pertinent to other forthcoming scheduled Duty Assignments). Unless the Pilot was granted an extension to his Leave, if he fails to attend Training necessary to allow him to return to Duty, his Leave shall conclude, and he shall be deemed to have resigned from the Company and his name shall be removed from the Seniority List. If the Company is unable to schedule or the Pilot is unable attend Training to enable him to return to Duty due to circumstance beyond their control, the Pilot shall remain on his Leave until the Company can schedule his Training; *provided*, if his return to Duty was a result of the Company's inability to schedule Training, he shall begin to be paid and

receive all benefits and accruals, as provided in this Agreement, as of his scheduled return to Duty Date.

4. A Leave of Absence that is granted by the Company may run concurrent with any other Leaves that are made available to a Pilot under state or federal statutes.
5. A Pilot on Leave of Absence shall maintain a current home and electronic mailing address and telephone number on file with the Company. Address and/or telephone number changes shall be submitted using the system available to all Company employees or, if that is not available to a Pilot on LOA, to the Chief Pilot, or designee.

SECTION 9 PHYSICAL STANDARDS

A. PHYSICAL STANDARDS

1. As provided for under Federal Aviation Regulation (“FAR”) Part 61.23, a Pilot shall maintain an applicable First or Second-Class Medical Certificate in order to be qualified as Pilot-in-Command or Second-in-Command. The physical standards requirements for a Federal Aviation Administration (“FAA”) Medical Certificate shall be in accordance with the FAA requirements, including its waiver policy, as provided in FAR Part 67, as amended.
2. A Pilot may use an Aviation Medical Examiner (“AME”) of his choice in order to acquire a current FAA Medical Certificate.
3. A Pilot shall provide a copy of his FAA Medical Certificate to the Company no later than the twenty-fifth (25th) Day of the Month in which his prior Medical Certificate is scheduled to expire. This provision may be extended if requested by the Pilot and agreed to by the Company.
4. All costs associated with obtaining a FAA Medical Certificate shall be the responsibility of the Pilot, if not covered by Company health insurance
5. A Pilot who cannot maintain a current FAA Medical Certificate must immediately notify the Chief Pilot or designee.
6. If a Pilot cannot maintain a current FAA Medical Certificate, he shall be removed from Active Service, unless he can maintain a current Second-Class Medical Certificate, in which case he may be awarded a vacant First Officer Position, or he may request a Leave of Absence, as provided in Section 8 (Leave of Absence).
7. In accordance with the provisions set forth in this Agreement, when a Pilot regains his applicable FAA Medical Certificate and is medically cleared to return to Active Service in less than six (6) Months, he shall immediately return to the Position he last held prior to losing his Medical Certificate. If his Position no longer exists, he shall be carried in surplus until the next Vacancy Bid, at which time he shall bid for and be awarded a vacancy, as provided in Section 18 (Filling of Vacancies). However, if a Vacancy Bid is being conducted at the same time the Pilot is able to return to Active Service, the Pilot may bid for and be awarded to a Position other than the one the Pilot last held.

8. If the length of time for a Pilot to regain his applicable FAA Medical Certificate is in excess of six (6) Months, the Pilot shall maintain his last Position until a new Vacancy becomes available for bid. The Pilot shall then have the ability to bid for and hold any Position his Seniority shall allow.
9. A Pilot who cannot maintain his FAA Medical Certificate shall be able to utilize his Sick Leave, as provided in Section 10 (Sick Leave), and Paid Time Off (“PTO”) accruals, as provided in Section 11 (Paid Time Off), to supplement his pay while not on Active Service, or receive, if eligible, Short-Term Disability (“STD”) or Long-Term Disability (“LTD”) benefits, as provided in Section 5 (Retirement & Insurance), and/or Worker’s Compensation benefits, or be placed on a Medical Leave of Absence, as provided in Section 8 (Leaves of Absence). Such Pilot may have a review of his case in accordance with the Federal Aviation Regulations (“FARs”) and shall be responsible for all costs associated with such review and the costs of any subsequent reinstatement of his Medical Certificate, except as provided elsewhere in this Agreement.
10. Upon being medically released to return to Active Service, a Pilot shall provide the Chief Pilot, or designee, with a copy of his current FAA Medical Certificate and written notification specifying the date he is able to return to Active Service. The Pilot shall provide such required documentation, as provided in Section 31 (General). If the Pilot provides the required documentation in person, he shall receive a written receipt acknowledging the date the Company received the documents. If the Pilot provides these documents by other means, as provided for in Section 31, the Chief Pilot or designee shall notify the Pilot as soon as practical of receipt of this documentation. The Pilot’s return date to Active Service shall be based upon the date when the Pilot provided the required documentation. Such Pilot shall be returned to Duty as follows:
 - a. A Pilot who is qualified for Duty shall be given an Assignment not later than three (3) Business Days upon returning to Active Service, as provided in subsection 9.A.10.
 - b. A Pilot who is not qualified for Duty upon returning to Active Service, as provided in subsection 9.A.10, shall be returned to Duty commencing with the first Day of Requalification Training. The Company shall make its best efforts to schedule such Training at the earliest possible opportunity.

B. FITNESS FOR DUTY

1. If the Company has reasonable suspicion to question a Pilot’s medical fitness for Duty, the Company may require such Pilot to submit to a medical examination or test. When a medical examination is required, the Pilot shall

- be notified in writing as to the reason for the request. An initial examination shall be conducted by a qualified Company-designated physician (e.g., the use of a psychiatrist or psychologist, if the reason for the examination pertains to possible mental health issue.) After the examination has been performed, the Pilot and the Company shall be furnished with a copy of the physician's report. The cost of a Company requested medical examination or test shall be paid by the Company.
2. A Pilot who is required to submit to an examination or medical test pursuant to subsection 9.B.1, above, shall be removed from line flying and shall suffer no loss of pay prior to such examination.
 3. Unless mutually agreed between the Pilot and the Company, all examinations shall be administered in the geographic vicinity of the Pilot's Domicile while he is scheduled to be on Duty; *provided*, the Company may require a Pilot to travel to a more distant location, as provided in subsection 9.B.4.
 4. If the Company requires a Pilot to travel to a location for a physical examination where transportation costs are necessary, the Company shall pay for all such costs. A Pilot shall incur no loss of pay or benefits prior to and including the date of the medical examination. A Pilot who fails to cooperate in the scheduling of any required examination, as provided in subsection 9.B., or cancels a scheduled examination without the agreement of the Company, shall be removed from pay status and, as may be applicable, shall be ineligible for the further use of any accrued Sick Leave, as provided in Section 10 (Sick Leave), or Medical Leave of Absence, as provided in Section 8 (Leaves of Absence), until such time that he has complied with subsection 9.B.
 5. A Pilot who is found by a Company-designated physician to have met the medical standards established in subsection 9.A, above, shall be returned to line flying in his former Position without delay. The Company shall schedule any necessary Training as soon as practicable.
 6. If the Company's physician determines that the Pilot is unable to meet the medical standards, as provided in subsection 9.A, he shall be removed from pay status and be entitled to use accrued Sick Leave, as provided in Section 10 (Sick Leave), or accrued PTO, as provided in Section 11 (Paid Time Off), or receive, if eligible, STD or LTD benefits, as provided in Section 5 (Retirement & Insurance), Medical Leave of Absence, as provided in Section 8 (Leaves of Absence), and/or Worker's Compensation benefits.
 7. Thereafter, the Pilot shall be placed on a Medical Leave of Absence, as provided in Section 8 (Leaves of Absence). Should the Pilot dispute the findings of the Company's doctor(s), he may request a final resolution under the Medical Review Process, as provided in subsection 9.C.

C. MEDICAL REVIEW PROCESS

1. Any Pilot who disagrees with the results of a Company medical evaluation may, within fourteen (14) Days of receipt of the medical evaluation, employ a second qualified medical examiner of his own choosing and at his own expense, for the purpose of conducting a medical examination for the same purpose as the original medical examination.
2. Within seven (7) Days of receipt by the affected Pilot from his medical examiner, a copy of the findings of the medical examiner chosen by the Pilot shall be furnished to the Director of Operations. In the event that such findings verify the findings of the medical examiner employed by the Company, no further medical review of the case shall be afforded.
3. If the findings of the second medical examiner chosen by the Pilot disagree with the findings of the medical examiner employed by the Company, the Company's medical examiner shall be asked to contact the medical examiner chosen by the Pilot as soon as reasonably possible to allow the two (2) medical examiners to agree upon and appoint a third, qualified and disinterested medical examiner, preferably a specialist with the understanding of the Pilot duties and responsibilities, for the purpose of providing a further medical opinion of the Pilot.
4. The third medical examiner shall then, as soon as practical, be provided with the medical records of the Company's and the Pilot's medical examiners and will also make any further examination of the Pilot in question, as the third medical examiner may find necessary. The case shall be settled on the basis of his findings. Copies of the third medical examiner's report shall be furnished to the Director of Operations and to the Pilot as soon as practical.
5. All written communications by either the Company's or the Pilot's medical examiner made to the third medical examiner shall be copied to the other party's medical examiner. No verbal or written communication regarding the merits of the Company's or Pilot's or Union's relative positions in the dispute shall be made to the third medical examiner by either the Company or the Union.
6. All expenses for the third medical examiner shall be borne equally by the Pilot and the Company.
7. If the third medical examiner finds the Pilot is fit for Duty, the Company shall schedule any necessary Training and shall return the Pilot to Duty in his former Position and Domicile as soon as practicable; *provided*, if his Seniority does not allow him to hold his former Position and Domicile, he shall be Assigned the highest preference in his Standing Bid his Seniority

allows him to hold. If the Company has Furloughed Pilots with Seniority greater than such Pilot, he shall not be returned to Active Service until he would be Recalled.

8. A Pilot who is found by the third medical examiner to be fit for Duty shall be made whole by the Company as follows:
 - a. Reimbursement for his out-of-pocket and unreimbursed costs of his medical examiner that were not paid by medical insurance;
 - b. Reimbursement for his share of the unreimbursed costs of the third medical examiner that were not paid by medical insurance;
 - c. Reimbursement of all reasonable and unreimbursed out-of-pocket travel related expenses associated with examinations in the Medical Review Process (subject to providing receipts for such expenses);
 - d. Reimbursement for all lost pay, adjusted for payments such Pilot may have received (*e.g.*, Sick-Leave usage, PTO liquidation, disability payments or Worker's Compensation) from the time he was placed on an unpaid status, as provided in subsection 9.B.6, until he is reinstated to flying status following the determination of the third medical examiner, or until the date such Pilot may have been Furloughed, whichever is earlier; *provided*, if a Pilot requests an extension(s) of any of the time limits in this Section 9, the Company's payment obligation shall be reduced by the time of such extension(s). Any Sick Leave used and loss of Sick Leave accrual, if applicable, shall be restored to the Pilot's Sick Leave account, as provided in Section 10 (Sick Leave). Liquidated PTO and any loss of PTO accrual, if applicable, shall be restored to the Pilot's PTO account.
9. If the third medical examiner finds the Pilot is unfit for Duty, no further review of the medical dispute shall be afforded.

D. DRUG AND ALCOHOL TESTING AND RELATED PROVISIONS

1. A Pilot shall be subject to drug and alcohol testing, as required by the FARs, which may be modified from time to time, as required by such regulations or to adhere to new federal law.
2. At the request of either party, representatives of the Union and the Company shall meet to discuss the administration of the Company's drug and alcohol testing programs. The Company agrees to provide the Union as far in advance with written prior notice prior to implementing any material changes to the Company's program. All changes shall be consistent with provisions outlined in subsection 9.D.1.

3. When a Pilot is scheduled to be on Duty, he shall be available to submit to a required random drug or alcohol test. When the Company determines that there is a need to test a Pilot, based upon a reasonable suspicion, or as a result of an accident or incident involving the Pilot, he shall immediately report for such testing, as directed by the Chief Pilot, or designee. A Pilot shall not lose any pay or benefits due to such tests.
4. If a Pilot's Duty Period is extended due to conducting a required drug or alcohol test, the Pilot shall remain on Duty until the end of the testing and shall be compensated in accordance with Section 3 (Compensation). The Pilot shall notify Dispatch as soon as practical of the time when he finished the test. The Pilot's Duty-Off time will be fifteen (15) minutes after the completion time of the test.
5. When the Company becomes aware of a potential drug or alcohol issue, the Director of Operations shall contact the Northern Air Cargo Human Intervention Motivational Study (HIMS) Committee Chairman, or designee. If it is determined that an intervention is necessary, the Company and the Union shall abide by the provisions set forth in the Northern Air Cargo HIMS program Letter of Agreement. This paragraph shall not apply when a Pilot has tested positive during a random, reasonable suspicion or post-accident/incident test.

E. SELF-DISCLOSURE OF SUBSTANCE ABUSE PROBLEM

1. A Pilot who self-discloses to the Company that he has a substance abuse problem prior to any of the following events shall not be disciplined or discharged on the basis of having a substance abuse problem, but shall be required as a condition of continued employment to submit to an evaluation(s) and complete any treatment or course of conduct recommended by qualified personnel acting on behalf of or in conjunction with the Company's Employee Assistance Program ("EAP"):
 - a. Prior to reporting for Duty and/or acting or attempting to act as a Pilot under the influence of substances prohibited by applicable FARs, including Part 91.17 and Part 121, Appendix I ("Drug Testing Program") and Appendix J ("Alcohol Misuse Prevention Program"); or,
 - b. Prior to the Company receiving information that the Pilot has engaged in substance-related misconduct while on Duty or during a time period when the Pilot is prohibited from consuming substances prohibited by applicable FARs, including Part 91.17 and Part 121, Appendix I ("Drug Testing Program") and Appendix J ("Alcohol Misuse Prevention Program"); or,

- c. Prior to such Pilot receiving notification of a drug or alcohol test. All other provisions of this Section 9 are not applicable to drug or alcohol testing.
2. If the self-disclosure, as provided in subsection 9.E, causes the Pilot to lose his FAA Medical Certificate, the provisions of subsection 9.A.9. shall apply.

SECTION 10 SICK LEAVE

A. ACCRUAL

1. On the Effective Date of this Agreement and on each succeeding January 1 during the term of this Agreement, all Pilots with at least a twelve (12) Months of Active Service shall be credited with Sick Days and deposited into their Sick Leave Bank ("SLB") as follows:
 - a. 1-20 Years of service: 12 Days per Year.
 - b. 21 or more Years: 15 Days per Year.
2. On the Effective Date of this Agreement and on each succeeding January 1 during the term of this Agreement, a Pilot with less than twelve (12) Months of Active Service shall be credited with one (1) Sick Day for each Month of Active Service.
3. For the purposes of this Section 10, "Active Service" means a Pilot was available to work at least fifty percent (50%) of his regularly scheduled Workdays during a Month; *provided*, Vacation and Sick Leave shall not be considered to have reduced a Pilot's available Workdays.
4. In addition to the credited Sick Days, as provided in subsection 10.A.1, accrued Paid Time Off ("PTO") Days that are converted into Sick Days, as provided in Section 11 (Paid Time Off), shall be deposited into a Pilot's SLB.
5. On the Effective Date of this Agreement, a Pilot on the Aloha Air Cargo Pilots System Seniority List shall have his SLB balance converted at the rate of one (1) Sick Day per five (5) hours, rounded to the nearest whole integer.
6. There shall be no limit to the amount of Sick Days a Pilot can accumulate in his SLB.
7. A Pilot who is on a Medical, Personal or Military Leave of Absence, as provided in Section 8 (Leaves of Absence), or on Furlough, as provided in Section 17 (Furlough and Recall), shall retain, but not be credited with Sick Days in his SLB.

B. SICK LEAVE USAGE

1. A Pilot shall use his Sick Leave for actual illness or injury.
2. A Pilot's SLB shall be charged at a rate of one (1) full Sick Day for each Day he is unable to work due to sickness or injury, except, one (1) Sick Day shall be charged for a single Duty Period when such Duty Period extends into a second (2nd) Day. Sick Days shall be paid the scheduled Pay Credit Hours ("PCH") for all Duty or other Company-Directed Assignment(s) that were dropped from his Line due to his Sick Leave and at his applicable Hourly Pay Rate, as provided in Section 3 (Compensation).
3. A Pilot shall not be charged Sick Leave for any scheduled Day(s) Off.
4. If a Pilot does not have enough Sick Days in his SLB to cover Workdays missed, his PTO Bank shall be charged, and PTO Days shall be used to cover the additional missed Workdays, as provided in subsection 10.B.2. If a Pilot has exhausted his PTO SLB Banks, his Line PCH for any Month in which Sick Leave occurs shall be reduced on a Day-for-Day basis to the extent of his remaining Sick Leave. If the Pilot's Line PCH falls below his Monthly Pay Guarantee ("MPG") as a result, it shall not be protected.
5. A Pilot shall not maintain a negative balance in his SLB.
6. If a Pilot has an illness or injury or has been diagnosed with a medically disqualifying condition, as provided in Federal Aviation Regulation ("FAR") Part 67, he shall be eligible to qualify for the Company provided Short-Term ("STD") and Long-Term ("LTD") Disability benefits, as provided in Section 5 (Retirement and Insurance).
7. The Company shall deduct Sick Days from a Pilot's SLB to supplement his STD and LTD benefits. Such Pilot's SLB shall be debited on a *pro rata* basis to supplement his disability benefits to bring his pay up to one hundred percent (100%) of his MPG. The Pilot shall continue to maintain this supplement to his disability benefits until such time as his SLB has been depleted.
8. If a Pilot is anticipating an extended Sick Leave he shall notify the Chief Pilot, or designee, as soon as practical.

C. SICK CALL

1. A Pilot shall verbally notify Crew Scheduling as soon as practical if he is unable to perform his scheduled Duties due to medical reasons ("Sick Call"). The Company may require a Pilot to supply a physician's written statement, as provided in subsection 10.E.

2. If a Pilot makes a Sick Call after completing a Flight Segment(s) during a Trip Pairing and additional segments remain, he shall:
 - a. Be charged one (1) Sick Day from his SLB for each Day, or
 - b. One (1) Sick Day for a Duty Period overlapping two (2) Days.
 - c. A Pilot shall be paid for the PCH earned from the segments he performed plus the scheduled PCH of segments that were removed, as provided in Section 3 (Compensation).
3. If a Pilot incurs an illness or injury away from his Domicile, the Company shall, if requested by the Pilot, return him to his Domicile at the earliest possible time if any of the following are applicable:
 - a. The Pilot's condition requires more than three (3) Sick Days;
 - b. The Pilot is unable to continue with his scheduled Trip Pairing or Reserve Availability Period ("RAP"), as provided in Section 15 (Reserve Duty).
4. If a Pilot's illness or injury delays his transport back to his Domicile beyond his last scheduled Duty Day because he is unable to travel, the Company shall be responsible for the Pilot's travel, hotel expenses and Per Diem until he is returned to his Domicile
5. If a Pilot is unable to return to his Domicile prior to his next scheduled Day Off, as provided in subsection 10.C.4., due to being on Sick Leave, additional Sick Days shall not be used on his Scheduled Days Off, nor shall he earn PCH on such Days. When the Pilot notifies the Company that he is able to travel, the Company shall schedule his return to his Domicile and all time after such notification shall be considered the continuance of his Assignment. The Pilot shall be paid for entire length of his Trip Pairing, as provided in Section 3 (Compensation). Premium Pay, as provided in Section 3, shall not apply when the Pilot is on Sick Leave on his Day's Off, while waiting to return to his Domicile.
6. If a Pilot is unable to return to his Domicile before his next scheduled Duty Assignment, he shall be charged a Sick Day for each subsequent Workday missed.
7. When a Pilot is able to Deadhead to his Domicile after being on Sick Leave, he may request Alternate Travel, as provided in Section 7 (Deadheading).
8. A Pilot who has made a Sick Call shall not be required to be contactable, *provided*, he shall acknowledge calls from the Company regarding potential

Duty Assignments, his travel arrangements for returning to his Domicile, as provided in subsection 10.C.4, or when the Company requests a physician's written statement, as provided in subsection 10.E.

9. The Company shall not publish a list of Pilots on Sick Leave, nor the number of times individual Pilots have made Sick Calls; *provided*, the Company may advise the Union of the names of Pilots on Sick Leave.

10.A Pilot shall not be subject to discipline for making a legitimate Sick Call.

D. RETURN TO WORK CALL

1. A Pilot shall notify Crew Scheduling of his intent to return to work from Sick Leave no later than ten (10) hours prior to his next scheduled Assignment.
2. When a Pilot's scheduled Duty is no longer available due to his failure to make his Return to Work call in timely manner, as provided in subsection 10.D.1, a Sick Day shall be charged against the Pilot's SLB for that Day.
3. Except as provided in subsection 10.C.2., a Pilot who makes a Sick Call and then a Return to Work Call on the same Day shall be charged a Sick Day for that Day, unless the Company decides to use the Pilot for Duty on that same Day.
4. A Pilot who has been on Sick Leave for fifteen (15) Days or more in a Bid Period shall coordinate his return to Duty with the Chief Pilot.
5. As provided in subsection 10.D.1, if a Pilot who makes a timely Return to Work call from Sick Leave shall:
 - a. Be Assigned to complete his original schedule, if available. The Company is not required to return a Pilot to any Trip Pairing that he may have originally been Assigned if he missed a portion due to Sick Leave; or
 - b. Be Assigned to another Trip Pairing(s) or Reserve Availability Period(s) ("RAP") from Open Time, if available, as provided in Section 14 (Scheduling); or
 - c. Be Assigned a new RAP(s) for the time remaining in his previous Duty Assignment.
6. If a Pilot is unable to return to his original Trip Pairing(s) or RAP(s), as provided in subsection 10.D.5.a., any new Assignments a Pilot is Assigned to, as provided in 10.D.5.b. or 10.D.5.c., shall be scheduled during his originally scheduled Workday(s) and shall not conflict with any other original

Trip Pairings or RAP's on his Line. Such Pilot shall be paid such new Assignment(s), as provided in Section 3 (Compensation).

7. All charges against his SLB shall end when a Pilot make a timely Return to Work call.

E. PHYSICIAN'S WRITTEN STATEMENT

1. The Company may require a Pilot who makes a Sick Call to furnish a physician's written statement confirming his illness or injury, if known, and expected return to work date, if known. If a Pilot makes a Return to Work Call, as provided in subsection 10.D, but the Company requires him to furnish a physician's written statement prior to returning him to Duty, he shall not lose pay, nor shall the Company charge his SLB after the Return to Work Call was made.
2. A Pilot who is required to furnish a physician's written statement shall schedule an examination with a physician of his choice within three (3) Business Days of the Company's request, unless he has previously been examined for the same Sick Call and has already provided a written statement, or it is impractical to do so within three (3) Business Days. If such Pilot was away from his Domicile when he made his Sick Call, the three (3) Day period shall begin the Business Day after he returns to his Domicile, unless the physician's statement was obtained at the location where the Pilot made his Sick Call.
3. The cost of obtaining a physician's written statement, as provided in subsection 10.E.1, shall be paid by the Pilot's medical plan coverage. The Company shall reimburse the Pilot for all out-of-pocket costs associated with the physician's written statement (e.g., co-payments, deductibles, co-insurance, travel).
4. After obtaining a Physician's Statement, if a Pilot makes a Return to Work Call and it is determined he is unable to return on the date he previously identified, he shall be charged a Sick Day from his SLB for each Day until he makes a subsequent Return to Work Call and provides a new physician's written statement stating he is released to return to work on a subsequent Return date.

F. WORKERS COMPENSATION

If a Pilot is eligible for Worker's Compensation benefits and there is a waiting period before benefits commence, he shall be paid the scheduled PCH of his Line, if applicable, but no less than his scheduled PCH during such waiting period by deducting Sick Days from his SLB.

G. SICK LEAVE ON VACATION

If a Pilot provides a physician's written statement prior to the start of his scheduled Vacation that he is unable to take such Vacation due to illness or injury, he may drop and re-bid his Vacation, as provided in Section 11 (Paid Time Off). The Pilot's SLB shall be charged a Sick Day for each Day that was dropped from his Line resulting from his Vacation Integration, as provided in Section 14 (Scheduling). Any PTO Days that were previously used on the same Days in his Vacation shall be returned to his PTO Bank, as provided in Section 11. The Pilot shall be paid his Vacation PCH, as provided in section 3 (Compensation).

H. FATIGUE CALLS

1. A Pilot is responsible to ensure that he takes the necessary steps to become adequately rested before his next Duty Period.
2. However, if due to circumstances a Pilot is Fatigued or does not get adequate Rest, he shall notify Crew Scheduling as soon as possible ("Fatigue Call"). The Pilot shall also advise when he anticipates being adequately rested and the earliest time he will be able to accept his next Duty Assignment. After a Pilot makes a Fatigue Call, the Company shall immediately place him in Rest and he will not be Assigned to act as a required member of a Flight Deck Crew or operate a motor vehicle for the Company until such time as he is adequately rested, as determined by the Pilot.
3. The Company may inquire as to the cause of a Pilot's Fatigue and discuss proper Rest management practices with him; *provided*, if the Pilot is still on Duty, such inquiry shall not unreasonably delay releasing him into Rest.
4. The Pilot's Sick Leave Bank will be charged one (1) Sick Day, as provided in Section 10 (Sick Leave), for each missed Day due to the Fatigue Call. In the event a single Duty Period overlaps two (2) Days, only one (1) Sick Day shall be used to cover both Days. However, if the Pilot contacts the Chief Pilot to discuss the incident within forty-eight (48) hours of being released from a Duty Assignment because of a Fatigue Call, the Chief Pilot shall discuss the incident with the Pilot and may elect to waive charging the Pilot's SLB and restore into his SLB the number of Sick Days used for such Fatigue Call. The above provision does not preclude the Pilot or the Union from filing a Grievance, as provided in Section 19 (Grievances), to dispute said decision.

5. A Pilot shall be paid for all Sick Leave, including Fatigue calls, in accordance with Section 3 (Compensation).
6. A Pilot who makes a legitimate Fatigue Call shall not be subject to discipline for such Fatigue Call.

I. GENERAL

1. The Company shall pay the employer portion of the health care premium for the entire duration that a Pilot is on Sick Leave.
2. A Pilot who has exhausted or is expected to exhaust his SLB and PTO Bank balances before returning to work shall be eligible for Sick Leave donations from other Pilots. The receiving Pilot shall be paid donated Sick Leave Days at his Daily Pay Guarantee (“DPG”) at his applicable Hourly Pay Rate, as provided in Section 3 (Compensation). Donations shall be deducted from the donating Pilot’s SLB.
3. The Company shall provide a Pilot with a bi-Monthly record of his current SLB balance on his pay stub or on the Company intranet.

J. SICK LEAVE PAY

A Pilot shall be paid for all Sick Leave and Fatigue calls, as provided in Section 3 (Compensation).

**SECTION 11
PAID TIME OFF (“PTO”)**

A. PTO CARRYOVER CONVERSION SCHEDULE

1. On the Effective Date of this Agreement, all accrued but unused Paid Time Off (“PTO”) hours in a Northern Air Cargo (“NAC”) Pilot’s PTO Bank shall be converted into PTO Days at the rate of one (1) PTO Day per three and one fourth (3.25) PTO hours.
2. On the Effective Date of this Agreement, all accrued but unused Vacation hours in an Aloha Air Cargo (“AAC”) Pilot’s Vacation Bank shall be converted into PTO Days at the rate of one PTO Day per two and one half (2.5) Vacation hours.
3. A Pilot who, as of the Effective Date of this Agreement, is receiving a PTO payout shall continue to receive such PTO payout on the same terms and conditions that existed prior to the Effective Date.

B. PTO ACCRUAL.

1. A Pilot shall accrue PTO Days on a per Month basis which shall be deposited in his individual PTO Bank two (2) times per Month on the Company’s designated Paydays, as follows:

<u>Year(s) in Service</u>	<u>1/2 Month Days</u>	<u>Annual Days</u>
One (1)	0.333	8
Two (2) – Nine (9)	0.583	14
Ten (10) or more	0.875	21

2. A Pilot on a Personal Leave of Absence (“PLOA”), Medical Leave of Absence, Military Leave of Absence (“MLOA”), as provided in Section 8 (Leaves of Absence), on Short Term Disability (STD) or Long Term Disability (LTD) pursuant to Section 5, or on Furlough, as provided in Section 17 (Furlough and Recall), shall not accrue PTO Days, as provided in subsection 11.B.1., for each full Month he is on such absence.

C. PTO DISTRIBUTION

On December 31st of each Year, if a Pilot’s PTO Bank balance exceeds thirty (30) PTO Days, all accrued PTO Days above thirty (30) shall be converted into Sick Leave Days and re-deposited into his Sick Leave Bank (“SLB”), as provided in Section 10 (Sick Leave). Thereafter, all future PTO Day accruals

in the new Year shall be directed into his PTO Bank. If the Pilot's PTO Bank balance again exceeds thirty (30) PTO Days, this redistribution procedure shall be repeated on January 31st in the Year in which the exceedance occurs. In any given Year, a Pilot shall have up to but not exceed thirty (30) available PTO Days for use from his PTO Bank.

D. ANNUAL VACATION BID.

1. The number of available Days of Vacation a Pilot may bid shall be based on the number of PTO Days he is projected to accrue, as of December 31 of the current Year.
2. The Company shall create an annual Vacation Bid Package that provides:
 - a. A minimum of one hundred ten percent (110%) of the total number Days in for the ensuing Year per Position and Domicile. Fractions shall be rounded to the nearest whole number.
 - b. Per Position and Domicile, the Company shall make available each Day of the ensuing Year for a Pilot to bid and shall approve no less than one (1) award per Day.
3. No later than August 15 of each Year, the Company shall post via the Company intranet and email, a list showing the projected number of PTO Days accrued by each Pilot for that Year, as of December 31. If a Pilot notes a discrepancy is noted, he should notify the Company in writing within fourteen (14) Days.
4. On September 1 of each Year, the Company shall post the Vacation Bid Package for each Position and Domicile. Each Pilot may bid as Vacation any number of available PTO Days on deposit in his PTO Bank, as provided in subsection 11.B.1. During the Vacation Bid, a Pilot shall make his Vacation selections, ranking them in numerical order of preference. A Pilot must bid four (4) or more consecutive Days in each bid selection.
5. The Annual Vacation Bid shall close on September 30. Pilot Vacation awards shall be granted in Seniority Order with respect to the Position and Domicile a Pilot holds on September 20.
6. No later than November 1, the Company shall post via the Company intranet or email, the Vacation Bid awards listed by Pilots' names, dates and Positions.
7. Unassigned Days of Vacation.
 - a. All unbid Days of Vacation after the close of the Annual Vacation Bid,

shall be placed in Open Vacation Time.

- b. Days of Vacation that become available throughout the Year due to a Pilot cancelling his Vacation, a change in his Position and/or Domicile or his separation from the Company, shall be placed into Open Time.
- c. Unassigned Vacation in Open Time shall be available for bid by other Pilots in the same Position and Domicile who have available PTO Days in their PTO Banks after the Vacation Bid. Such Pilots may bid for such Vacation in Open Time on a Day-at-a-time basis. The awarding of Vacation from Open Time shall be accomplished, as provided in Section 14 (Scheduling).

E. VACATION CHANGES

1. The Company may cancel the Vacation of a Pilot who changes Domiciles or Positions that requires Long-Term Training, as provided in Section 12 (Training), and only when his awarded Vacation conflicts with a Day(s) of Vacation that has been awarded to another Pilot(s) in his new Position and/or Domicile.
2. If a Pilot is awarded a new Position and his scheduled Training conflicts with his scheduled Days of Vacation, he shall have the option of cancelling his Vacation or deferring his Training until the next available Training class; *provided*, there is another Training class posted in his Vacancy Bid. Upon completion of such Training, the Pilot may bid for Open Vacation Time in his new Position.
3. A Pilot's Vacation may only be cancelled by the Company when there is an operational necessity that was caused by circumstances beyond the control of the Company (Operational needs that otherwise are normally covered by Active Service Line or Management Pilots, *e.g.*, insufficient Reserve availability, Sick Leave shall not be considered circumstances beyond the control of the Company). Prior to cancelling Vacations, the Company shall first exhaust all efforts through their use of all legal and available Pilots, per Position, which shall include: Pilots scheduled to perform Reserve Assignments, Management Pilots, Check Airmen, Pilots on the Volunteer Pilot Available (VPA) List and Pilots through the Junior Assignment process, to the unassigned Trip Pairings and Reserve Assignments in Open Time.
4. The Company shall provide in writing to all Pilots their reason(s) for the need to cancel Vacations. It shall also state the Position(s), Domicile(s) and Weeks in the Month that will be affected by the Vacation Cancellations. The Company shall first proffer to all affected Pilot's a request for voluntary Vacation Cancellations before any involuntary Vacation Cancellations. All voluntary and involuntary Vacation Cancellations must be completed prior to the start of the Monthly Bid Period for the Month in which the Vacations

are to be cancelled.

5. After exhausting all options, as provided in subsections 11.E.3. and 11.E.4., the Company still determines there is a need to involuntarily cancel a Vacation(s), the following procedures shall apply: Per Position and Domicile, the Company shall not involuntarily cancel more than fifty percent (50%) of the awarded Vacations in any given Month.
 - a. For any Position and Domicile, the Company may not involuntarily cancel a Vacation more than three (3) Months in any rolling twelve (12) Month Period, except when the Minimum Staffing Level (The Minimum Staffing Level shall be defined as the number of eligible bidding Pilots, per Position and Domicile, for Lines of Time in the most recent Month where a Vacation was not cancelled) in a Position and Domicile is below seventy-five percent (75%).
 - b. A Pilot shall not have his Vacation cancelled more than one (1) time in any rolling twelve (12) Month period.
6. A Pilot who has had his Vacation cancelled shall be able to request unassigned Vacation from Open Time, as provided in Section 14 (Scheduling).
7. The Company shall reimburse a Pilot one-hundred percent (100%) of all nonrefundable costs directly associated with his cancelled Vacation within five (5) Business Days after he provides the Company with documentation supporting such non-refundable costs.
8. A Pilot may voluntarily choose to cancel a previously awarded Vacation for any reason by notifying the Chief Pilot, or his designee, via company email prior to the start of the Monthly Bid Period for the Month of his scheduled Vacation. When a Pilot encounters extenuating circumstances (e.g., death in his immediate family, Jury Duty or other requirements or obligations over which he has no direct control) that conflicts with his Day(s) of Vacation, he may cancel his Vacation upon prompt notification to the Chief Pilot or designee.
9. When a Pilot's Vacation has been cancelled, any PTO Days Assigned to such Vacation shall be re-deposited in his PTO Bank.
10. When the Company requires Vacations to be cancelled, a Pilot shall be paid as provided in Section 3, Compensation.

G. VACATION PAY FOR TRIP DROPS.

As provided in Section 14 (Scheduling), a Pilot may request to Drop a Trip

Pairing or Reserve Day with pay and reduce the available PTO Days in his PTO Bank. PTO Days deducted from a Pilot's PTO Bank shall correspond to the number of Workdays dropped. Such Pilot shall be paid for such PTO Days, as provided in Section 3, Compensation.

G. PTO PAYOUT

1. A Pilot shall be paid for utilized PTO Days, as provided in Section 3 (Compensation).
2. A Pilot who separates from the Company shall be paid for all accrued PTO Days in his PTO Bank, up to a maximum of thirty (30) Days, at his Hourly Pay Rate, as provided in Section 3 (Compensation), at the time of his separation.
3. A Furloughed Pilot may choose to retain his accrued PTO Days or be paid for any portion, up to the total number of PTO Days on deposit in his PTO Bank. A Pilot shall notify the Company at least fourteen (14) Days in advance of his intent to be paid for his PTO. He shall be paid on his next scheduled pay date.
4. In the event of a Pilot's death, all accrued PTO in his PTO Bank shall be paid in accordance with all applicable laws.

H. GENERAL

1. A pilot shall not pick up Open Time during his awarded Days of Vacation.
2. A Pilot may trade his awarded Day(s) or Vacation with other unassigned Vacation in Open Time, as provided in Section 14 (Scheduling).
3. A Pilot who is hospitalized while on Vacation may elect to have his hospitalization Days converted to Sick Leave rather than using PTO Days.
4. A Pilot may request to use his PTO Days for other Personal or Emergency needs. The Company shall grant such requests, subject to the needs of the service.

SECTION 12 TRAINING

A. GENERAL.

1. Training programs established and implemented by the Company shall not be in conflict with this Agreement. Training and Checking shall be in accordance with applicable FAR's and Company policy, as provided in the Flight Operations Training Manual. Nothing contained herein shall prohibit the Company from complying with FAA-mandated changes to the Flight Operations Training Manual. Such Training programs shall include, but not be limited to, the following types of Training: Initial New Hire, Upgrade, Transition, Differences, Recurrent, and Requalification.
2. An FAA or Company required evaluation, written test, oral or practical examination, a Check-Ride in an aircraft or Simulator to determine a Pilot's proficiency/competency, or a Line Check shall be referred to in this Agreement as a "Check."
3. Phases of a Training curriculum shall include, Ground School, Computer Based Training ("CBT"), written examination(s), oral examination(s), Simulator Check(s) and Operating Experience ("OE"), as applicable.
4. The Company shall make available to Pilots on the Company intranet all applicable study materials and Training curriculums, course syllabus, description and the appropriate grading or performance standards for each Training course. Except for Initial New Hire Training or any FAA mandated Training where the timeliness requirement cannot be met, all materials shall be made available to Pilots at least thirty (30) Days prior to the start of a scheduled Training Event.
5. Home Study Training materials shall be distributed at least thirty (30) Days prior to the due date. If a Pilot fails to complete the course or turn in a required test or exercise by the due date, he shall immediately be removed from flight status until he has completed and turned in such requirements. The scheduled Pay Credit Hours ("PCH") from any Duty or other Company-directed Assignments that are removed from his Line shall be deducted from his accumulated PCH for the Month. If such reduction reduces such value below his Monthly Pay Guarantee ("MPG"), it shall not be protected.
6. The Company shall standardize Training and Checking procedures, including those administered by vendors, to the extent practicable, recognizing the differences in each Fleet.
7. The Company shall provide at its expense any Training or Checking

required by the Company or FAA to obtain, qualify, Requalify or maintain qualifications as a Pilot. The Company shall not require Training Contracts, payment for or reimbursement to the Company for any Training costs, Checking costs or related expenses.

8. If the Company or FAA requires any form of certification, the Company shall afford Pilots the opportunity to secure such certification in a manner that shall be applied equally and uniformly.
9. All Training, instructional flying, Route, Line, Proficiency and Qualification Checks shall be performed by Check Airman/Instructors, as provided in Section 4 (New Equipment) and Section 22 (Check Airmen & Instructors), as applicable.
10. No Pilot shall be required to be evaluated for his proficiency in a Simulator or other device that is not FAA approved and functioning properly to simulate with accurate fidelity the flight and operating characteristics of the represented Fleet. When a Pilot is required to perform a FAA required Check and such Check is administered under a non-Advanced Qualification Program ("AQP"), the Company shall provide at least four (4) hours of Simulator Training immediately prior to the required FAA Check.
11. The Company shall maintain a single Training file on each Pilot, as outlined in the Flight Operations Training Manual, which shall contain all records associated with Training and Checking, including grades received on all Checks and instructor evaluation involving said Pilot. Upon request, a Pilot shall be provided access to his Training file during normal business hours and any requested copies, thereof.
12. Compensation for all Training and Checks, including CBT or Home Study Training shall be as provided in Section 3 (Compensation).
13. Training begins at the commencement of Deadhead to a Training/Checking Event or, when no Deadhead travel is required, at the scheduled start time of Training at the location where Training/Checking shall take place. Training ends upon completion of Deadhead from a Training/Checking Event or, when no Deadhead travel is required, upon completion of the Training/Checking Event.
14. A Pilot must report for Training (ground school or Simulator) with his Company ID, FAA Airman's Certificate and Medical Certificate and any other documents required for identification purposes by the federal government (e.g., passport, driver's license). Dress for such Training shall be business casual (i.e., slacks and a collared shirt for male Pilots and comparable casual business attire for female Pilots).

15. Long-Term Training is any Training program away from a Pilot's Domicile that lasts fifteen (15) or more consecutive Days, including Travel Days.
16. Once a Pilot commences a Transition or Upgrade Training Program he shall not perform Duty in his previous Position, except on the same equipment. A Pilot shall not be required to be "dual qualified" (*i.e.*, he may not hold more than one (1) Position at a time).
17. A Pilot who does not report for required Training or Checking, as directed by the Company, except for a Pilot on Leave of Absence ("LOA"), Vacation, sickness or injury, other approved Leaves of Absence, circumstances beyond the Pilot's control, or family emergency or similar situations, shall be considered to have voluntarily terminated his employment.

B. EXPENSES, LODGING, AND TRANSPORTATION WHEN TRAINING.

1. The Company shall provide a Pilot with positive space air transportation to and from the Training/Checking location, as provided Section 6 (Expenses, Lodging & Transportation), for all Training away from his Domicile, unless provided a Jump-seat on a Company Aircraft. Such Jump-seat Deadhead must only be a single segment from the origination of such Deadhead to the Training facility from the Pilot's Domicile or from the Training Facility to his Domicile or other location he selects. Upon completion of a Jump-seat Deadhead to Training, the Pilot shall be put into Rest prior to initiating his Training.
2. The Company shall provide a Pilot in Training (Initial, Upgrade and Transition) with suitable lodging and Per Diem, as provided in Section 6 (Expenses, Lodging & Transportation), unless his Primary Residence is located within sixty (60) Miles of the Training Facility.
3. Upon request with Company approval, a Pilot may drive his personal vehicle to or from a Training Event that is not located at his Domicile. In such a case, travel shall be determined using the Google Maps driving distance between his Domicile airport and the Training facility. Such Pilot shall be reimbursed for the use of his personal vehicle at the Internal Revenue Service ("IRS") "business" mileage rate for such usage.
4. Transportation by shared rental car, taxi, airport shuttle or Company car shall be provided between the hotel accommodations and the Training/Checking facility and/or airline facility.

C. TRAINING EVENTS.

1. Initial Training.

Initial Training is the Training curriculum (including applicable Checks) required by the Company and given to a New Hire Pilot, which may be followed by Supplemental Training. Initial Training includes Company Indoctrination Training and the Training required for a New Hire Pilot to obtain an initial FAA Type Rating, if not already type-rated, in the Fleet to which he is Assigned.

2. Recurrent Training.

- a. Recurrent Training is the Training curriculum required to maintain aircraft qualifications and currencies, as defined in the FARs and the Company's FAA-approved "Traditional" Training Program or AQP. Recurrent Training may be preceded or followed by Supplemental Training.
- b. The Company shall not require a Pilot to attend Recurrent Training more frequently than what is required by the FARs.
- c. The standards for completion and/or passing a Proficiency Check ("PC") or a Continuing Qualification Event (CQ) shall be provided in the Company's applicable FAA-approved "Traditional" Training Program or AQP.

3. Transition Training.

Transition Training is a Training curriculum, including applicable Checks, required to obtain an initial FAA type certificate, if not already type-rated, when transitioning to a different Fleet. Transition Training may be preceded or followed by Supplemental Training.

4. Upgrade Training.

Upgrade Training is a Training curriculum, including Initial Captain Training and applicable Checks, required to obtain an initial FAA type certificate, if not already type-rated, when upgrading in Status from First Officer to Captain. Upgrade Training may be preceded or followed by Supplemental Training and, if the Pilot is changing Fleets, may also require Transition Training.

5. Requalification Training.

Requalification Training is the Training curriculum, including applicable Checks, required to regain qualifications and currencies, as defined in the FARs. Requalification Training may be preceded or followed by Supplemental Training.

6. Supplemental Training.

Supplemental Training is Company or FAA-required Training (e.g., Instructor Training, Check Airman Training, International Operations Training, aircraft or avionics Differences Training, Non-Routine Flight Operations (“NRFO”) Training and Remedial Training). Where applicable, Supplemental Training may include a Check.

D. SCHEDULING OF TRAINING.

1. Notification and Scheduling of Training.

- a. A Pilot shall be awarded or Assigned date(s) for Training, as provided in this Agreement. After a Pilot’s Training has been awarded or Assigned, it shall not be rescheduled, except due to extenuating circumstances beyond the control of the Pilot or the Company. A Pilot shall not be Reassigned to Training on his scheduled Day(s) Off without his concurrence.
- b. All Training notices shall be sent to the Pilot’s Company email address, unless another means of notice has been arranged between the Pilot and the Company.
- c. A Pilot in Upgrade or Transition Training may be scheduled to perform all or a portion of his initial OE out of a Domicile other than his own. For any part of OE that occurs out of Domicile, the Pilot shall be afforded all applicable provisions, as provided in Section 6 (Expenses, Lodging & Transportation).

2. Duty, Rest, and Days Off During Training.

- a. A Pilot shall not be required to be on Duty in Classroom or Simulator Training in excess of eight (8) hours per Day. Such eight (8) hours shall exclude meal periods. Formal Classroom Training shall be scheduled between 0800 and 2000 local time.
- b. The Company shall use its best efforts to schedule Simulator Training or Checking sessions to begin no earlier than 0730 and to end no later than 2330 local time, exclusive of briefing and debriefing.
- c. Simulator periods, not to include Type Rating Checks, shall not be scheduled to exceed four and one-half (4.5) hours duration in any twenty-four (24) consecutive hour period, exclusive of briefing and debriefing.

- d. Any oral examination shall not be scheduled to exceed two (2) hours. The individual authorized by the FAA to conduct or supervise an oral examination may extend the examination to meet FAA Checking requirements, as necessary.
- e. A Pilot Assigned Training away from his Domicile shall be given a minimum of eleven (11) consecutive hours Rest prior to the beginning of such Training. A Pilot returning to his Domicile from such Training shall be scheduled for a minimum Rest Period of twenty-four (24) consecutive hours prior to any Assigned Duties. Travel time shall not be considered as Rest.
- f. Following the completion of Training and before receiving OE Training, a Pilot who has successfully completed Initial, Upgrade or Transition Training shall be given at least two (2) Days free of Duty at his Domicile, unless the Pilot agrees otherwise.
- g. A Pilot in Initial, Transition or Upgrade Training of fifteen (15) Days or more shall be scheduled to have a minimum of one (1) Day Off during every seven (7) consecutive Days of Training. There shall be no more than five (5) consecutive Days with scheduled Simulator Periods without a scheduled Day Off.
- h. Any Training or Checking Event, as provided in this Section 12, may be extended as necessary in order to accommodate disruptions in such event (e.g., Pilot performance difficulties, Simulator technical problems, adverse weather).

3. Holidays.

Except for OE, the Company shall not schedule Pilots for any Training, including travel to or from such Training on, July 4th, Thanksgiving Day, December 25, or January 1.

E. CHECK RIDES.

- 1. The Company shall not schedule a Pilot for two (2) Checks within twenty-four (24) consecutive hours without his concurrence.
- 2. A Pilot shall not be evaluated on any maneuvers in a Simulator or aircraft that is not included in the FAA-approved Company Training Program.
- 3. When a Pilot undergoes a Check in an aircraft, the other Pilot station shall be occupied by a Pilot on the Seniority List or an FAA-designated Company Check Airman. When a Pilot undergoes a Check in a Simulator, the other Pilot station shall be occupied by a Pilot on the Seniority List who is current

and qualified in that Fleet or, with the consent of the Pilot being Checked, a trainee Pilot on the Seniority List enrolled in the same Training curriculum or a Training vendor-supplied evaluator or instructor, all of whom must be knowledgeable of the Company's Standard Operating Procedures ("SOPs") in the represented Fleet.

4. A Pilot may volunteer to perform Simulator Support Duty to provide a complete flight crew for various Training and Checking Events. Simulator Support Duty is defined as any Simulator Assignment in addition to what is required for a Pilot's own Recurrent, Initial, Transition or Upgrade Training. Except when otherwise required by a FAA Inspector, a Pilot performing Simulator Support Duty shall not be subject to an oral examination, solely as the result of such Assignment.

F. CHANGE OF INSTRUCTOR OF CHECK AIRMAN.

1. A Pilot who has questions or concerns regarding Training or Checking, has been advised by the Instructor or Check Airman that the progress in his Training is unsatisfactory or has failed a Check Ride, may confer with the Chief Pilot to discuss the difficulties he is encountering in Training, including requesting a change of Instructor or Check Airman. A Pilot may notify the Union upon being informed by the Instructor or Check Airman that he is progressing slower than normal in any Training Event, or that he has failed a Check or refused to take a Check.
2. If a Pilot believes there is a personal conflict with his Instructor or Check Airman that may adversely affect his Training or Checking Event, he may notify the Chief Pilot and upon receipt of such notice, the Company shall promptly notify the Union. The Chief Pilot, Check Airman or Instructor, the affected Pilot and, if requested by the Pilot, a Union Representative shall meet to discuss the problem and possible options as to how the conflict may be resolved. If the conflict cannot be resolved, the Pilot shall be Reassigned to a new Instructor or Check Airman.
3. A Pilot who fails a FAA-required Check may request a new Check Airman prior to his next Re-Check. Except as provided in subsection 12,G.12., if the Pilot requests a new Check Airman, the Company shall provide him with a new Check Airman to administer his next Re-Check.

G. TRAINING AND CHECKING PASS/FAIL LIMITATIONS.

1. A Pilot performing a Training Event must successfully complete all required Training prior to being recommended for a FAA required Check.
2. If a Pilot fails any portion of a Training Event, prior to a Re-Check he shall

receive Re-Training, as provided in the Flight Operations Training Manual. A Pilot shall be afforded three (3) failed Checks in any Training Event.

3. After a Pilot fails a Check, prior to his Re-Check he may request that the Chief Pilot meet with him and a Union Representative in person or on the phone to review his previous performance and discuss whether changes in his Training may be needed to improve the potential for his success.
4. The minimum passing score on Company administered written examination shall not exceed eighty percent (80%) and shall be the same for all Pilots in the course.
5. If a New Hire Pilot fails any portion of his Initial New Hire Training, the Company shall provide him with additional Training and a Re-Check. If the New Hire Pilot fails his Re-Check, he shall receive additional Training and a second (2nd) Recheck. If the New Hire Pilot fails his second (2nd) Re-Check, the Company shall determine whether additional Training is appropriate and, if so, provide him another attempt to successfully complete the event. If additional Training or another attempt is not recommended, the New Hire Pilot may be subject to discharge.
6. Recurrent and Re-Qualification Training Failures.
 - a. If a Pilot fails a Proficiency Check (PC) or Line Oriented Evaluation (LOE) during Recurrent or Re-Qualification Training, he shall receive additional Training, as provided in subsection 12.G.2. and given a Re-Check. b. If a Captain fails his first (1st) Re-Check, he may elect to receive additional Training, as provided in subsection 12.G.2., and a second (2nd) Re-Check or downgrade to a First Officer in the same Fleet for a twelve (12) Month period; *provided*, he successfully completes a First Officer Check in that Fleet. The twelve (12) Month period shall begin immediately upon successful completion of the First Officer PC or LOE. This time limit may be reduced by mutual agreement between the Pilot and the Company.
 - b. If a Captain or a First Officer fails three (3) consecutive Recurrent or Requalification Check-Rides or a Captain fails to qualify for a First Officer position, as provided in this subsection, he may be subject to Discharge.
7. Transition or Upgrade Training Failure.
 - a. If a Pilot fails any portion of his Transition or Upgrade Training, he shall receive additional Training, as provided in subsection 12.G.2., and given a Re-Check. If the Pilot passes his Re-Check, he shall continue in his Training. If the Re-Check is his OE Check, the Training Event shall be

considered to have been successfully completed.

- b. If a Pilot fails his first (1st) Re-Check, he shall receive sufficient additional Training, as provided in subsection 12.G.2., and given a second (2nd) Re-Check. If the Pilot passes, he shall continue in his Training. If the Re-Check was his OE Check, the Training Event shall be considered successfully completed.
- c. If the Pilot fails to pass his second (2nd) Re-Check, the Company shall determine whether additional Training and another Re-Check would be appropriate. If he does not receive additional Training and another Re-Check, it shall constitute a failed Training Event and the following shall apply:
 - (1) If a Captain fails a Transition Event, he shall return and attempt to Requalify in the Position he held immediately prior to entering his Training. If that Position no longer exists, he shall be required to qualify as a First Officer in the Fleet to which he was attempting to Transition. Upon successful completion of such First Officer Qualification Training, the Pilot shall be prevented from bidding another Vacancy that requires Transition or Upgrade Training for a twelve (12) Month period. The twelve (12) Month period shall begin immediately upon successful completion of the First Officer Check. This time limit may be reduced by mutual agreement between the Pilot and the Company. If such Pilot fails to Requalify for the Position he held immediately prior to this failed Transition Training Event or if his previous Position no longer exists and he fails to qualify as a First Officer in the Fleet he was attempting to Transition, he may be subject to discharge.
 - (2) If a First Officer does not successfully complete Transition or Upgrade Training, he shall be allowed to Requalify and return to the Position he held immediately prior to entering such Training. He shall be prevented from bidding another Vacancy that requires Transition or Upgrade Training for a twelve (12) Months period. The twelve (12) Month period shall begin immediately upon successful completion of the First Officer Check. This time limit may be reduced by mutual agreement between the Pilot and the Company. If the First Officer's previous Position does not exist or he fails to Requalify in the Position he held immediately prior to this failed Transition or Upgrade Training Event, he may be subject to discharge.
- 8. If a Pilot fails to pass any portion of Differences Training, he shall be retrained, as provided in subsection 12.G.2., and given a Re-Check. If he fails his Re-Check, he shall receive additional Training and given a second (2nd) Re-Check. If the Pilot fails to pass his second (2nd) Re-Check in

Differences Training, he may be subject to discharge.

9. A Pilot who fails a Line Check during his OE shall receive additional OE Flight Segment(s), based on his noted deficiencies and given a Re-Check. The Pilot may request that such additional Training and his Re-Check be given by a new Check Airman. If requested, he shall receive a new Check Airman. If he fails his Re-Check, he shall receive additional OE Flight Segment(s), based on his deficiencies and given a second (2nd) Re-Check by a different Check Airman. If the Pilot fails his second (2nd) Re-Check, he, may be subject to discharge.
10. Except as otherwise provided in this Section 12, a Pilot who fails three (3) consecutive Training Events, may be subject to discharge. A Pilot must pass a Training Event to reset the consecutive failure limitation.
11. A Pilot in Training shall be paid, as provided in Section 3 (Compensation).
12. If Pilot is discharged, as provided in this Section 12, his discharge is subject to the provisions provided in Section 19 (Grievances) and Section 20 (System Board of Adjustment).

H. OBSERVERS.

If a Pilot fails a second (2nd) Check, he may request a Pilot Observer ("Observer") on any subsequent Check for that phase of Training, as provided in subsection 12.A.3. The Union shall inform the Company in writing of the intent to have an observer present at the Pilot's next Check. The Observer shall, at the Pilot's choice, be a member of the Union's Executive Council (EXCO), another Check Airman or an FAA inspector, unless an FAA representative in attendance does not allow an observer. The Observer must be available without unreasonably delaying the Check (*i.e.*, the Observer has the ability to arrive at the location of the Pilot's next Check within 24 hours of notice of the Union's request, or prior to the start of the Check, whichever is later). The Company shall make its "best efforts" to release an Observer from Line Flying. The Union shall be responsible for the compensation and expenses, if any, of the Observer.

I. WITHDRAWALS OR CANCELLATION OF TRAINING.

1. A Pilot may not withdraw from Training except for extenuating circumstances (*e.g.*, illness, death in the Immediate family) or at the discretion of the Chief Pilot.
2. If a Pilot withdraws from Recurrent Training/Check, the Company shall make its best efforts to reschedule the Pilot within his "base" or "grace" Month to avoid having the Pilot go "non-current." If the Pilot cannot be

rescheduled before going non-current for reasons beyond the Company's or Pilot's control, he shall be pay protected for the scheduled PCH that is removed from his Line while he is non-current. Such Pilot shall be compensated no less than his MPG, as provided in Section 3 (Compensation).

3. A Pilot who withdraws from Transition or Upgrade Training prior to commencing OE, shall return to the Position he held immediately prior to entering Transition or Upgrade Training. If that Position no longer exists, he shall be Assigned a Position and Domicile his Seniority can hold, based on his Standing Bid preferences, as provided in Section 18 (Filling of Vacancies).
4. The Company may cancel a Vacancy award(s) and required Training in inverse Seniority Order for those Pilots who have been awarded such Vacancy(ies) in the same Vacancy Bid, as provided in Section 18 (Filling of Vacancies), at any time prior to such Pilot(s) commencing OE. If a Pilot's Training is cancelled, he shall return to the Position he held immediately prior to entering Training. If that Position no longer exists at his Domicile, he shall be Assigned a Position and Domicile his Seniority can hold, based on his Standing Bid preferences, as provided in Section 18.

SECTION 13 HOURS OF SERVICE

A. DEFINITION OF DUTY

1. Except as may be provided elsewhere in this Agreement, all Company-Directed Assignments are Duty.
2. Except as otherwise provided for in this Section 13, Duty begins when a Pilot actually reports for his Company-Directed Assignment and ends when he is released from any further Assignment and placed into Rest or Days Off.
3. Time spent in transportation Local-In-Nature from the location where the Pilot was released from Duty to lodging or from the lodging to a Duty Assignment location does not count toward his Duty Time Limitations, as provided in subsection 13.F.1, if it is within thirty (30) minutes normal driving time.

B. COMPLIANCE

1. This Agreement or the applicable Federal Aviation Regulations ("FARs"), whichever is more restrictive, shall determine a Pilot's maximum Flight Time or Duty Time Limitations.
2. The Company shall not assign, plan to assign or require a Pilot to accept an Assignment that exceeds the Flight Time or Duty Time imitations contained in this Agreement.

C. DUTY ON AND RELEASE TIMES

1. Except as may be provided elsewhere in the Agreement, a Pilot's Duty Period shall commence (Duty on Time ("DOT")) and his Duty Period shall end ("Release Time"), as provided in the following table:

OPERATING CREW	DUTY-ON TIME <i>(before departure scheduled)</i>	RELEASE TIME <i>(after Block-In)</i>
In Domicile	60 minutes	15 minutes
Out of Domicile	60 minutes	30 minutes
International	60 minutes	45 minutes
DEADHEADING		
Domestic	60 minutes	15 minutes
International	60 minutes	30 minutes

Surface Transport	Actual departure	Actual arrival
-------------------	------------------	----------------

2. The DOT limitations, as provided in subsection 13.C.1, may be increased when an airline or a government agency requires or recommends an “earlier check-in” time for flights. If the Company elects to change a Pilot’s DOT to the earlier time, due an airline’s or government agency’s recommendation or requirements, Crew Scheduling shall attempt to notify the affected Pilot(s) at least twelve (12) hours in advance of his proposed new DOT. If Crew Scheduling makes Positive Contact with the Pilot(s), as provided in subsection 13.H.5., he may be required to Report at the new DOT.
3. Except as provided in subsection 13.C.2, a Pilot shall not be required to Report any earlier than his Assigned DOT without his concurrence.

D. MAXIMUM LANDINGS PER DUTY PERIOD

1. A Pilot shall not be scheduled to perform more than eight (8) landings during any single Duty Period.
2. If the Company requests and a Pilot agrees to exceed the landing limitation, as provided in subsections 13.D.1, he shall be paid a Landing Credit Premium, as provided in Section 3 (Compensation).

E. FLIGHT TIME LIMITATIONS

1. The following Flight Time (“Block Time”) Limitations apply to Flight Deck Crews during any twenty-four (24) consecutive hours:

Basic two (2) Pilot Crew	8 Hours
Augmented three (3) Pilot Crew	12 hours
Heavy four (4) Pilot Crew	16 hours
2. Notwithstanding the Flight Deck Crew Flight Time limitations, as provided in subsection 13.E.1, a Pilot shall not be scheduled or Assigned to exceed eight (8) hours at the controls of any aircraft during any twenty-four (24) consecutive hours.
3. After the originally scheduled departure, the size of the originating Flight Deck Crew cannot be increased for the purpose of extending Flight Time Limitations.
4. If a Pilot’s flight schedule would cause him to be in violation of the FAR limitation of one thousand (1,000) hours of Flight Time per Year, the Company shall be allowed to adjust his schedule as necessary to keep him in compliance. An affected Pilot shall not be paid less than his MPG due to such adjustment.

F. DUTY TIME LIMITATIONS

1. The maximum scheduled and actual Duty Time Limitations are as follows:

RESERVES	SCHEDULED	
R-1 and R-2	<p>From DOT to Duty Off Time of a RAP:</p> <p>Maximum of 6-hour call-out period for a R-1 RAP scheduled in a "Split-Trip," and</p> <p>Maximum of 12-hour call-out period for a R-1 or R-2 RAP.</p> <p>Maximum Duty Time Limitation from Reserve DOT to Duty Off Time of an Assigned Trip Pairing or other Company-Directed Assignment, as provided in the "ACTUAL" Column in subsection 13.F.1. below:</p>	
LINEHOLDER FLIGHT TIME & DEADHEADING	SCHEDULED	ACTUAL
All B737 Scheduled Operations		
Daytime	14 hours	16 hours
Nighttime	12 hours	16 hours
AdHoc and all B767 Operations		
Basic two (2) Pilot Crew	16 hours	16 hours
Augmented three (3) Pilot Crew	18 hours	18 hours
Heavy four (4) Pilot Crew	20 hours	20 hours
DEADHEAD ONLY	18 hours	20 hours

2. A Pilot may waive applicable Duty Time Limitations in order to Deadhead back to his Domicile to begin his Day(s) Off.
3. A Pilot shall not be scheduled to Deadhead on the Observer/Jump-seat Seat of Company Aircraft (does not include a Supernumerary seat), as provided in Section 7 (Deadheading), for more than six (6) hours in any Duty Period.

G. REST PERIODS

1. Except as otherwise provided in the Agreement, at the end of a Duty Period,

a Pilot shall receive the following minimum number of consecutive hours of uninterrupted Rest:

R-1/R-2/R-4 PERIOD	RESERVE DUTY	REQUIRED REST
No call-out		10 Hours
After call-out		As provided in this subsection 13.G.1. below.
OPERATIONAL DUTY LIMITS <i>(includes actual Reserve Duty Performed)</i>		REQUIRED REST
14 or less hours		10 Hours
More than 14 hours		12 hours

2. A Pilot shall receive notice of his next DOT prior to being released to Rest. Such notice shall be given by virtue of his awarded schedule or Company Assignment, as applicable.
3. A Pilot's Rest Period shall not be broken or subdivided by the Company.

H. CONTACTIBILITY

1. A Pilot is not required to be contactable during Rest.
2. The Company shall issue Personal Communications Devices ("PCD") to the Captain for any Trip Pairing that is defined as an International Operation. Pilots are not required to keep any type of PCD "on" during a Rest Period.
3. A Pilot shall promptly notify the Company upon becoming aware if his PCD becomes inoperative or is not in his possession.
4. A Reserve Pilot shall be contactable during Reserve Duty, unless released from Duty by the Company. A Reserve Pilot shall respond to a call from the Company within fifteen (15) minutes; the time required for the Pilot to Report for his Duty Assignment shall begin at the time of the Company's Initial Contact.
5. The Company may attempt to contact a Pilot during a Rest Period as follows:
 - a. The Company shall attempt to make immediate contact with a Pilot if it is for the purpose of notifying him of a personal or family emergency or threat to security. Such attempt will not be deemed to break or interrupt his Rest.

- b. If there is a change to a Pilot's next Duty Assignment or DOT, the Company may leave him a message on his PCD. A change to the Pilot's next Duty Assignment or DOT shall not be effective unless and until the Pilot makes "Positive Contact" with the Company, acknowledging the change. No other method of Pilot contact is permissible for purposes of changing a Pilot's Assignment or DOT under subsection 13.H.5.
6. A Pilot shall not be responsible for initiating or coordinating wake up calls for other Pilots or notifying other Pilots of their DOTs, or revisions thereto.
7. If the Company attempts to contact a Pilot in Rest in a manner that interrupts his Rest (e.g., hotel security, repeated phone calls) or in violation of any other provision in subsection 13.H., his required Rest Period begins anew.
8. A Layover Period exists when a Pilot on a Company-Directed Assignment is away from his Domicile, he has completed required Rest and is awaiting notification of the DOT of his next Duty Assignment. During such Layover Period:
 - a. The Company may attempt to communicate with a Pilot via PCD, e-mail, hotel phone or personal cell phone.
 - b. The Pilot shall check for messages at the beginning of his Layover Period and every two (2) hours, thereafter. A Layover Period that overlaps any portion of 2200-0400 Local Time (LCL), the Pilot shall not be responsible to check for messages until 0600 LCL at the earliest.
 - c. If a Pilot receives a message of a Company-Directed Assignment while in a Layover Period, he shall respond by making Positive Contact with the Company within thirty (30) minutes after receipt of the message.
9. After making Positive Contact with the Company, a Pilot shall receive at least ten (10) hours of uninterrupted Rest prior to the DOT of his next Duty Assignment.

I. INOPERATIVE AUTOPILOT

During a flight, if the aircraft's autopilot becomes inoperative, the Flight Deck Crew is not required to exceed six (6) hours of continuous Flight Time, or the period of time that is provided for in the aircraft Minimum Equipment List ("MEL") or the FARs, whichever is less, from the time the autopilot became inoperative. This limitation does not apply retroactively. If an aircraft is dispatched with a known inoperative autopilot, subsequent Flight Time in that aircraft may not be scheduled to exceed four (4) hours in any Duty Period. If all Pilots in a Flight Deck Crew consent, the non-regulatory limitations in this subsection may be waived.

J. CREW COMPLEMENT

1. An un-augmented Crew shall consist of a Captain and a First Officer (FO), a Check Airman performing a Line Check or OE or two (2) Captains when one is a Check Airman and providing Training to another Captain or when no First Officers are available, as provided in this Agreement. When a Trip Pairing is scheduled for more than eight (8) of Flight time ~~or~~ but not more than twelve (12) hours of Flight Time, an Augmented Crew shall be necessary. When a Trip Pairing is scheduled over twelve (12) hours of Flight Time but less than 16 hours of Flight Time but does not have a Duty Period scheduled to exceed twenty (20) hours in any twenty-four (24) consecutive hours, a Heavy Crew (Augmented with 4 crewmember) shall be necessary. For calculating Flight Time under this Section 13, a Pilot's Flight Time shall begin when the aircraft's forward entrance door has been closed and brakes are released for the purpose of flight.
2. When necessary to operate a flight with an Augmented Crew, the following considerations shall be followed:

Preferred Crew Pairing (3 pilots)			
1 st	Captain	First Officer	First Officer
2 nd	Captain	Captain	First Officer
3 rd	Captain	Captain	Captain

3. A Heavy Crew (Augmented with four (4) Pilots) shall consist of the following:

Preferred Crew Pairing (4 pilots)				
1 st	Captain	First Officer	First Officer	First Officer
2 nd	Captain	Captain	First Officer	First Officer
3 rd	Captain	Captain	Captain	First Officer
4 th	Captain	Captain	Captain	Captain

The Company may determine and modify the crew composition of a Heavy Crew at any time unless when a Flight requiring a Heavy Crew is scheduled between eighteen (18) and the maximum of twenty (20) hours of Duty, it must be flown by a Crew consisting of two Captain's and two (2) First Officers, except when Flight Segment(s) requiring a Heavy Crew is scheduled for Duty between eighteen (18) and twenty (20) hours and there is an unassigned Position for the Trip Pairing in Open Time within twenty-four (24) hours of the Duty On Time(DOT) for the Trip Pairing and no Captain Reserves are available, the Trip may be flown with any version of a Heavy Crew Complement, as provided in 13.J.3.

4. Cockpit Crew Order of Command

- a. The following will be the order of command on the flight
 - (1) PIC – Captain
 - (2) SIC (IRO) – Most Senior Crewmember, other than the PIC, if applicable.
 - (3) FO – Most Junior Crewmember, other than the PIC, if applicable.
- b. In the event a Check Airman is Assigned to the flight as a required Crewmember performing Operators Experience (OE) Training on another Pilot in that Aircraft Type, the Check Airman shall will be the PIC of the flight regardless of Seniority.
- c. There must be a Check Airman occupying a Pilot seat at all times with a Pilot who is receiving Training in a required flight deck seat.
- d. All First Officers on an Augmented and Heavy Crew shall have a type-rating for the aircraft and shall be current and qualified to take off and land the airplane. Unless another Pilot is needing takeoffs and landings to maintain his currency requirements, when an augmented crew has only one First Officer, he shall be required to sit in his required flying seat during take-offs and landings.
- e. The Pilot-in-Command (PIC) shall be in his required flying seat during all Take Off's and Landing's unless he is sick/incapacitated or when the IRO is a Captain and needs a landing for currency purposes.
- f. The PIC of the Flight shall have the authority to determine each Pilot's role on an Augmented or Heavy Flight. The Company and the Union encourage Pilots to assist in maintaining currency requirements by exchanging roles within a Trip Pairing whenever possible.

5. Qualifications

- a. All Pilots must have the following in their possession for a flight:
 - (1) Pilot License
 - (2) First Class Medical – Current and not lapsed to 2nd Class
 - (3) Radio Telephone License
 - (4) Passport – Preferably with at least 6 Months validity

b. International Relief Officer (IRO) Responsibilities and Authorities

(1) When flying as First Officer:

- (i) Fulfills the required designation as Second-In- Command (SIC).
- (ii) Assumes the responsibilities and authorities of a First Officer as outlined in this subsection.

(2) When flying as Captain:

- (i) Fulfills the required designation as Pilot-in-Command (PIC).
- (ii) Assumes the responsibilities and authorities of a Captain, as outlined in this subsection.

(3) Qualifications

Must meet all qualifications required of a PIC as provided in this Agreement.

(4) Training

Must meet all applicable Training requirements of a SIC as outlined in this Agreement.

6. When there is a Flight Segment in a Duty Period requiring an Augmented or Heavy Crew, such Crew complement shall remain the same for all Flight Segment(s) during the entire Duty Period.
7. If the scheduled Flight Time for any Flight Segments between two (2) airports in a single Duty Period requires either an Augmented or Heavy Crew configuration in one (1) direction, the same Crew configuration shall be required on the Flight Segment flown in the opposite direction when performed in a single Duty Period.
8. During the Monthly Bid Period when a Trip Pairing requiring an Augmented or Heavy Crew complement and is scheduled with two (2) Captain Positions built into two (2) Lines, the most senior Pilot who is awarded one of these two Lines shall be designated as the PIC for the Flight Segments scheduled with two (2) Captains. For all other Trip Pairings that are scheduled with two (2) Captains, the Captain that is scheduled for the entire Trip Pairing shall be designated as the PIC. If both Captains are scheduled for the Trip Pairing for the same amount of time, the most senior Pilot shall be designated as the PIC, unless otherwise provided for in subsection 13.J.4.

9. A Pilot (Captain, FO) shall be paid his applicable hourly Pay Rate and an IRO shall be paid one hundred fifteen percent (115%) of his applicable hourly Pay Rate for his Assigned Duties in an Augmented or Heavy Crew complement, as provided in Section 3 (Compensation).

K. GENERAL

1. For the purposes of this Section 13, Night is any Duty Period that includes Duty Time, whether scheduled or actual, between 0001 and 0430 local time.
2. The Company may combine Domestic and International Flights; *provided*, the most restrictive Flight and/or Duty Time Limitations, as provided in this Section 13, are not exceeded.

SECTION 14 SCHEDULING

A. JOINT SCHEDULING COMMITTEE

1. The Company recognizes a Joint Scheduling Committee (“JSC”), comprised of two (2) Union members appointed by the Union, the Chief Pilot and another management representative. At the request of either the Company or the Union, the JSC shall meet in-person on a quarterly basis, unless the parties mutually agree otherwise. The JSC meeting(s) shall be established to discuss current scheduling practices.
2. If the Company obtains optimization and Line building software and if such software can be operated independently from other software components which may contain confidential Crew Scheduling information that is not pertinent to constructing Trip Pairings and Lines, the Company shall allow the two (2) Union Members of the JSC to be trained to operate and have access to the specific optimization and Line building software. The work of the two (2) Union JSC members shall be limited to constructing Trip Pairings and Line Building and creating alternative solutions for the Company’s consideration and review. If the optimization and Line building software cannot be operated independently from other sensitive and confidential material, the Union JSC members shall execute a reasonable confidentiality agreement.
3. The Company shall provide the Union JSC members with the contents of the Monthly Bid Package as soon as practical, but prior to its publication, so as to provide the Union members with an opportunity for review and comment. If the Union JSC members intend to provide the Company with alternative options to the constructed Trip Pairings and/or Lines in the upcoming bid, they shall submit their alternative option proposals to the Company at least twenty-four (24) hours prior to the distribution of the Initial Lines in the upcoming Monthly Bid Period. The Company shall retain final discretion to decide Trip Pairings and/or Lines.
4. If requested, within five (5) Days prior the distribution of the Initial Lines in the upcoming Monthly Bid Period, the Company shall provide the Union JSC members with a list of all known Flight Segments, including itineraries, aircraft flows and all required published information in the Monthly Bid Package.
5. The Union and management JSC members shall, upon request of either party, agree to meet periodically to discuss scheduling practices that may be employed to better manage circadian and Fatigue risks.

B. BIDDING AND AWARDING OF SCHEDULES

1. As provided in subsections 14.C.6 and 14.C.7, the JSC shall determine which of the two Monthly Bid timelines shall be utilized at each Domicile and TDY Location for the bidding and awarding of all Lines of Time.
2. At all Domiciles, the Company shall provide an electronic process that shall be the sole means for a Pilot to conduct the following:
 - a. Monthly bidding.
 - b. Trades with another Pilot.
 - c. Trades with Open Time.
 - d. Open Time pickups.
 - e. Trip Drops.
 - f. Vacation Bid Awards, Slides and trades.
3. If the Company should implement a computer access system that requires a separate fee, the fee shall be paid for by the Company.

C. MONTHLY BID PERIOD

1. For the purposes of this Section 14, the Month of January shall consist of January 1 thru January 30; the Month of February shall consist of January 31 thru March 1; and, the Month of March shall consist of March 2 thru March 31. The remainder of the Months in the Year shall be as traditionally shown on the Gregorian Calendar.
2. Schedule bidding shall be conducted Monthly. Each Month's duration shall be the specific number of Days in each individual Month.
3. All Lines of Time ("Lines") shall be posted, by Position and Domicile, and shall be awarded to Eligible Pilots by Position at their respective Domiciles in Seniority Order.
4. Eligibility to Bid.
 - a. A Pilot who is current and qualified in his awarded Position at the time Monthly bidding commences shall be eligible to bid a Monthly schedule.
 - b. A Pilot shall not bid a Monthly schedule if he is:
 - (1) Scheduled to attend Initial, Upgrade or Transition Training, as provided in Section 12 (Training), that includes an Operating

Experience (“OE”) requirement scheduled to occur during the Monthly Bid Period; or,

(2) Scheduled for fifteen (15) or more Days of Training during a Month, as provided in Section 12; or,

(3) Scheduled for a Leave of Absence, as provided in Section 8 (Leaves of Absence), for fifteen (15) Days or more during a Month., or

(4) A Check Airman, Aircraft Pilot Designee (APD) or Instructor is scheduled for Duties in the Training Department (Simulator and/or classroom) for nine (9) Days or more, as provided in subsection 22.D.

c. When an Eligible Pilot bids and is awarded a Monthly schedule, all Trip Pairings that conflict with Training, as provided in Section 12, if any, shall be dropped and the Pilot shall receive Training Pay Credit Hours (“PCH”), as provided in Section 3 (Compensation).

5. Monthly Bid Packages shall include:

a. Beginning and ending dates for the Monthly Bid Period; All published Lines by Position and Domicile;

b. All Trip Pairings or Reserve Duty Periods;

c. Trip Pairings shall have their associated Pay Credit Hours (“PCH”) values posted in the Bid Package;

e. Trip Pairing departure times, routing, layovers, if any, and arrival times;

f. Any known Deadhead Segments associated with a Trip Pairing;

g. To the extent possible, layover hotel information, as provided in Section 6 (Expenses, Lodging & Transportation), which shall be utilized for all Trip Pairings, Reserve Duty or other Company-Directed Assignments;

h. R1 Assignment Duty On Times (“DOT”) and Duty Off (“Duty Off”);

i. Each Pilot’s Training dates, Leaves of Absence, and Vacation, as applicable, by name;

j. Excess Reserve Availability Periods (“RAPs”), if any, that are available for bid;

- k. Any Company-Directed Assignments known at the time of the commencement of the Monthly Bid Period;
- l. All Scheduled Days Off;
- m. The names of all Pilots eligible for bidding by Position and Domicile;
- n. The names of all Pilots that shall be Assigned Lines to fulfill Consolidation Requirements;
- o. The names of all Check Airmen and Flight Instructors that shall be performing Training or Checking Events;
- p. Bid Closing and Award Dates.

6. PRIMARY BID PROCESS: Except when determined otherwise by the JSC, as provided in subsection 14.C.7, the following Monthly Bid Period Timeline (all times are Local Domicile Time (“LDT”)) shall be utilized for all Positions and Domiciles:

Event	Opening Date of Event	Closing Date of Event
Training Bidding Period (e.g., Recurrent, PC), Vacation Open Time Requests, Day-at-a-time Vacation Requests.	0900 – 1 st Monday of Month (Training Bid Opening = TBO).	0900 – 3 rd Day after TBO, Bid Period Closes 1200 – Training and Vacation Open Time Awards Posted.
Initial Lines Bidding and Award Period (Initial Bid Period).	1200 – 3 rd Day after TBO, Period Opens.	1200 – 8 th Day after TBO, Bid Period Closes. 1800 – Initial Lines Awards Posted.
Initial Line Protest Period, Vacation Slide Requests, The Number of Dropped Day Requests for Vacation Week and Month End conflicts.	1800 – 8 th Day after TBO, All Open or Begin.	0900 – 10 th Day after TBO, Protest Period Close. All request submissions due. 1200 – All Protests remedied, Vacation Slide, Dropped Day Requests and Day at a Time Vacation Requests awarded. Crew Scheduling designation of Check Airman OE Trips completed.
Monthly Integration Period.	1200 – 10 th Day after TBO.	1200 – 14 th Day after TBO, Integration Period Closes & Integrated Lines Posted.

Integration Protest Period.	1200 – 14 th Day after TBO.	1200 – 15 th Day after TBO, Protest Period Closes 1800 – updated Integrated Initial Lines Posted. Check Airmen notified which Trip Pairings in their Lines will be used for OE Training.
Schedule Adjustment Period (“SAP”).	1800 – 15 th Day after TBO.	1800 – 17 th Day after TBO, SAP Closes. No later than 1200-19 th Day after TBO, SAP transactions are awarded and posted.
SAP Protest Period.	1200 – 19 th Day after TBO	1200 – 20 th Day after TBO, Protest Period Closes.
Composite Line Blackout Period, Composite Lines constructed.	1200 – 20 th Day after TBO, Period Begins & Adjusted Lines Posted.	By 1800 – 21 st Day after TBO, Period Ends & Final Lines Posted.

7. SECONDARY BID PROCESS: When the JSC, as provided in subsection 14.A.1 determines that there are insufficient Pilot’s in a Position at a Domicile or during the Monthly Bid Period, the Monthly Lines in a Position at a Domicile are constructed in a manner that would render SAP virtually inoperable (e.g., the majority or all Lines built with large blocks of Days in a row and incapable of being broken for operational purposes), the following Monthly Bid Period Timeline (all times are Local Domicile Time (“LDT”)) shall be utilized:

Event	Opening Date of Event	Closing Date of Event
Training Bidding Period (e.g., Recurrent, PC), Vacation Open Time Requests, Day-at-a-time Vacation Requests.	0900 – 1 st Monday of Month (Training Bid Opening = TBO).	0900 – 3 rd Day after TBO, Bid Period Closes. 1200 – Training and Vacation Awards Posted.
Initial Lines Bidding and Award Period (Initial Bid Period).	1200 – 3 rd Day after TBO, Period Opens & Initial Lines Posted.	1200 – 9 th Day after TBO, Bid Period Closes. 1500 – Initial Lines Awards Posted.
Initial Line Protest Period, Vacation Slide Requests, Number of Dropped Day Requests for Vacation Week and Month End conflicts.	1500 – 9 th Day after TBO, All Open or Begin.	1500 – 11 th Day after TBO, Protest Period Close. All request submissions due. 1700 – All Protests remedied, Vacation Slide and Dropped Day Requests awarded.

Monthly Integration Period-Initial Lines.	1700 – 11 th Day after TBO.	1500 – 13 th Day after TBO, Integration Period Closes & Integrated Lines Posted.
Initial Line Integration Protest Period.	1500 – 13 th Day after TBO.	1500 – 14 th Day after TBO, Protest Period Closes. 1800 – Adjusted Initial Integrated Lines Posted.
Secondary Line Construction.	1800 – 14 th Day after TBO.	1800 – 15 th Day after TBO.
Secondary Bid Period.	1800 – 15 th Day after TBO.	0900 – 18 th Day after TBO.
Secondary Line Integration, Adjusted Lines.	0900 – 18 th Day after TBO. 0900 – 19 th Day after TBO.	By 0900 – 19 th Day after TBO Secondary Line Integration Period Ends.
Secondary Line Protest Period.		20 th Day after TBO. Secondary Line Protest Period Ends. By 1800 – 20 th Day after TBO, Final Bid Lines posted.

8. Training Bids.

a. Pilots Assigned Training, as provided in Section 12 (Training), shall bid for all available Training Events that are posted in the Monthly Bid Package. The Company shall ensure that there are enough Training dates and times available to accommodate the number of Pilots that are due for Training Events in the Month. Each Pilot may bid for available Training Event date and time. All Short-Term Training shall be awarded in Seniority Order. If a Pilot fails to bid for his Training Event or fails to bid the maximum number of dates that his Seniority allows him to bid and he subsequently fails to be awarded a Training Bid, the Company shall assign him a Training Bid from published available dates/times that are unbid. IF more than one (1) Pilot fails to submit their Training Bid, the most senior Pilot shall be awarded the latest available Training date in the Month. The Training itineraries in each Monthly Bid Package shall include:

- (1) The name of each Pilot scheduled for Training and the type of Training due; and,
- (2) The list of all known dates and times available for Training in the Month;

- b. A First Officer (“F/O”) may avoid being awarded a Line that contains a Trip Pairing(s) used for scheduled OE by checking the appropriate box on his Bid Form. If a F/O elects to avoid being awarded an OE Line and has submitted sufficient additional preferences, the Company shall award him his highest priority non-OE Line that remains available. A F/O who declines this option or bids an insufficient number of preferences and is awarded a Line with scheduled OE flying shall be subject to OE Integration, as provided in subsection 14.F.3.
- c. A Pilot who has a Vacation award that overlaps a published Training date(s) shall not be awarded such dates for his scheduled Training.

9. Protest Periods

A Protest Period shall follow the posting of the Initial Line Awards and after the Integration Period during the Monthly Bid Period. A Pilot who alleges a Company error(s) during these periods shall notify Crew Scheduling via the Company intranet. Such Pilot must file his protest according to the timeline, as provided in subsections 14.C.6. or 14.C.7.

10. Composite Blackout Period

The Composite Blackout Period, as provided in subsection 14.C.6, is the time during which the Company constructs the Composite Lines. During this time no Trip Trades, Trip Drops or Open Time Awards for the new Month’s Schedule shall be processed.

11. Other restrictions during the bidding process.

- a. A Pilot who needs to satisfy Consolidation Requirements shall be Assigned in Seniority Order to the lowest numbered Regular Line that has not been bid. If there are no Regular Lines remaining to bid, such Pilot shall receive the lowest numbered Composite Line left unbid during the Initial Bid process. The Company shall construct Composite Lines with as many Trip Pairings as possible so to expedite Consolidation Requirements.
- b. A Pilot returning from an approved Leave of Absence, as provided in Section 8 (Leaves of Absence), shall be Assigned an abbreviated Line for the new Month, commencing on the date of his return from his Leave, using Open Time Trip Pairings and RAPs. If there are insufficient Open Time Trip pairings and/or RAPs available, the Company may create RAPs for such Pilot for the balance of the new Month to bring his Line PCH up to his prorated Monthly Pay Guarantee (“MPG”), as provided in Section 3 (Compensation).

- c. A Pilot who fails to bid a sufficient number of Lines appropriate to his Seniority or fails to submit his bid within the Timeline, as provided in subsection 14.C.6 or 14.C.7, shall be Assigned the lowest numbered Line left unbid during the Initial Bid process. If more than one (1) Pilot fails to bid, all awards shall be in Seniority Order.
- d. If a Pilot is unable to bid electronically, due to connectivity or other technical issues, he may call Crew Scheduling within the Timeline for bidding, as provided in subsection 14.C.6 or 14.C.7 to coordinate the submission of his Line requests.

12. A Pilot's Monthly Bid Award shall contain the following information:

- a. Assigned Trip Pairings and/or Reserve Duty Periods, as applicable;
- b. The PCH value of individual Trip Pairings;
- c. The PCH value of the entire schedule for the Month;
- d. Scheduled Flight Time for the Month;
- e. Scheduled Duty Time for the Month;
- f. Scheduled Time Away from Domicile ("TAFD") for the Month, if any;
- g. Scheduled Per Diem for the Month;

D. TRIP PAIRING CONSTRUCTION

- 1. Trip Pairings shall consist of one (1) or more Duty Periods, may contain any mixture of Flight Segments, Deadhead Segments and under limited circumstances, as provided in subsection 14.D.2, R-1 or R-2 RAPs.
- 2. The Company shall construct, to the greatest extent possible, the highest number of Trip Pairings with only Flight and Deadhead Segments and with a scheduled PCH at or above the Daily Pay Guarantee ("DPG"). When this construction parameter can no longer be met, the Company may construct the following Trip Pairings ("Split-Trips"):
 - a. Trip Pairings with R-2 RAPs, flight and/or Deadhead Segments when the R-2 RAP is scheduled to be performed at a location other than a Domicile.

- b. Trip Pairings with R-1 RAPs, flight and/or Deadhead Segments when the RAP is scheduled to be performed in a Company designated Domicile.
3. If an R1 or R2 RAP follows the last Flight and/or Deadhead Segment in a single Duty Period and a Pilot has not received another Duty Assignment within one (1) hour after Block-In of his previous Assignment in his Duty Period, he shall be released from the remaining portion of his scheduled Duty and paid for all Duty he performed and for the scheduled Duty that was dropped due to his release, as provided in Section 3 (Compensation).
4. To the extent possible, the maximum number of Trip Pairings shall be constructed containing all flying that is known (Known Flying) at the start of the Monthly Bid Period. Trip Pairing construction may also contain Deadhead Segments and Reserve Assignment Period Reserve Assignment Periods (RAP's). After the start of each Monthly Bid Period and in the same manner, any new Flight Segments that becomes Known Flying in a Month shall be constructed into a Trip Pairing(s) and put into Open Time or Assigned to a Reserve Pilot in accordance with this Agreement.

E. MONTHLY LINE OF FLYING CONSTRUCTION PARAMETERS

1. The published Lines in Monthly Bid Period's Bid Package (Initial Lines) shall be comprised of Regular, Composite and Reserve Lines. Except as provided in 14.E.2 and to the extent possible, the maximum number of Initial Lines shall be constructed with Trip Pairings, as provided in 14.D.4, required Reserve Assignments, as provided in subsection 14.E.12, and published in the Monthly Bid Period Bid Package.
2. When Positions in Domiciles are participating in the SAP process, prior to the publishing of the Initial Lines during the Primary Bid Process, as provided in 14.C.6., the Company shall withhold a minimum of three percent (3%), but no more than fifteen percent (15%), of the scheduled PCH for each Position, in each Domicile. All such withheld PCH shall be available for use during the Schedule Adjustment Period ("SAP").
3. Maximum Scheduled Workdays – All published Initial Lines (i.e. Regular, Composite or Reserve Lines) during the Monthly Bid Period shall be constructed with no more than seventeen (17) scheduled Workdays (i.e., Days in a Month with scheduled Duty or other Company-Directed Assignments), *except*, Lines constructed solely with Duty associated with a TDY Vacancy may be constructed with no more than eighteen (18) scheduled Workdays, inclusive of any Deadhead between a Pilot's Primary Residence and the location(s) where his TDY Assignment is scheduled to originate and/or end.

4. All Workdays in a TDY Line shall be scheduled consecutively. At least fifty percent (50%) of such Lines shall be scheduled to begin and end in the same Month. The remaining TDY Lines may be scheduled to “carry over” into the subsequent Month.
5. All TDY Lines shall be constructed with a minimum number of Scheduled Days Off in a Pilot’s Domicile. Such minimum Days Off in Domicile shall be based on the total number of Days in a given Month, minus the allowable Maximum Scheduled Workdays, as provided in subsection 14.E.3. Any scheduled Day Off in a TDY Line that is scheduled inside a consecutive Day block of Workdays shall not be considered a Day Off for the purposes of meeting the Pilot’s Minimum Days Off in Domicile requirement.
6. When a Pilot is performing a TDY Assignment, the Company shall assure that he is scheduled to receive all applicable Duty Free and Rest requirements, as provided in Section 13 (Hours of Service).
7. All Lines shall be valued at no less than MPG, as provided in Section 3 (Compensation), and constructed to no more than ninety-five (95) PCH.
8. For Lines that contain Flight Segments, RAP’s that originate and/or end at a location other than a Pilot’s Domicile, the Company shall schedule Deadhead into the Trip Pairing in order to reposition the Pilot into and/or out of such Out-of-Domicile location.
9. Regular, Composite and Reserve Lines (non-TDY Lines) shall have at least two (2) separate periods of at least three (3) consecutive Days Off or a single block of at least five (5) consecutive Days Off.
10. Regular Lines
 - a. In accordance with the provisions in this Section 14, the Company shall construct the maximum number of Regular Lines for each Position during the Monthly Bid Period. A Regular Line is a planned sequence of Trip Pairings with or without a limited number of R-1 or R-2 RAPs, with intervening Days Off. R-3 Reserve Assignments shall not be scheduled onto Regular Lines. A Regular Line shall be scheduled with at least one (1) Day Off in any seven (7) consecutive Days.
 - b. To the extent possible, all Regular Lines shall be constructed with Trip Pairings only (“Pure Lines). When such Lines cannot be constructed, Crew Scheduling may create Regular Lines that contain up to a maximum of six (6) R-1 or R-2 RAPs; *provided*, any RAP in Split-Trip Pairings, as provided in subsection 14.D.2.a and 14.D.2.b shall count towards this limitation. Additional RAPs on Days in the Month may be Assigned after SAP-1, as provided in subsection 14.G.4.

- c. All Scheduled Days Off in a Regular Line shall be at the Pilot's Domicile.
- d. All Trip Pairings in a Regular Line shall begin and end at the Pilot's Domicile.
- e. To the extent possible, a Regular Line shall not be constructed with single Days Off during the Month, except for the first or the last Day. When this limitation cannot be avoided due to adherence to other provisions within this Section 14, a Regular Line shall be constructed to achieve the minimum number of scheduled single Days Off in a Pilot's Line.
- f. To the extent possible, The Company shall construct Regular Lines with blocks of Workdays that are scheduled with consistent Weekly work patterns and Report Times (e.g., Workdays scheduled on Sunday through Thursday each Week, all AM or PM DOT's for scheduled Assignments) throughout the Month. As provided elsewhere in this Agreement, Regular Lines are subject to Reassignment(s), Cancellation(s) and/or a delay(s) and the actual DOT or Duty Off time for an Assignment(s) may change from its originally published time(s).
- g. The Company shall schedule all Night Trip Pairings consecutively in a Regular Line.
- h. No more than four (4) consecutive Night Trip Pairings shall be scheduled in a row without at least two (2) consecutive Scheduled Days Off. A Night Trip Pairing shall not be scheduled to Duty Off the Day before the following scheduled Night Trip Pairing's DOT in his Line, nor shall a Night Trip Pairing's DOT be scheduled the Day after the previous Night Trip Pairing's scheduled Duty Off Time. ("no staggering").
- i. A Day Trip Pairing or Reserve Assignment may be scheduled on the first Day or the last Day after a single Day or consecutive block of Night Trip Pairing(s).
- j. The lower numbered Regular Lines in a Bid Package shall contain the highest or equal value PCH than the next lowest numbered Regular Line. That Regular Line shall have a higher or equal value PCH than the next lowest numbered Regular Line. This progression shall continue until all Regular Lines are constructed.

11. Composite Lines

- a. Composite Lines shall be blank when published in the Monthly Bid Package. Composite Lines shall be constructed after the completion of

SAP and shall be constructed with any combination of, but not all inclusive, of the following scheduled Assignments: Trip Pairings, Reserve Duty, Vacation, Training, other scheduled Company-Directed Assignments and Scheduled Days Off. A Composite Line shall be scheduled with at least one (1) Day Off in any seven (7) consecutive Days.

- b. To the extent possible, at least two (2) Days Off shall separate blocks of Trip Pairings, except for the first and last Day of the Bid Period. When this limitation cannot be avoided due to adherence to other provisions in this Section 14, a Composite Line shall be constructed to achieve the minimum number of scheduled, single Days Off contained within.
- c. In numerical order, the lowest numbered Composite Line shall be constructed with the highest scheduled PCH. The next lowest numbered Composite Line's scheduled PCH shall be equal to or lower than the previous lower numbered Composite Line. This progression shall continue until all Composite Lines are constructed.
- d. The minimum number of Composite Lines to be constructed in any Month shall equal the number of weeks of scheduled Vacation per Position and Domicile in a Month, divided by four (4), rounded up to the next whole integer (e.g., 11 weeks of Vacation = $11/4 = 2.75$, rounded up to a minimum of 3 Composite Lines for this Position and Domicile for the Month).

12. Minimum Net Reserve Compliment

All planned Reserve Assignments shall all be included in the initial Reserve Line Construction.

- a. All published Reserve Assignments scheduled on each Day of the Month in the Initial Lines shall be the Minimum Net Reserve Complement for each Day in that Month. The Company may construct additional Reserve Assignments to cover increased flying or lack of Reserve Pilot coverage for any Day in the Month.
- b. All new Reserve Assignments shall be published and placed into Open Time, except for those Reserve Assignments that are constructed for a Pilot that completes Long-Term Training or returns from a Leave of Absence, as provided in Section 8 (Leaves of Absence).
- c. Per Position and Domicile, at the beginning of the Monthly Bid Period, as well as the beginning of each Day of the Month, Crew Scheduling shall update and publish the Minimum Net Reserve requirement and the

number and type of Reserve Assignments that are available for each Day in that Month.

13. Reserve Lines

- a. The Company shall, to the extent possible, construct Reserve Lines. Such Lines shall contain only Reserve Assignments. As provided in Section 15 (Reserve), the types of Reserve Assignments that may be constructed and placed onto a Reserve Line are: Domicile-Short Call Reserve Assignment (R1 RAP), Out-of-Domicile-Short Call Reserve Assignments (R2 RAP) and Long-Call Reserve Assignments (R-3).
- b. To the extent possible, the Company shall construct each Reserve Line with only R-1 RAP's or only R-3 Reserve Assignments, except they may construct a Reserve Line that contains both blocks of R-1 RAP's and R-3 Reserve Assignments, so long as each block of Reserve Assignments contains the same type of Reserve Assignment.
- c. Reserve Lines containing R-2 RAPs shall be constructed with purely R-2 RAPs, except when a R-2 RAP is scheduled within a Trip Pairing.
- d. All Days of R-1 RAPs, along with their individual DOT and Duty Off times shall be published in each R-1 Reserve Line. R-1 DOTs and Duty Off may be scheduled differently, from Day to Day.
- e. Per Position and Domicile, all Reserve Lines shall be published in the Monthly Bid Period and available for all Eligible Pilots to bid.
- f. Reserve Assignments in a Reserve Line may be scheduled as a Single-Day Reserve or in blocks, up to the Maximum Schedule Workdays in a Month, as provided in subsection 14.E.3. When constructing Reserve Lines, Single-Day Reserve Assignments shall be limited to the first or last Day of the Month.
- g. R-2 RAP's in Reserve Lines may be scheduled either consecutively or in blocks, up to the Maximum Scheduled Workday limitation, as provided in 14.E.3. When a Pilot's Line contains R-2 RAP's that are scheduled in blocks throughout the Month, a minimum of five (5) consecutive Days Off in his Domicile shall be scheduled after each block of R-2 RAP's, except when a block of R-2 RAP's transition out of current Month into the new Month, the Integration Procedures in subsection 14.F.5 shall be applicable.

F. INTEGRATION PROCEDURES

The Integration procedures during the Monthly Bid Period shall be accomplished in sequence, as follows:

1. Vacation Integration

a. Vacation Integration procedures:

- (1) Paid Time Off (“PTO”) Days, as provided in Section 11 (Paid Time Off), shall replace all scheduled Duty and/or other Company-Directed Assignments inside and/or outside a Vacation Block (single or consecutive Vacation Week(s)), when such Assignments “conflict” with the Vacation Block. Except as provided in subsections 14.F.1.a.(3) or 14.F.1.a.(4)., when a Trip Pairing conflicts with a Vacation Week(s), all such Assignments shall be dropped from a Pilot’s Line and placed into Open Time. Available PTO Days in such Pilot’s PTO Bank, as provided in Section 11, shall protect the PCH value of the Assignments. Conflicts inside his Vacation Block shall be resolved before covering any conflicts outside of the Vacation Block.
- (2) If a Pilot has insufficient PTO Days in his PTO Bank, as provided in Section 11, to cover all conflicts inside his Vacation Block, to the extent possible, his available PTO Days shall be used first on the conflicting Days with the highest PCH to protect the maximum PCH in his Line. Once his PTO Days have been exhausted, the PCH of the remaining dropped Days shall not be protected and his Line PCH shall be reduced accordingly.
- (3) If a Pilot has insufficient PTO Days in his PTO Bank to cover the removed Days which conflict outside of his Vacation Block and it results in his Line PCH to fall below his MPG, the Company shall utilize his remaining PTO Days, beginning with the conflicting Day(s) closest to his Vacation Block and continue outward from the Vacation Block until the PTO Days in his PTO Bank is exhausted. After the exhaustion of his PTO Bank, if his Line PCH value remains below his MPG, the Company may elect to retain a portion of the Pilot’s conflicting Trip Pairing(s) that have not been replaced by PTO Days and require him to perform such Duty.
- (4) When a Trip Pairing conflicts with a Pilot’s Vacation Block and the conflict extends outside of his Vacation Block for more than three (3) Days in one or both directions of his Vacation Block, the Pilot may request to retain all or any portion of the conflicting Pairing(s). If a Pilot makes such request, he must retain three (3) consecutive

Days or more of the Days of the conflicting Trip Pairing(s). When a Pilot requests to retain such flying, he shall make his selection during the Monthly Bid Period, as provided in subsection 14.C.6. or 14.C.7. Retained Days shall begin with the Day(s) furthest away from his Vacation Block (beginning of, and/or end of the conflicting Trip Pairings) and proceed in consecutively towards the direction of his Vacation Block. Crew Scheduling shall integrate his Line by having the Pilot initiate or join his original Trip Pairing or assign the Pilot Trip Pairing(s) and/or RAP(s) from Open Time on the same Days as the Days he elected to retain. If there are insufficient Duty in Open Time, Crew Scheduling shall place new R-1, or R-2 RAPs on those Days, to the extent that is necessary to bring his Line value up to his MPG. Once his Line PCH reaches his MPG, Crew Scheduling shall cease to add additional Duty to his Line.

- (5) When a Pilot has been awarded a Composite Line, one (1) PTO Day shall be deducted from his PTO Bank, as provided in Section 11 (Paid Time Off), for each scheduled Day of Vacation.
- (6) When a Pilot has been awarded a Reserve Line, one (1) PTO Day shall be deducted from his PTO Bank, as provided in Section 11 (Paid Time Off), for each Reserve Duty Day inside his Block of Vacation.
- (7) A Pilot shall be compensated at the end of the Vacation Integration process, as provided in Section 3 (Compensation).

b. Vacation Slide procedures:

- (1) At his option, a Pilot may move the start date of his single Week of Vacation or his Vacation Block a maximum of three (3) Days in either direction. If exercised, the Pilot must notify the Company within forty-eight (48) hours after the posting of the Initial Line Awards, as provided in subsection 14.C.6. or 14.C.7.
- (2) Consecutive Vacation Weeks are considered one (1) Vacation Block for the purposes of sliding a Pilot's Vacation. A Vacation Block must stay intact when moving in a Vacation Slide request.
- (3) All Trip Pairing(s) or Reserve Assignments on Days inside a Pilot's Vacation Block after a Vacation Slide shall be removed and replaced with one (1) PTO Day for each Day with scheduled Assignments, as provided in subsection 14.F.1.a.
- (4) A Vacation Slide shall be denied when a Pilot attempts to slide his Vacation Block into a "conflict" and a portion of a Trip Pairing

remains outside of the Vacation Block. When a Pilot's Vacation conflicts with a Trip Pairing, a Pilot may slide his Vacation Block when, at the end of the slide, a conflict still exists with the same conflicting Trip Pairing or the slide removes the initial conflict but causes a subsequent one.

- (5) If a Pilot has insufficient PTO Days in his PTO Bank, as provided in Section 11 (Paid Time Off), following a Vacation Slide that results in his adjusted Line PCH value to fall below MPG, he would enter SAP, as provided in subsection 14.G.3.a.

2. Training Integration procedures:

- a. If a Trip Pairing(s) or Reserve Assignment(s) conflicts with a Pilot's scheduled Training, as provided in Section 12 (Training), the conflicting Trip Pairing(s), or portion thereof, and/or conflicting Reserve Assignments shall be removed, and his scheduled Training Days shall be placed on his Line.
- b. If Training is scheduled to occur on a Pilot's Day Off, such Training shall be placed on the Day(s) Off and such Days Off shall not be replaced.
- c. A Pilot shall be compensated for Training Integration, as provided in Section 3 (Compensation).

3. Operating Experience ("OE") Integration

- a. If a F/O receives a Trip Pairing(s) in his Initial Line Award that is to be used for OE, during the Integration process, as provided in subsection 14.C.6. or 14.C.7, he shall have the Trip Pairing(s), or portion(s) thereof, dropped, to the extent the Trip Pairing is used for scheduled OE. During the OE Integration process, the Company may assign the F/O to another Trip Pairing(s) on the same scheduled Workday(s) as his original Trip Pairing(s). If the F/O is Assigned a new Trip Pairing(s), his Line PCH shall be adjusted to reflect the PCH of the new Trip Pairing(s). If the Company does not assign the F/O a new Trip Pairing, his Line PCH shall be adjusted to reflect the removal of his original Trip Pairing(s).
- b. A F/O shall be compensated for OE Integration, as provided in Section 3 (Compensation).

4. Military Duty /Leaves of Absence (“LOA”) Integration

- a. If a Pilot is required to perform Military Duty, he shall notify the Chief Pilot as soon as possible once he receives his orders and knows the specific Day(s) he is scheduled for such Military Duty. He shall have his Trip Pairing(s) removed from his schedule and the applicable scheduled PCH shall be deducted from his Line’s PCH value.
- b. A Pilot who has been awarded a Leave of Absence (“LOA”), as provided in Section 8 (Leaves of Absence), shall have any Trip Pairing(s) and Reserve Assignments that conflicts with the Days he is on LOA dropped from his schedule and the applicable scheduled PCH shall be deducted from his Line’s PCH value. If his Line’s PCH value falls below MPG, his MPG shall not be protected, except as otherwise provided in this Agreement.

5. Month-End Integration

- a. If a Pilot’s scheduled Trip Pairing or Reserve Assignment in the current Month conflicts with his scheduled Trip Pairing or Reserve Assignment in the new Month (Transition Assignment), the Trip Pairing(s) or Reserve Assignment(s), or portions thereof, in the new Month shall be removed to alleviate the Month-end conflict, with a minimum loss of PCH to his new Line’s PCH value.
- b. If a Pilot is projected to exceed any limitations, as provided under the Federal Aviation Regulations (“FARs”) or in this Agreement, due to an Assignment in the new Month, the Assignment in the new Month, or portions thereof, shall be removed to alleviate the Month-end conflict, with the minimum loss of PCH to his new Line’s PCH Value.
- c. Notwithstanding the Maximum Scheduled Workday limitation for Line Construction, as provided in subsection 14.E.3., for all Lines, if a Transition Assignment carries into the new Month and ends within the first five (5) Days the Month (Transition Days) any Scheduled Days Off that are lost by the such Assignment shall not be restored during the Integration Period. If a Transition Assignment carries into the New Month and extends beyond the Transition Days, Crew Scheduling shall integrate his Line by dropping, on a Day for Day basis, other Trip Pairings and/or Reserve Assignments in the New Month for the purpose to recover all Scheduled Days Off that are lost due to the Transition Assignment, except, a Pilot may direct Crew Scheduling during the Initial Line Protest Period, as provided in subsections 14.C.6. and 14.C.7., to not integrate his Line for the purpose of recovering all or any portion of such Days Off. When Assignments are dropped from a Pilot’s Line during this Integration process, they shall be dropped, to the extent

possible, at the beginning or at the end of a block of Scheduled Days Off. When constructing Composite Lines, all Days in the New Month that are covered by a Transition Assignment shall be considered part of the Maximum Scheduled Workdays for that Month.

- d. A Pilot shall be compensated for Month-End Integration, as provided in Section 3 (Compensation).

G. SCHEDULE ADJUSTMENT PERIOD (“SAP”)

1. General

The SAP process allows a Pilot to modify his Initial Line Award through different transactions during the Monthly Bid Period. All Trip Pairings and Reserve Assignments withheld during Line Construction, all new Trip Pairings or added Reserve Assignments constructed after the commencement of the Monthly Bid Period, if any, and all Trip Pairings, Reserve Assignments that are removed from Lines during the Integration Process shall be available in SAP. After SAP awards have been made, all unassigned Trip Pairings and/or Reserve Assignments shall be used in the construction of Composite Lines. A Pilot shall have the opportunity to perform “Pick-ups” and/or “Trades,” but not “Drops” during the SAP process. The following limitations shall apply to all SAP transactions:

- a. Reserve Assignments shall be placed into Open Time as a single Reserve Assignment or grouped in a block of Reserve Assignments. Pilot who wish to pick up a Reserve Assignment that is grouped in a block must pick up the entire block, unless otherwise allowed by Crew Scheduling.
- b. A Pilot’s Line PCH value may not fall below MPG.
- c. All applicable Flight and Duty Time Limitations, as provided in Section 13 (Hours of Service), shall apply to all SAP Transactions. The Maximum Scheduled Workday limitation for Line Construction, as provided in subsection 14.E.3, shall not apply to SAP transactions.
- d. If a requested Trade or Pick-up creates a conflict with another Trip Pairing or Reserve Assignment in his Line, a Pilot may not modify his schedule in SAP.
- e. A Pilot may not Pick-up or Trade in SAP for a Trip Pairing(s) or Reserve Assignment(s) that is scheduled during or overlaps a Vacation Block.

- f. SAP Blackout Dates are as follows: Independence Day, Thanksgiving Day, Christmas Day and New Year's Day. Approval for Trip Trades in SAP involving SAP Blackout Dates shall comply with the Trip Trade provisions, as provided in subsection 14.L.

2. Participation in SAP

- a. A Pilot Awarded a Regular Line may participate in SAP.
- b. A Pilot who does not bid a schedule due to Long-Term Training (*i.e.*, more than fifteen (15) consecutive Days), as provided in Section 12 (Training), or is returning from a LOA that covers more than fifteen (15) Days in the Month, as provided in Section 8 (Leaves of Absence), shall not participate in SAP. However, such Pilot may participate in the Daily Open Time process during the time in his Line that is not covered by Training or a Leave of Absence.
- c. A Pilot who is eligible to bid in the Monthly Bid Period and whose Line PCH falls below MPG when beginning an approved Leave of Absence shall not participate in in SAP.

3. SAP Awards shall be made using the following procedures:

- a. When a Pilot's Line PCH falls below his MPG as a result of the Integration process, as provided in subsection 14.F, he shall have "Super-Seniority" at the beginning of SAP. If more than one (1) Pilot's has similarly fallen below MPG, all Awards for Pilots who have Super-Seniority in SAP shall be accomplished in Seniority Order. A Pilot with Super-Seniority may submit Pick-up and/or Trade requests to recover his Line's value PCH up to or over MPG, with the following limitations:
 - (1) He shall only be awarded a Trade request if it involves only one (1) Trip Pairing or block of Reserve Assignments from Open Time and the result of the Trade increases his Line's PCH value up to or over MPG.
 - (2) Each of his Pick-Up Requests shall involve only one (1) Trip Pairing or block of Reserve Assignments.
 - (3) His Pick-up requests shall be awarded, beginning with the Trip Pairing or block of Reserve Assignments that has the highest PCH value, unless a request with a lower PCH value increases his Line's PCH value up to or over MPG through that single transaction.
- b. After a Pilot with Super-Seniority has recovered his Line's PCH value, as provided in subsection 14.G.3.a, he shall return to his appropriate

Seniority in his Position and Domicile. All subsequent SAP transaction requests shall be processed in Seniority Order for the remainder of SAP for that Month.

4. A Pilot whose Line's PCH value is below the MPG after SAP, Crew Scheduling shall, to the extent possible, assign unassigned Trip Pairings and/or Reserve Assignments onto the remaining available Days of his originally scheduled Assignments. The minimum number of Trip Pairings or Reserve Assignments shall be added until his Line's PCH value is up to or over his MPG. If Crew Scheduling cannot recover a Pilots Line up to the MPG, they may add additional Trip Pairings and/or Reserve Assignments on his originally Scheduled Days Off up to the Maximum Scheduled Workdays in the Month and to the extent possible at the beginning or end of a block of Days Off on his Line. After this process, the Company shall construct Composite Lines, if available.

H. SECONDARY BID PROCESS

1. When the JSC determines that the Secondary Bid Process in subsection 14.C.7 is to be utilized for a Position(s) at a Domicile(s) or a TDY Location(s) during the Monthly Bid Period, Crew Scheduling shall construct Secondary Lines, using unassigned Trip Pairings and Reserve Assignments in Open Time after the Initial Line Integration Period. To the extent possible, Crew Scheduling shall utilize such unassigned Assignments to construct such Secondary Lines. Crew Scheduling shall construct all Secondary Lines utilizing the Composite Line Construction parameters, as provided in subsection 14.E.11.
2. As provided in this Section 14, all bidding Pilots during the Secondary Bid Process shall receive their Monthly Bid Packages at the same time and by the same means as the Pilots who bid in the Primary Initial Bid.
3. As provided in this Section 14, all Pilots bidding in the Secondary Bid Process shall submit their bids in the same manner as the Pilots in the Initial Bid.
4. Secondary Bid Process results shall be posted, as provided in subsection 14.E.7.
5. After the Secondary Line Integration Period, Crew Scheduling may, up to the Maximum Scheduled Workday limitation as provided in subsection 14.E.3., schedule unassigned Trip Pairings and/or Reserve Assignments from Open Time onto the Days in a Secondary Line that were originally covered by Assignments during the Secondary Bid Process. Any remaining unassigned flying shall remain in Open Time.

I. OPEN TIME PROCEDURES

1. Open Time contains all Trip Pairings and Reserve Assignments that are unassigned to a Pilot at any time during the Month. Crew Scheduling shall publish all unassigned Assignments when placed into Open Time. Except as otherwise provided for in this Section 14., when Trip Pairings and/or RAPs become unassigned during a Month, they shall be placed into Open Time before being Awarded or Assigned to a Pilot by Crew Scheduling
2. Daily Open Time
 - a. After the Composite Line Blackout Period, as provided in subsection 14.C.6., all unassigned Trip Pairings and Reserve Assignments in Open Time shall be made available and awarded to Pilots in the same Position at a Domicile on a first come-first served basis. During the hours when Crew Scheduling is open, all awards shall be approved or denied within two (2) hours of a Trip Trade or Pick-Up submission.
 - b. When a Domestic or International Trip Pairing remains unawarded or became unassigned within forty-eight (48) or ninety-six (96) hours respectively of their DOT's, Crew Scheduling shall make such Assignments in the following order:
 - (1) Assign an unassigned Trip Pairing utilizing the First-In, First-Out (FIFO) process, as provided in Section 15 (Reserve), to a Pilot performing a RAP or R-3 Assignment; *provided*, the Company may omit this step and proceed directly to a Voluntary Pilot Assignment ("VPA").
 - (2) Assign the Trip Pairing to an Out-of-Domicile Pilot, as provided in subsection 14.1.2.b.(1)., who is performing a RAP; *provided*, the Company may omit this step and proceed directly to a VPA Assignment;
 - (3) Assign the unassigned Assignment to a Management Pilot, or to Full Time Check Airman who volunteers to perform the Assignment.
 - (4) A Junior Assignment, as provided in subsection 14.N.
3. Normally, a Pilot must be able to perform the entire Assignment without conflicting with any previously scheduled Assignments in his Line; *provided*, Crew Scheduling may break up the Open Time Trip Pairing or abbreviate a block of Reserve Assignments in Open Time to accommodate a Pilot's availability or when requesting to pick-up or trade with an Assignment in Open Time that would otherwise result in a conflict with an Assignment in his Line. Crew Scheduling may request the Pilot to waive this restriction and

perform the Open Time Assignment. If the Pilot agrees with this request, his schedule shall be adjusted to accommodate such request and the Pilot shall be paid as provided in Section 3 (Compensation).

4. A Pilot who has been awarded a Reserve Line shall not be Assigned Open Time on his scheduled Day(s) Off; *provided*, the Company may approve a Trip Trade, Pick-Up or Drop request and award unassigned Duty from Open Time to the Pilot.
5. A Pilot Assigned Open Time must be compliant with all applicable FARs and the restrictions and limitations, as provided in Section 13 (Hours of Service).
6. A Pilot must be current and qualified in the same Position as the Open Time Assignment.
7. With Company approval, a Pilot may attempt to trade his Reserve Assignments for an unassigned Trip Pairing(s) in Open time. Crew Scheduling may require a Pilot to include the entire block of Reserve Assignments in his Line when trying to trade only a portion of Reserve Assignments in such block.
8. The Company shall not be responsible for any Deadhead associated with a Pilot's Commute to originate or return from an Out-of-Domicile Duty Assignment that was voluntarily awarded from Open Time, unless the Company constructs the Deadhead segment(s) into the Trip Pairing.
9. Until the Company acquires computer software to execute Daily Open Time procedures on a "real-time" basis, the Company shall manually post all unawarded Trip Pairings and Reserve Assignments in Open Time by electronic means. Such posting shall be updated daily and as many times during the Day as practical, but not less than prior to 0600, between 1100-1300 and 1600-1700 LDT.

J. REASSIGNMENT PROCEDURES

1. After the publication of the Final Bid Award, a Pilot may have his Trip Pairings or portions thereof in his Line Reassigned. Any Reassigned Trip Pairing must remain within the date(s) of the original Trip Pairing and must be within all applicable limitations, as provided in Section 13 (Hours of Service) and this Section 14.
2. Reassignment rules and restrictions:

- a. Except for being Reassigned to a R-4 RAP while performing a R-1 or R-2 RAP, a Pilot shall not be Reassigned, but may voluntarily accept to perform a Reserve Assignment.
 - b. A Reassignment must be for circumstances beyond the Company's operational control.
 - c. A Pilot shall be Reassigned only on the same Day(s) as his original Trip Pairing.
 - d. A Pilot shall not be Reassigned to Days Off.
 - e. A Pilot shall not be Reassigned for a Trip Pairing any earlier than two (2) hours earlier than the scheduled Report Time of his original Trip Pairing.
 - f. A Pilot who is Reassigned shall be scheduled to be released from Duty no later than four (4) hours after his originally scheduled Trip Pairing's Duty Off time.
 - g. The provisions, as provided in subsection 14.1.2.a thru 14.1.2.f, shall not apply to a Pilot who is Assigned a Trip Pairing when performing a Reserve Assignment until the Assigned Trip Pairing is within twelve (12) hours of its originally scheduled DOT.
3. If a Pilot is Out-of-Domicile, he may be Reassigned, as follows:
- a. He must be immediately Assigned to a new Trip Pairing, or put into Rest;
 - b. The Reassigned Duty Period may not exceed the Duty Limitations, as provided in Section 13 (Hours of Service);
 - c. Following the notification of the Reassigned Report Time, a Pilot is not under an obligation to accept a new Reassignment before he has received legal Rest, as provided in Section 13;
 - d. Unless the Company is unable to return a Pilot back to his Domicile or Residence Airport before his next scheduled Day Off due to circumstances beyond the control of the Company (*i.e.*, ATC, Weather or Mechanical), he shall have no obligation to accept a Reassignment.
4. When operational delays occur because of Weather, a Pilot may be Reassigned as follows:
- a. If a Pilot's Trip Pairing, or portions thereof, is cancelled, the Company shall have up to two (2) hours from the cancellation to Reassign a Pilot to new Trip Pairing or, notify him that he shall be performing the latter

Flight Segments of his original Trip Pairing or, release him from all Duty for the remainder of the Day.

- b. If a Pilot is Out-of-Domicile and the two (2) hour limitation, as provided in subsection 14.1.4.a., has expired, the Company shall provide him with single occupancy hotel lodging, as provided in Section 6 (Expenses, Lodging and Transportation), and he shall be put into Rest.
5. When a Pilot is late for the DOT of his Trip Pairing and Crew Scheduling Reassigns another Pilot to the late Pilot's Trip Pairing, or they assign it to a Pilot performing a Reserve Assignment, if the late Pilot Reports for Duty during the same time as the Assigned/Reassigned Pilot Reports for the Assignment, the following shall apply:
 - a. The Reserve or Reassigned Pilot, whichever is applicable, shall have the choice of flying the late Pilot's Trip Pairing, be Reassigned to another similar Trip Pairing if available, or if it remains unassigned be Reassigned back to his original Trip Pairing or Reserve Assignment, whichever is applicable.
 - b. If the Reassigned or Reserve Pilot, whichever is applicable, opts to fly the Late Pilot's Trip Pairing, as provided in subsection 14.1.5.a., the Company may choose to Reassign the late Pilot to a new Trip Pairing, based on his availability for Duty. Such Reassignment shall be on the same Days as his original Trip Pairing, unless the Pilot agrees to waive this restriction. The Company may also elect to assign such Pilot to a Reserve Assignment (s on the same Day(s) as his original Trip Pairing. If the Company does not assign him to a new Trip Pairing or a Reserve Assignment, he shall be sent home without Pay, but may pick-up unassigned Trip Pairings or Reserve Assignments on the Days of his original scheduled Trip Pairing from Open Time.
 - c. If the Reassigned or Reserve Pilot, whichever is applicable, opts out of the Trip Pairing and allows the late Pilot to fly his originally scheduled Trip Pairing, he may be Reassigned to another Trip Pairing or Reserve Assignment, as provided in Section 14 (Scheduling). If the Company elects not to Reassign the Pilot during the Day(s) of his original Assignment, he shall be released from all further Duty and be paid for such Reassignment, as provided in Section 3 (Compensation).
6. A Pilot may be Reassigned from his Trip Pairing to accommodate Training or currency requirements for Management Pilots.
7. For Multi-Day Trip Pairings, a Pilot may be subject to Reassignment on any of the Days he was originally scheduled for Duty and shall not, without his

approval, be required to perform any portion of a Trip Pairing(s) outside the Days of his original Trip Pairing.

8. A Pilot may be Reassigned from a Trip Pairing because of his own Consolidation limitations.
9. All Pilots who are Reassigned, as provided in subsection 14.1., shall be paid in accordance with the Reassignment provisions, as provided in Section 3 (Compensation).

K. EXTENSION PROCEDURES

1. When there are no available Pilots scheduled for a Reserve Assignment, the Company may extend the Duty Period of a Pilot who is currently performing a Trip Pairing to fly additional Flight Segments, as follows:
 - a. The Extension occurs after the last Flight Segment of a Pilot's Trip Pairing; and,
 - b. Crew Scheduling is unable to Reassign another Pilot to perform such flying; and,
 - c. He is expected to cycle through his Domicile within one (1) hour of the extended Duty's scheduled Departure Time,
 - d. He is legal to perform such flying; and
 - e. The Extension shall not cause the Pilot's Duty Time to exceed three (3) hours past his originally scheduled Duty Off Time; and,
 - f. The Extension is not scheduled to affect any Assignments on his Line; and,
 - g. The Extension is scheduled to return the Pilot to his Domicile on the same Day; *provided*, if his revised scheduled Duty Off Time due to the Extension is between 0000 and 0200 on a Day Off, it shall be considered the same Day.
 - h. If a Pilot performing a Flight Segment due to being Assigned to an Extension is delayed beyond three (3) hours after his original Duty Off Time on the following Day due to circumstances beyond the Company's control (*i.e.*, ATC, weather, mechanical), the Pilot shall finish the Trip Pairing.
 - i. A Pilot shall be paid the Overtime Premium, as provided in Section 3 (Compensation), for all Duty performed during the Extension.

2. When an extension causes a Pilot to exceed his maximum Duty-Time limitations, as provided in Section 13 (Hours of Service), the Company shall remove him from his Trip Pairing and put him into Rest prior to exceeding such limitations. Thereafter, the Company shall make its best effort to return him to his Domicile, as soon as practical.
3. When a weather, ATC, or mechanical delay causes a Pilot on an Extension to be Replaced on any portion of a future Assignment(s) in his Line, he shall be paid, as provided in subsection 3.E.1.b.
4. When a Pilot is Extended to additional Flight Segments and prior to departing his Domicile, a departure delay causes his new estimated Duty Off Time to exceed his scheduled Duty Off Time of his original Trip Pairing by more than three hours, the Pilot shall have the option to
 - a. Refuse the Extension, or
 - b. Volunteer to continue to fly the Extended Trip Pairing. If the Pilot elects to perform the Assignment, He shall be Paid Overtime Premium for the entire Extension.
5. A Pilot shall not be Extended more than one (1) time per Month.

L. TRIP TRADES

1. Crew Scheduling shall approve or deny all Trip Trade requests. If electronic means are not available to process Trip Trade requests, paper requests shall be accepted and must be signed by both Pilots involved in the Trip Trade and submitted no later than twenty-four (24) hours prior to the time of the earliest Report Time of the Assignments involved in the Trip Trade. Crew Scheduling may wave this twenty-four (24) hour requirement on a case-by-case basis.
2. Trip Trade requests may be for an entire Trip Pairing(s) or partial Trip Pairing(s) that begin and end at the Pilots' Domicile.
3. A Trip Trade(s) must be compliant with the FARs and all Flight Time Duty Time limitations, as provided in Section 13 (Hours of Service).
4. A Reserve Pilot may trade a Reserve Assignment(s). When attempting to trade a RAP connected to a block of consecutive Reserve Assignments in his Line, Crew Scheduling may require him to include a portion or all of the Reserve Assignments in that block in his Trip Trade request. This requirement is to maintain Reserve coverage requirements for multiple Day/multiple Duty Period Trip Pairings.

5. Crew Scheduling shall have the discretion to approve or disapprove a Trip Trade request that drops a Pilot's Line PCH below MPG. If approved, such Pilot's MPG shall not be protected.
6. A Trip Trade with Open Time shall be approved if the Daily Minimum Net Reserve Complement, as provided in subsection 14.E.12., is satisfied on the Days of the Trip Pairing to be traded with Open Time. Crew Scheduling may delay a decision on a Trip Trade request with Open Time until twelve (12) hours before the earliest scheduled Report Time of either Assignment in the Trip Trade Request, if there is an anticipated increase in new, additional flying. At such time the Company shall then approve or deny the requested Trade. If a Pilot's Trip Trade request is denied, he may request an explanation from Crew Scheduling. The Company shall respond in a timely manner.
7. Except for the limitation on Company Holidays, as provided in subsection 14.G.1.f., there shall be no other Trip Trade limitations during SAP.

M. TRIP DROPS

1. Unilateral Drops
 - a. After the Final Lines are published, a Pilot may request to Drop a Trip Pairing or Reserve Assignment from his Line by submitting a Trip Trade/Drop/Pick-up Form to Crew Scheduling or, if after business hours or on a weekend or holiday, to a dispatcher who is on Duty. Crew Scheduling shall administer the Trip Drop Process fairly and equitably.
 - b. Crew Scheduling may postpone approving or denying a Pilot's Drop request for up to twenty-four (24) hours before the Assignment's DOT.
 - c. If two (2) or more Pilots in the same Position submit Drop requests for Assignments scheduled on the same Day(s), all requests shall be approved in Seniority Order.
 - d. If a Unilateral Drop is denied or cannot be immediately approved, a Pilot may request Crew Scheduling to "advertise" his Trip Pairing(s) or Reserve Assignments in Open Time to allow other Pilots in his Position to Pick-Up or Trip Trade with his Assignment. Such Assignment shall remain in Open Time until: (1) the originally Assigned Pilot requests Crew Scheduling to remove his Assignment from being "advertised" in Open Time; or, (2) such Assignment is Picked-up or Trip-Traded by another Pilot; or, (3) if either (1) or (2) has not occurred before twelve (12) hours prior to the Assignment's DOT. Until his Assignment is

Picked-Up or Trip Traded by another Pilot, the originally scheduled Pilot shall remain responsible for the Assignment.

2. Partial Trip Drops

- a. A Pilot may request to drop a portion of his Trip Pairing (Partial Trip Drop). Crew Scheduling shall approve or deny all Partial Trip Drop requests. Except as provided in subsection 14.M.3. (Deadhead Drops), all Partial Trip Drops shall be subject to the provisions of subsection 14.L.1.
- b. The Company shall not be responsible to provide Per Diem or Deadhead Pay for any unscheduled Deadhead that results from a Pilot's Partial Trip Drop.

3. Deadhead Drops

- a. A Pilot may request to Drop a scheduled Deadhead when it is the first and/or last segment(s) of his Duty Assignment. If Crew Scheduling has no further potential Duty for that Pilot in that Duty Period, Deadhead Drops shall be approved as follows:
 - (1) When the Deadhead Segment(s) is on a Company Aircraft, the Drop request must be made no later than six (6) hours before the DOT of the Deadhead.
 - (2) If the scheduled Deadhead is on another Commercial Air Carrier, the Pilot shall make his Drop request, as provided in Section 7 (Deadheading).
- b. A Pilot who was originally scheduled to Deadhead to and/or from his Domicile or TDY location shall be compensated, as provided in Section 3 (Compensation) for all approved Dropped Deadhead Segments.

N. VOLUNTEER PILOT AVAILABLE ("VPA")

- 1. A Pilot may volunteer for Duty on his scheduled Day(s) Off. Such Pilot shall be placed on the Volunteer Pilots Available ("VPA") List. Crew Scheduling shall call Pilots from the VPA List when necessary to assign a VPA to an unassigned Trip Pairing or other Company-Directed Assignment prior to using the Junior Assignment procedures, as provided in subsection 14.N.
- 2. After the Final Bid Awards are published, a Pilot may make volunteer for the upcoming Month. All requests to be on the VPA List shall be submitted electronically to Crew Scheduling. A Pilot submitting a VPA request in the

current Month may be bypassed for an Assignment for the first twenty-four (24) hours following his submission.

3. A Pilot's VPA request shall include the date(s) he is available and may include specific and quantifiable trip limitations (e.g., no Assignments between 01:00-05:00, no Reserve coverage, no multi-Day Trip Pairings, no Simulator support).
4. A Pilot may request to be removed from the VPA List or may modify his VPA request limitations any time prior to being called by Crew Scheduling for a VPA Assignment. Once called, a VPA must accept the Assignment if it is within his VPA request limitations.
5. The Company may not assign a VPA to an Assignment that conflicts with any other Assignment(s) in his Line.
6. If more than one VPA is eligible for a specific Assignment, the Assignment shall be given to the most senior Pilot.
7. A Pilot on the VPA List shall be available to be contacted by Crew Scheduling for an Assignment in accordance with his VPA request limitations within forty-eight (48) hours prior to the date and time he has volunteered. If he is currently performing an Assignment for the Company when Crew Scheduling attempts to contact him, he shall contact Crew Scheduling at the end of that Assignment.
8. All VPA Assignments shall be paid VPA Premium Pay, as provided in Section 3 (Compensation).
9. The VPA provisions, as provided in subsection 14.M, shall not be applicable to any Pilot on Furlough, as provided in Section 17 (Displacement, Furlough and Recall).

O. JUNIOR ASSIGNMENT ("JA")

1. A Junior Assignment ("JA") is when a Pilot is Involuntarily Assigned to a Trip Pairing or Reserve Assignment in his Domicile or in another Location.
2. Any Reassignment that results in a Pilot exceeding the Reassignment limitations, provided in subsections 14.J. shall be considered a Junior Assignment.
3. Except as provided in subsection 14.O.8., Crew Scheduling shall first attempt to assign a Pilot on the VPA list, as provided in subsection 14.N. or is scheduled to perform a Reserve Assignment before attempting to JA a Pilot to an unassigned Trip Pairing or RAP.

4. Except as provided in 14.O.8., a JA shall be accomplished in inverse Seniority Order among all available and legal Pilots who are scheduled for the same Day(s) Off as the Day(s) of the unassigned Trip Pairing or Reserve Assignment.
5. A JA shall only be effective if Crew Scheduling has made "Positive Contact" with the Pilot (*i.e.*, the Pilot responds to Crew Scheduling's call via direct communication on the phone, text or email).
6. No Pilot may be Involuntary Assigned into a JA prior to forty-eight (48) hours of the Assignment's DOT for a JA in a Domicile or ninety-six (96) hours of the Assignment's DOT for a JA in an International location.
7. When the Company is down to the last available Pilot scheduled for a Reserve Assignment or there is no available Pilot on the VPA list, Crew Scheduling may attempt to JA a Pilot prior to assigning the Trip Pairing to the last available Pilot who is performing a Reserve Assignment. The Pilot who is Involuntarily Assigned shall have the option of performing the unassigned Trip Pairing or the Reserve Assignment.
8. When Crew Scheduling cannot assign a Pilot to a Trip Pairing who is scheduled for a Reserve Assignment, is on the VPA List or JA a Pilot on his Days Off and provide him with Deadhead Travel and if applicable, Rest prior to the Trip Pairing's scheduled DOT, they may JA a Pilot who is currently performing another Trip Pairing.
9. When a Pilot who is performing an Assignment away from his Domicile and is Junior Assigned into additional Days, his JA shall not be for more than three (3) consecutive Days at an International location or two (2) consecutive Days at a Domestic Location. In both cases, if the JA is at the end of a Trip Pairing or R-2 Assignment, the Days of the JA shall run consecutively from the Assignment he is currently performing.
10. When a Junior Assignment conflicts with a future Assignment in a Pilot's Line due to a delay caused by weather, ATC, mechanical or circumstances outside the control of the Company and the Pilot does not cycle through his Domicile during his JA, Crew Scheduling shall either Deadhead the Pilot back into his Domicile in time to receive Rest before his next scheduled Assignment, Deadhead the Pilot to a location to join his next scheduled Assignment, or they shall keep him on his JA.
11. When Crew Scheduling keeps a Pilot on his JA and it conflicts with a future Assignment(s) in his Line, as provided in 14.O.10., he shall be Replaced on the portion of the future Assignment that conflicts with the JA.

12. Under no circumstances shall the Company Involuntary Assign a Pilot to a JA for more than two (2) independent Involuntary Assignments in any rolling three (3) Month period.
13. A Pilot shall not be Junior Assigned to more than two (2) additional Days above the Maximum Scheduled Workday limitation, as provided in subsection 14.E.3, in any Month, except when a Pilot is Assigned to a JA in an International location, he shall not be Involuntarily Assigned to more than three (3) additional Days above the Maximum Scheduled Workday limitation.
14. A Pilot performing a R-2 RAP shall be available for JA at an International location only. A Pilot who is performing a R-1, R-3 or has been Reassigned to an R-4 Reserve Assignment shall not be eligible to be Junior Assigned.
15. If Crew Scheduling is unable to Involuntarily assign a Pilot to a JA from a Domicile where the Assignment originates, they may JA a Pilot from a different Domicile to perform the Assignment.
16. A Pilot shall not be subject to a JA without his consent when he is on Vacation or during consecutive Scheduled Days Off immediately prior to or after his Vacation Block.
17. Absent of extenuating circumstances, a Pilot may not decline a JA. Examples of extenuating circumstances are: Pilot's wedding, Immediate Family Member's birth, graduation, wedding, death or extreme illness; or scheduled court ordered appearance. When extenuating circumstances exist, the affected Pilot shall inform Crew Scheduling or the Chief Pilot as soon as possible.
18. A Pilot who is Involuntarily Assigned shall receive the Junior Assignment Premium, as provided in subsection 3.R. (Junior Assignment Premium) for all Junior Assignments, except
 - a. A Pilot who elects to recover all or any number of his Days Off that were lost due to the JA may elect to recover all, or any portion of his lost Days Off on a Day-for Day basis.
 - b. When electing to recover Days Off in his Line as a result of a JA, he shall submit his request to Crew Scheduling and they shall be recovered in the current Month, except, if the JA occurred during the last seven (7) Days of a Month, Crew Scheduling may elect to have all or any portion of the Days Off recovered in the following Month.

- c. If the recovered Days Off are at the beginning or end of a block of Reserve Assignments, the Company shall approve his drop requests. If he requests to drop a Day(s) in the middle of a block of Reserve Assignments, the Pilot and Crew Scheduling shall collaborate and mutually agree to the Day(s) that are dropped from his Line.
- d. When a Pilot elects to recover any number of his lost Days Off, as provided in this subsection, he shall be paid, on a Day-for-Day basis, his regular Hourly Pay Rate for a JA when he elects to recover lost Days Off in his Line.

P. IRREGULAR OPERATIONS (“IROPS”)

1. Irregular Operations (“IROPS”) may be declared by the Company when it is necessary to recover a Domicile’s operation due to:
 - a. Extreme weather or other natural conditions that cause delays or cancellations to fifty percent (50%) or more of its daily schedule; *provided*, IROPS due to extreme weather shall not exceed one (1) Week in length; or,
 - b. Pilot understaffing in a Position at a Domicile of twenty-five percent (25%) or more, rounded up to the next highest whole integer, based on the previous three (3) Month’s average staffing of that Position at that Domicile. In such case, IROPS shall apply only to that Position. Under-staffing due to expected or actual Training (“Training Bubble”) or due to Sick Leave shall not be used in any IROPS calculation.
2. The Company shall make its best efforts to notify all affected Pilots at least twenty-four (24) hours in advance of the implementation of IROPS.
3. During IROPS, all Junior Assignment provisions, as provided in subsection 14.O., shall be applicable, except there shall be no limitation on the number of Junior Assignments a Pilot may be subject to.
4. Except for the Reassignment’s same Day limitation in 14.I.2.d., all other Reassignment and Open Time limitations may be adjusted during IROPS to best meet the Company’s operational needs.
5. The Company shall immediately notify the Union and provide an explanation for activating IROPS. At the Union’s request, Flight Operations shall provide a daily briefing during IROPS and receive a daily IROP update, as well as their anticipated IROP end date. The Company shall communicate regularly with the Union during any IROPS and when given input by the Union, shall give it serious consideration.

Q. GENERAL

1. A Pilot shall not be scheduled to drive to or from an airport that is not his Domicile if he is not protected by commercial automobile coverage and/or on-premise automobile coverage under an aviation liability policy that insures against his bodily injury or property damage resulting from the use of an automobile.
2. A Captain shall not be eligible to bid for a First Officer Line during the Monthly Bid Period. Furthermore, a Captain shall not fly as a First Officer, except when performing Check Airmen Duties or to avoid cancelling a Trip Pairing.
3. A Management Pilot may perform any unassigned Trip Pairings in Daily Open Time, as provided in subsection 14.I. A Management Pilot may Displace a Pilot from his Trip Pairing(s), or portions thereof, for maintaining his own currency. The Displaced Pilot shall be paid, as provided in Section 3 (Compensation).
4. Unless specified otherwise, all scheduled Assignments in Domiciles, as provided in this Section 14, shall be Local Domicile Time ("LDT").

SECTION 15 RESERVE

A. RESERVE LIMITATIONS

1. Pilots may be scheduled for Reserve to cover unanticipated Pilot absences including for the following reasons:
 - a. Illness or injury;
 - b. Fatigue call;
 - c. Personal emergency leave;
 - d. Charters;
 - e. Ferry Flights/Positioning Flights;
 - f. Maintenance Acceptance Flights (subject to Pilot's discretion);
 - g. Irregular Operations;
 - h. Route change;
 - i. Open Time
2. The Duty Time Limitations and Rest requirements for a Pilot on a RAP, inclusive of any Assigned Trip Pairing or Company-Directed Assignment, shall be as provided in Section 13 (Hours of Service).
3. A R-1 and R-2 RAP shall not be scheduled to exceed twelve (12) hours.
4. A Pilot performing a RAP may contact Crew Scheduling within four (4) hours of his Duty Off Time and request to be released from such RAP if he has not been Assigned to a Trip Pairing or other Company-Directed Assignment. If Crew Scheduling has not Assigned a Pilot performing a RAP to a Trip Pairing or other Company-Directed Assignment within two (2) hours of his scheduled Duty Off Time, he shall be automatically released from Duty.
5. Crew Scheduling may release a Pilot from a Reserve Assignment and into Rest prior to its completion. The rescheduling of any subsequent Reserve DOT/Start Time shall be as provided in this Section 15.
6. A Reserve Pilot who is Assigned to a Trip Pairing or other Company-Directed Assignment that conflicts with another scheduled Assignment on his Line shall be paid, as provided in Section 3 (Compensation), for the Assignment that he was Assigned during his Reserve and for the Assignment that was removed from his Line because of the conflict.
7. Except as otherwise provided in this Agreement, a Pilot on a Reserve Assignment shall not be Assigned a Trip Pairing or other Company-Directed

Assignment which conflicts with his scheduled Day Off; *provided*, an Assignment may be scheduled up to 0200 Local Domicile Time ("LDT") into his scheduled Day Off.

8. A Pilot performing a R-1 or R-2 RAP shall be required to return an Initial Call from Crew Scheduling within fifteen (15) minutes.
9. If a Reserve Pilot departs his Domicile and incurs a delay due to maintenance, weather or any other reason beyond the control of the Company that causes him to work into his Day(s) Off, the Extension provisions, as provided in Section 14 (Scheduling), shall be controlling.
10. Upon completion of an Assigned Trip Pairing or other Company-Directed Assignment, a Reserve Pilot shall immediately go into Rest prior to performing his next scheduled Assignment.
11. Crew Scheduling may "shift" a Pilot's R-1 or R-2 RAP up to four (4) earlier or eight (8) hours later than his originally scheduled DOT.
 - a. Crew Scheduling shall not shift a Pilot's R-1 or R-2 RAP to an earlier DOT when it is the first RAP in a block of consecutive RAP's and conversely, his last RAP in a block of consecutive RAP's shall not be shifted to a later DOT.
 - b. A RAP shall not be shifted into a scheduled Day Off.
 - c. A R-1 or R-2 RAP may not be shifted beyond 0200 Local Time into a Day where additional Duty or another Company-Directed Assignment is scheduled.
 - d. Crew Scheduling shall provide a Pilot with a minimum Sixteen (16) hour notice of his originally scheduled DOT when they intend to shift his RAP.

B. TYPES OF RESERVE ASSIGNMENTS

1. Reserve Assignments shall consist of In-Domicile RAP ("R-1"), Out-of-Domicile RAP ("R-2"), Long Call Reserve Assignment (R-3) or Airport RAP (R-4). The Company shall determine the number and types of Reserve Assignments and Reserve Lines in each Monthly Bid Period.
2. Domicile-Short Call Reserve Assignment Period (R-1 RAP)
 - a. A R-1 RAP is Duty.
 - b. R-1 Reserve shall apply to In-Domicile Reserve Duty obligations.

- c. Scheduled Duty On and Duty Off Times for all R-1 RAP's in a Month shall be published in the Monthly Bid Package and constructed into Lines, as provided in Section 14 (Scheduling).
 - d. A Pilot on a R-1 RAP who has been Assigned a Trip Pairing or other Company-Directed Assignment shall not be required to report for Duty prior to two (2) hours after Initial Contact from Crew Scheduling.
3. Out-of-Domicile-Short Call Reserve Assignment Period (R-2 RAP)
- a. A R-2 RAP shall apply to Out-of-Domicile Reserve obligation.
 - b. A R-2 RAP is Duty.
 - c. A Pilot shall be notified by Crew Scheduling at least ten (10) hours prior to his next R-2 RAP DOT.
 - d. When a Pilot performing a R-2 RAP is Assigned a Trip Pairing or other Company-Directed Assignment, he shall be required to report for Duty within one (1) hour after he received Crew Scheduling's Initial Call, except when the Company provides transportation between the layover Hotel and his Duty Location, he shall be required to be available for such transportation within one (1) hour of the Initial Contact by Crew Scheduling.
 - e. A Pilot on R-2 shall receive at least one (1) twenty-four (24) hour Rest Period free from all Duty within any seven (7) consecutive Day period. The Pilot shall receive notification, as provided in subsection 15.D., prior to the start of his twenty-four (24) hour Rest Period.
4. Long Call Reserve Assignment (R-3)
- a. There shall be no Duty Time Limitations when performing a R-3 Reserve Assignment. As soon as a Pilot performing a R-3 Reserve Assignment is Assigned by Crew Scheduling to a Trip Pairing or other Company-Directed Assignment, he shall receive required Rest prior to reporting for his new Assignment and all provisions provided in Section 13 (Hours of Service) shall be applicable while performing his new Assignment.
 - b. Except when in Rest or released by Crew Scheduling, a Pilot shall be scheduled for a R-3 Reserve Assignment from 0000-2359, Local Time.

- c. A Pilot with R-3 Reserve Assignments in his Line shall, prior to the beginning of that Month, advise Crew Scheduling of the airport he intends to use for his Deadhead Travel (Residence Airport). His Residence Airport must be in close proximity of his Primary Residence and must have more than one (1) FAR Part 121 air carrier serving that airport. The Company shall consider his Primary Residence to be the address he has on file with the Director of Operations.
- d. If a Pilot prefers to use an airport other than his designated Residence Airport, he shall contact Crew Scheduling as soon as practical with his request. Crew Scheduling shall approve all such requests before scheduling Deadhead Travel from an alternate location.
- e. When a Pilot on R-3 is Assigned to a Trip Pairing or other Company-Directed Assignment that originates at a location other than his Domicile, he shall immediately be put into Rest and given a minimum of twelve (12) hours to report for Duty at his Residence Airport or an alternate airport, as provided in 15.B.4.d. His Duty shall begin one (1) hour prior to the Scheduled Departure Time of his flight. The Company shall schedule his Deadhead Travel as soon as possible and shall be responsible for the cost of the airfare.
- f. When a Pilot on R-3 is Assigned to a Trip Pairing or other Company-Directed Assignment that originates at his Domicile (i.e., except an Assignment that begins with a scheduled Deadhead originating from his Domicile), he shall be responsible for his own travel, including any related costs, and shall immediately be put into Rest and expected to Duty On at his Domicile no earlier than twelve (12) hours from the time of Crew Scheduling's Initial Call informing him of his Assignment.
- g. As provided in subsections 15.B.4.e. and 15.B.4.f., a Pilot's Duty shall end after the conclusion of his Deadhead Travel or after performing a subsequent Duty Assignment and put into Rest.
- h. A Pilot on R-3 must be contactable by Crew Scheduling by one of the following methods:
 - (1) personal telephone number with a telephone answering machine/voicemail provided by the Pilot; or
 - (2) Another Personal Communications Device (PCD), which is approved by the Company.
 - (3) The Pilot shall designate subsection 15.B.4.h.(1), or 15.B.4.h.(2), above, as the method of contact that shall be used by Crew Scheduling.

(4) A Pilot on R-3 must contact Crew Scheduling within thirty (30) minutes of the Initial Call by Crew Scheduling.

- i. A Pilot on R-3 shall receive at least one (1) twenty-four (24) hour Rest Period free from all Duty within any seven (7) consecutive Day period. The Pilot shall receive notification, as provided in subsection 15.D., prior to the start of his twenty-four (24) hour Rest Period.

5. Airport Reserve Assignment Period (R-4 RAP)

- a. A R-4 Reserve Assignment is a RAP Assignment that is performed at a Pilot's Domicile or another designated Airport/location selected by the Company.
- b. A R-4 RAP is Duty
- c. A Pilot on R-1 or R-2 may be Reassigned to a R-4 RAP Assignment. When Reassigned to R-4 RAP prior to the DOT of his R-1 or R-2 RAP, he shall Duty On at his Domicile or Out-of-Domicile airport, whichever is applicable, and his R-4 RAP Assignment shall not be scheduled for more than four (4) consecutive hours. If he is not Assigned to a Trip Pairing or other Company-Directed Assignment, he shall be released from all Duty for that Day.
- d. When a Pilot is performing a R-1 or R-2 RAP, he may be Reassigned to a R-4 RAP Assignment. When Reassigned to R-4 RAP after his RAP DOT, he shall be required to report to his Domicile or Out-of-Domicile airport, as provided in subsections 15.B.2.d. for a R-1 Assignment and 15.B.3.d. for R-2. Once the Pilot has arrived at the airport, his R-4 RAP Assignment shall not be scheduled for more than four (4) hours. If he is not Assigned to a Trip Pairing or other Company-Directed Assignment, he shall be released from all Duty for that Day.

C. FIRST-IN, FIRST-OUT (FIFO)

1. FIFO Lists

- a. The Company shall maintain separate First-In, First-Out ("FIFO") Lists for each Position and Domicile, consisting of all Pilots who are on R-1 or R-2 for all operations. Each FIFO List shall be sorted in numerical order.
- b. Placement on a FIFO List

- (1) A Pilot on Reserve shall be placed on his respective FIFO List in inverse Seniority Order (*i.e.*, the most junior Pilot shall be first on the list; the most senior Pilot shall be last on the list) on the first (1st) Day he is scheduled for Reserve in a Month. A Pilot with single Day Reserve in his Regular (if he has any Reserve Assignments scheduled in his Regular Line), Reserve or Composite Line shall be placed on his respective FIFO List in the same manner for each Day he is scheduled to be on Reserve in that Month.
 - (2) When a Pilot on Reserve is Assigned to a Trip Pairing or other Company-Directed Assignment, at the end of performing such Duty he shall rotate back to the bottom of his respective FIFO List.
 - (3) If two (2) or more Pilots with scheduled Reserve have the same exact Duty Off Time from their previous Trip Pairing or Company-Directed Assignment, the more junior Pilot shall be in higher order on the FIFO List.
 - (4) If a Deadheading Pilot and the Flying Pilot are both on the same FIFO List the following Day and they both Duty Off at the same time, the Flying Pilot shall be in higher order on their FIFO List ahead of the Deadheading Pilot.
- c. A Reserve Pilot shall progress through his FIFO List until he reaches the top. He shall remain at the top of his respective FIFO List until:
- (1) He is Assigned to and reports for a Trip Pairing or other Company-Directed Assignment; or,
 - (2) He has a scheduled Day Off; or,
 - (3) He changes to another FIFO List during the Month.
- d. Each Time a Pilot returns from a Day Off to begin his next Reserve, he shall be placed at the bottom of his respective FIFO List.
- e. All FIFO Lists shall be available to Pilots on the Company's Intranet. A FIFO List shall be published by 0900 LDT each Day and updated within one hour (1:00) after each change to such List. Each FIFO List shall show updates through the following Day.

2. Order of Assignment

- a. A Pilot on Reserve must be compliant with the Federal Aviation Regulations ("FARs") and the Agreement to be Assigned to a Trip

Pairing or any other Company-Directed Assignment. The Company shall assign such Duty to the highest positioned Reserve Pilot on the applicable FIFO List who is legal to accept the Assignment, except:

- (1) When the highest positioned Pilot on the applicable FIFO List has an insufficient number of scheduled Reserve Assignments in his Line to perform the entire Assignment, the Company may assign such Duty to the next highest positioned Pilot on the same FIFO List who has enough scheduled Reserve Days in his Line to perform such Assignment. The Company may use a Pilot from another FIFO List in the same progression, as provided in subsection 15.C.2.a.
 - (2) If a Domicile has no "available" Pilots on R-1 to cover an unassigned Trip Pairing or other Company-Directed Assignment, the Company may, as provided in Section 14 (Scheduling), Reassign a Pilot on R-2 from any location or a R-1 from another Domicile to perform such Duty. In either case, the FIFO procedures in this subsection 15.C.3.a. shall apply.
- b. When a Pilot on a FIFO List is eligible to be Assigned to a Trip Pairing or other Company-Directed Assignment and such Assignment experiences an extended delay that may cause the Assignment to conflict with his scheduled Day Off, Crew Scheduling shall bypass him and assign the Duty to the next highest positioned Pilot on the respective FIFO List who has more Days of Reserve availability remaining.

D. CONTACTABILITY

1. A Pilot on scheduled Reserve must be contactable by Crew Scheduling by any of the following methods:
 - a. A personal telephone number with a telephone answering machine/voicemail provided by the Pilot;
 - b. When on R-2, a hotel or other approved lodging number;
 - c. Another type of Personal Communications Device ("PCD"), which is approved by the Company.
2. A Pilot on Reserve shall be contactable during the entire time of his Reserve
3. A Pilot on Reserve shall ensure that Crew Scheduling has accurate contact information for him. He shall inform Crew Scheduling of any changes, thereto, in advance of his next scheduled DOT. The Company may require that Pilot contact information, including any changes, be submitted by SharePoint or similar software.

E. RESERVE PAY

A Pilot who is scheduled for Reserve or performs an Assignment while on Reserve shall be paid, as provided in Section 3 (Compensation).

SECTION 16 SENIORITY

A. GENERAL.

1. The NAC Pilots System Seniority List (“Seniority List”) shall be the Integrated Seniority List (“ISL”) resulting from the Arbitrator’s award in the Aloha Air Cargo (“AAC”) and NAC Pilots Seniority List Integration Process, attached hereto as Appendix A. The Seniority List shall be implemented on the Effective Date of this Agreement. It shall be subsequently updated, as provided in this Section 16.
2. An updated Seniority List shall contain the names of all Pilots and be published and posted by the Company on the fifteenth (15th) Day of each Month. As a minimum, the Seniority List shall contain the following information for each Pilot:
 - a. Full name
 - b. Date of Hire as a Pilot and relative Seniority number.
 - c. Employment category (*i.e.*, Active Service, Leave of Absence, Furlough, Management).
 - d. Equipment Assignment and Status (“Position”).
 - e. Domicile.
3. Unless otherwise specifically provided for in this Agreement, Seniority shall govern with respect to upgrade and downgrade, filling of Vacancies, displacements, reduction in force (Furlough), Recall from Furlough, Domicile and aircraft Assignments due to expansion or reduction in aircraft and Domicile staffing, Monthly schedules, Vacation bidding and when otherwise required by the Agreement.
4. A Pilot’s Seniority shall be based on the individual’s length of service as a Pilot, beginning with the date he is first employed as a Pilot (“Date of Hire” or “DOH”), which is the date he commenced Initial Training with the Company as a Pilot, and his relative position in that Pilot Training class. This provision shall not supersede the relative Seniority, as provided in the ISL, as provided in subsection 16.A. For purposes of this Section 16, “Pilot” shall include service as a Flight Engineer for the Company.
5. When two (2) or more individuals employed by the Company begin Training

on the same date, placement on the Seniority List shall be determined using the last two (2) digits of their Social Security numbers, with the individual having the lower number placed on the Seniority List first. If two (2) or more such individuals have the same two (2) Social Security numbers, then the last three Social Security numbers shall be used to determine placement on the Seniority List, with the individual having the lower number placed on the Seniority List first. The Company shall continue to increase the number of Social Security digits utilized in the Seniority placement process until a lower overall number is found between the individuals thereby breaking the tie.

6. Changes in Position by Pilots, as may be allowed under this Agreement, shall not affect any Pilot's relative position on the Seniority List.

B. PROTESTS REGARDING SENIORITY.

1. A Pilot shall have a period of thirty (30) Days after the posting of the Seniority List to protest his relative Seniority placement, alleged omissions or other incorrect information that affects his Seniority on the Seniority List; *provided*, a Pilot on Vacation, Leave of Absence, or Furlough shall be permitted thirty (30) Days after return to Duty to submit a protest, as allowed herein. A Pilot failing to file a written protest within the time limits provided herein shall be bound by the relative placement on the Seniority List, as posted, and shall have no further recourse.
2. A Pilot protesting his placement on the Seniority List shall submit the protest in writing to the Chief Pilot or his designee, with a copy to the Union. Protests relating to errors or changes occurring after the last required posting of the Seniority List shall be subject exclusively to this protest procedure, and not the Grievance procedure, as provided in Section 19 (Grievances).
3. The Union may propose a resolution to the Company in writing within thirty (30) Days after receipt of a Pilot's protest. If the Company agrees with the resolution that is proposed by the Union, the Seniority List shall be amended in accordance with the Union's resolution and such protest resolution shall become final and binding on all parties and for all purposes.
4. If the Company does not agree with the resolution proposed by the Union, the Union may submit the matter directly to arbitration, as provided in Section 20 (System Board of Adjustment). The Arbitrator shall be asked to hear the matter as expeditiously as possible and his decision in the matter shall be final and binding on all parties and for all purposes.

C. LOSS OF SENIORITY

1. A Pilot shall forfeit all Seniority rights and his name shall be removed from the Seniority List, as may be specifically provided elsewhere in this Agreement when he:
 - a. Has been discharged and the discharge is upheld or unchallenged;
 - b. Retires or dies;
 - c. Resigns his employment with the Company;
 - d. Does not return to work upon the expiration of an approved Leave of Absence;
 - e. A Pilot exceeds his Recall rights from a Furlough, as provided in Section 17 (Furlough and Recall).
 - f. Transfers to a full time, non-Flying position in the Company that is not listed as a Management position, as provided in Section 23 (Management and Non-Flying Pilots); *provided*, this provision does not apply to a Pilot while on Furlough, Sick Leave or Medical Leave of Absence.
2. If a Pilot who loses his Seniority, as provided in subsection 16.C., is rehired by the Company, he shall be considered a New Hire Pilot and be given a new DOH and a new Seniority number and be placed on the bottom of the Seniority List, as provided in subsections 16.A.4. and 16.A.5.

D. PROBATION.

A Pilot shall be on Probation until he has accumulated twelve (12) Months of Active Service with the Company from his Date of Hire as a Pilot, as provided in subsection 16.A.4.

SECTION 17 FURLOUGH AND RECALL

A. FURLOUGH

1. Pilots shall be Furloughed in reverse order of placement on the Northern Air Cargo Pilots System Seniority List ("Seniority List"), as provided in Section 16 (Seniority), irrespective of their Position; *provided*, a Check Airman who is to be Furloughed may be retained in Seniority Order with the following restrictions:
 - a. He shall cease accruing Longevity, as provided in subsection 17.C.1., or Sick Leave, as provided in Section 10 (Sick Leave), or Paid Time Off ("PTO"), as provided in Section 11 (Paid Time Off), until Recalled, as provided in subsection 17.B;
 - b. He shall not operate a Company Aircraft, but may perform a Line Check from the Observer's station;
 - c. He shall comply with all Flight Time, Duty Time and Rest provisions, as provided in Section 13 (Hours of Service), when performing a Line Check;
 - d. He shall be compensated as provided in Section 3 (Compensation);
2. A Pilot shall be given twenty-one (21) Days' notice of his impending Furlough or shall, in the following Month, receive one full (1) Month's compensation at the Monthly Pay Guarantee ("MPG") at his Hourly Pay Rate, as provided in Section 3 (Compensation), in lieu thereof, in addition to any other Furlough Pay and benefits for which such Pilot is eligible, as provided in subsection 17.C.
3. A Pilot to be Furloughed shall be notified by the Chief Pilot, or designee, as provided in Section 31 (General). The Furlough notice must contain the Effective Date of Furlough.
4. As the Company shall use a Furloughed Pilot's personal contact information to notify him of Vacancy Bids to which Furloughed Pilots might be Recalled, it shall be a Furloughed Pilot's responsibility to inform the Company of his current mailing address, e-mail address(es) and telephone number(s), and any changes to such during the term of his Furlough.

B. RECALL FROM FURLOUGH

1. All Pilots on Furlough shall be offered Recall, as provided in subsection 17.B, prior to the Company employing New Hire Pilots.
2. A Pilot who is on Furlough shall be Recalled in Seniority Order by his relative placement on the Seniority List.
3. A Pilot's Recall rights shall expire after seven (7) Years from the Effective Date of the Furlough, at which time his name shall be removed from the Seniority List. The Company may, at its discretion, extend this time period for all remaining Furloughed Pilots. The Company shall notify the Union as soon as practical if the Company intends to extend Recall rights.
4. A Pilot who is Recalled from Furlough shall be guaranteed three (3) Months Periods of continuous employment or pay in lieu thereof.
5. If the Company Recalls Pilots, it shall notify all Furloughed Pilots by sending notification to the Furloughed Pilots, as provided in Section 31 (General). The Company shall also attempt to call the Furloughed Pilots utilizing their last known phone numbers on file with the Company.
6. A Pilot must answer his Recall Notice within seven (7) Days after the date he receives the Recall Notice. Such answer must be by e-mail, text message, or other electronic means to the Chief Pilot, or designee, with read receipt. The Pilot must state his intent to accept or by-pass, as provided in subsection 17.B.7, or Resign. The Company shall explain these requirements in the Recall Notice.
7. If a Pilot elects to by-pass his Recall, the Company may fill the Vacancy with the next most senior Furloughed Pilot. If all Furloughed Pilots have by-passed Recall, the Company shall notify the most junior Pilot who has by-passed Recall, and he must either accept Recall or Resign his employment with the Company as a Pilot. Once all Furloughed Pilots are returned to Active Service and if a Vacancy still exists, the Company may employ a New Hire Pilot, as provided in this Agreement. By-pass rights shall be exercised on a Recall-by-Recall basis. Pilots who exercise by-pass rights shall only be offered Recall to future Vacancies.
8. If the Pilot answers the Recall Notice after the required seven (7) Day period, as provided in subsection 17.B.6., but within thirty (30) Days after the Recall Notice was sent, he shall remain on the Seniority List and be eligible for Recall to future Vacancies; *provided*, the Company may elect to

place him in a Vacancy that remains unfilled at the time the Pilot answers the notice. A Pilot may invoke this late response provision only once in connection with a single Furlough.

9. A Pilot who fails to answer a Recall Notice within seven (7) Days, as provided in subsection 17.B.6., and does not invoke the late response provision, as provided in subsection 17.B.8., or who has previously invoked such late response provision, shall be removed from the Seniority List and forfeit any further employment rights.
10. A Furloughed Pilot who accepts Recall must be able to report for Duty by the anticipated date of return in the Recall Notice. This date of return may not be earlier than sixteen (16) Days after the Pilot answers the Recall Notice, unless the Company and Pilot mutually agree to an earlier date. A more senior Pilot on Furlough shall not lose his awarded Vacancy if a more junior Pilot accepts an earlier return to Active Service.
11. Unless waived by the Company, if a Recalled Pilot does not provide a copy of his current Federal Aviation Administration ("FAA") Medical Certificate to the Chief Pilot's office by seven (7) Business Days after he answers the Recall Notice, he shall be by-passed for Recall.
12. Unless agreed to by the Company in advance a Pilot shall be deemed to have resigned his employment with the Company and his name shall be removed from the Seniority List if such Pilot accepted a Recall but fails to report for Duty on the Effective Date of his Recall.
13. If a Furloughed Pilot notifies the Company in writing prior to the return to Duty deadline date that circumstances beyond his control have prevented him from reporting for Duty by the deadline date, additional time to report for Duty shall be permitted by the Company.

C. FURLOUGH BENEFITS

1. A Furloughed Pilot shall retain and accrue Seniority until his Recall rights expire or he is removed from the Seniority List, as provided in this Section 17. A Furloughed Pilot shall accrue Longevity during the first thirty (30) Days of a Furlough. A Pilot shall retain accrued Longevity while on Furlough.
2. A Furloughed Pilot may continue any Company provided medical and dental benefits at his cost pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). Other insurance coverages, as provided in this Agreement, may be continued at his cost.

3. A Furloughed Pilot who has completed one (1) or more Years of service prior to the Effective Date of his Furlough shall receive a payment equal to one-half (1/2) of his MPG, at his Hourly Pay Rate, as provided in Section 3 (Compensation). A Pilot who is not in Active Service at the time of his Furlough shall not receive such payment.
4. At the time a Pilot is Furloughed, he shall have the option to be paid some or all PTO accrued, as provided in Section 11 (Paid Time Off), but unused prior to the Effective Date of the Furlough.

D. GENERAL

1. A Furloughed Pilot may be entitled to jump-seat privileges, on the Company's aircraft on the same basis as active Pilots for the duration of the Furlough period, if allowed in accordance with Transportation Security Administration ("TSA") requirements.
2. A Furloughed Pilot shall not perform any Line Pilot duties for the Company.
3. The provisions of subsection 17.A.2. and 17.C.3. shall not apply if the need to Furlough a Pilot is caused in major part by an event or circumstance beyond the control of the Company. The term "event or circumstance beyond the control of the Company" means:
 - a. A natural disaster;
 - b. A labor dispute where the Union determines to honor a picket line;
 - c. Grounding of a substantial number of the Company's aircraft by a government agency, or the voluntary action by the Company for safety reasons, in lieu thereof, which in either case could not be avoided or cured by the Company;
 - d. Reduction in flying operations because of a decrease in available fuel supply or suppliers being unable to provide sufficient critical materials for the Company's operations;
 - e. Revocation of the Company's Operating Certificate(s);
 - f. War emergency;
 - g. Acts of terrorism;
 - h. Owner's delay in the delivery of additional aircraft to be added to the Company's Operating Certificate;

- i. Manufacturer's delay in the delivery of additional aircraft to be added to the Company's Operating Certificate;
 - j. Significant loss of business (more than thirty percent (30%) of total Company revenues) with less than thirty (30) Days' notice;
 - k. If the Company intends to invoke any of the above subparagraphs 17.D.3.a. through 17.D.3.j., the Company shall promptly notify the Union and discuss the event or circumstances.
4. If it is necessary to Furlough Pilots, the Company shall first consider granting requests for Personal Leaves of Absence ("PLOA"), as provided in Section 8 (Leaves of Absence), to all Pilots. Prior to an involuntary Furlough, the Company shall also offer Voluntary Furloughs to all Pilots. Voluntary Furloughs shall be awarded in Seniority Order; *provided*, Full Check Airman may, at the Company's discretion, be excluded from any Voluntary Furlough consideration. A Pilot on a Voluntary Furlough shall be afforded the same rights under this Agreement as an involuntarily Furloughed Pilot.
5. If at the time of a Recall Notice being sent to a Pilot, such Pilot is eligible for and has a Leave of Absence ("LOA") qualifying event or approved event, as provided in Section 8 (Leaves of Absence), the Pilot's status shall change to reflect the appropriate LOA. The LOA shall commence on the Effective Date of the Recall.
6. A Pilot on an approved PLOA, or on any other Leave, as provided in Section 8 (Leaves of Absence), or required by law (*e.g.*, FMLA, Workers' Compensation or Jury Duty), may be subject to Furlough upon ending such LOA. A more senior Pilot selected for Furlough because of a more junior Pilot's LOA shall have Recall rights over the junior Pilot.

SECTION 18 FILLING OF VACANCIES

A. STANDING BIDS.

1. The Company shall establish and maintain an electronic "Standing Bid System" for the purpose of awarding all system-wide Vacancies and/or Displacements. A New Hire Pilot shall submit his initial Standing Bid during New Hire Ground School. A Pilot shall have the ability to edit his Standing Bid preferences at any time.
2. A Standing Bid shall:
 - a. Advise the Company of a Furloughed Pilot's Position(s) and Domicile(s) preferences upon Recall, as provided in Section 17 (Furlough and Recall).
 - b. A Pilot's Standing Bid shall be recorded on an electronic form and shall include his name, relative Seniority Number, the date of his most recent Standing Bid submission, his Position and Domicile preferences listed in numerical order, with his most favored preference listed first, his second favored preference listed next, with this progression continuing until he has finished listing his preferences.
3. A Position need not be vacant at the time a Pilot lists a preference on his Standing Bid.
4. If a Pilot is Displaced from his current Position and his Standing Bid contains an insufficient number of preferences, he shall be awarded the following in sequential order:
 - a. His current Position at another Domicile, if he has sufficient Seniority to hold that Position at that Domicile; or,
 - b. The highest paying Position that his Seniority can hold at his current Domicile; or,
 - c. The highest paying Position that his Seniority can hold system-wide; or,
 - d. If he does not have sufficient Seniority to hold a Position system-wide, he may be Furloughed, as provided in Section 17 (Furlough & Recall).

B. PERMANENT VACANCIES.

1. A Permanent Vacancy is a Position Vacancy at a Domicile that is anticipated to be greater than twelve (12) Months in duration. There are two types of Permanent Vacancies: (1) Primary Vacancies; and, (2) Secondary Vacancies. A Primary Vacancy is a Vacancy that is posted in a Vacancy Bid, as provided in subsection 18.F.1. After the awarding of a Primary Vacancy, a Secondary Vacancy is created when a Pilot vacates his current Position and/or Domicile for a new Position and/or Domicile and the Company decides to fill that vacant Position. If the Company elects to fill a Secondary Vacancy, it shall be awarded, as provided in subsection 18.F.3.
2. If there are unfilled Vacancies after the closing of a Vacancy Bid and associated Displacement, if any, the Company may fill an unfilled Permanent Vacancy with a New Hire Pilot or leave the Vacancy unfilled.

C. TEMPORARY DUTY VACANCIES (“TDY”).

1. The Company may establish Temporary Duty (“TDY”) Vacancies, as provided in subsection 18.C.4. A TDY Vacancy shall have a minimum of one (1) Month and a maximum of six (6) Months duration.
2. Unless the Union agrees otherwise, if the Company experiences a need for twelve (12) or more consecutive Months of TDY Vacancies in a Position at a Domicile or geographic location, the Company shall establish a Permanent Vacancy for that Position at that Domicile or open a New Domicile, as provided in Section 21 (Domiciles), for that Position at that geographic location.
3. All procedures and operations for Pilots on a TDY Assignment shall be as provided elsewhere in the Agreement, unless the Company and the Union agree otherwise; *provided*, a Pilot on TDY shall bid for his Monthly Line of Flying in Seniority Order with all TDY Pilots in his Position at a Domicile, but behind all Pilots in his Position who hold a Permanent Vacancy at that same Domicile.
4. TDY locations shall be limited to the United States (including its territories); the Caribbean, except Cuba and Haiti; South America, except Venezuela and Columbia; Iceland; Europe, including Great Britain and Ireland; Canada; Australia; New Zealand; Vietnam; Singapore; Thailand; China; South Africa and Japan. Notwithstanding this list, TDY’s shall not be permitted in any other country or in any country in this list that is declared a “Hostile Area,” as provided in Section 28, without the Company and the Union’s compliance with this subsection 18.C.
5. If the Company requests to establish TDY Vacancies at a geographic

location not listed in subsection 18.C.4., the Company and the Union shall meet and confer to discuss the purpose and merits of the request. Any exemptions shall be on a case-by-case basis and memorialized in a separate LOA. If the parties cannot come to an agreement, the Company shall not establish such TDY location.

6. To be eligible to bid on a TDY Vacancy, a Pilot must hold the same Position as the TDY Vacancy. The Company may elect to limit eligibility to bid on a TDY Vacancy on a Domicile-specific basis in order to deal with a temporary surplus in that Position at that Domicile. If this occurs, only Pilots current and qualified in that Position at that Domicile may bid on the TDY Vacancy.
7. Pilots shall receive the following information when a TDY Vacancy is posted:
 - a. The TDY location;
 - b. Number of TDY Positions;
 - c. Fleet;
 - d. Domicile(s) eligibility restrictions, if any;
 - e. Effective Date of the TDY Vacancy;
 - f. Duration of the TDY Vacancy;
 - g. Additional requirements/Training necessary for the TDY Vacancy, if any.
8. A Pilot who has been awarded a TDY Vacancy shall not be prohibited from subsequently being awarded a Permanent Vacancy or from being Displaced. Unless he is Displaced or Furloughed, a Pilot shall continue to occupy his TDY Vacancy until its duration date, *provided*, the Company may, on a case-by-case basis, allow a Pilot to vacate his TDY Assignment and enter Training for a newly awarded Permanent Vacancy. If such Pilot is held in his TDY Assignment, he shall enter Training at the next available Training Date after he completes his TDY Assignment, as provided in subsection 18.C.1., and, if applicable, shall be eligible for Pay When Changing Positions, as provided in subsection 3.W.
9. If TDY Vacancies remain unfilled after the close of the Vacancy Bid, the Company may assign the most junior Pilot to that TDY Vacancy who is current and qualified in that Position. If the TDY Vacancy notice contained a Domicile-specific bidding restriction, as provided in subsection 18.C.6., Pilots in that Position at that Domicile shall be Assigned to the TDY Vacancy in inverse Seniority Order.

10. When a Pilot is Involuntarily Assigned to a TDY Vacancy, as provided in subsection 18.C.9., the maximum duration of such Assignment shall be one (1) Month. If there are unfilled TDY Vacancies after the closing of the next Vacancy Bid, the next most junior Pilot, by Position, Fleet and if applicable, from the specified Domicile(s), shall be involuntarily Assigned to the unfilled TDY Vacancy(s) for a maximum duration of one (1) Month. If after the next Vacancy Bid, TDY Vacancies remain unfilled, the next most junior Pilot, by Position, Fleet and if applicable, from the specified Domicile(s) shall perform the next TDY Assignment for a maximum duration of one (1) Month. This progression shall continue when unfilled TDY Vacancies exist until such time as all TDY Vacancies in a Vacancy Bid are bid voluntarily.
11. The Company shall furnish a Pilot with lodging, transportation, other reasonable expenses and Per Diem, as provided in Section 6 (Expenses, Lodging & Transportation), for the entire time he occupies a TDY Vacancy. Such time shall be computed from when he Reports for Deadheading to his TDY Vacancy location and ends upon his Deadheading return at his Domicile, as provided in Section 7 (Deadheading).
12. While on a TDY, a Pilot shall be provided transportation between the Company-provided lodging and the TDY airport, for the entire period of such TDY until he is returned to his Domicile.
13. Upon completion of a TDY Assignment a Pilot shall return to his current Domicile, unless, during that TDY Assignment, he was Displaced or awarded a Vacancy at another Domicile.
14. A Pilot who was awarded a Vacancy while on TDY that required Training and was prevented by the Company from commencing such Training, as provided in subsection 18.C.8., shall receive no less than three (3) but no more than ten (10) Days Off after the completion of the TDY Assignment before commencing Training for his new Position.

D. DISPLACEMENTS.

1. A Displacement occurs when the Company reduces the number of Positions at a Domicile(s) or a Pilot is the most junior in his Position at a Domicile and is "Bumped" by a more senior Pilot, as provided in subsection 18.E.1.
2. If a Displacement(s) is to occur at a Domicile, a Pilot who holds a TDY Vacancy in the Displaced Position shall return to his current Domicile before a Pilot(s) in that same Position at the TDY Domicile is Displaced. Such Displaced TDY Pilot(s) shall return to his current Domicile in the following order:

- a. Pilots who are Involuntarily Assigned TDY in Seniority Order; then,
- b. Pilots who have voluntarily bid the TDY Assignment, in inverse Seniority Order.

E. BUMPING RIGHTS.

1. A Displaced Pilot shall have the right to Bump into any Position at any Domicile system-wide that his Seniority can hold.
2. A Displaced Pilot who has the Seniority to Bump into a Domicile other than his current Domicile shall be eligible for a Paid Move, as provided in Section 6 (Expenses, Lodging & Transportation).
3. If a Displaced Pilot has insufficient Seniority to Bump into any Position system-wide, he may be Furloughed, as provided in Section 17 (Furlough & Recall).

F. VACANCY AND DISPLACEMENT BIDDING.

1. The Company shall advertise all upcoming Vacancy or Displacement Bids to allow Pilots an opportunity to update their Standing Bids. The notice shall include, but not be limited to, the following information:
 - a. Number of Permanent Vacancies;
 - b. Number of Displacements, if any, and reasons therefore;
 - c. Number of TDY Vacancies, if any;
 - d. Fleet;
 - e. Status;
 - f. Domicile;
 - g. Location, date and duration of a TDY Vacancy(ies), if any;
 - h. Effective Date of each Primary Vacancy or Displacement;
 - i. Known Training dates for each Primary Vacancy;
 - j. Bidding opening and closing dates and times.
2. Bid notices shall be sent to each Pilot's Company email address and posted

on the Company's intranet. Such communications shall also be sent to a Furloughed Pilot's personal email address on file with the Company.

3. Vacancy and Displacement Bids shall remain open for a minimum of fourteen (14) Days after posting, as provided in subsection 18.F.1. All Permanent Vacancies shall be filled in Seniority Order prior to the Company determining Displacements. TDY Vacancies, if any, shall be filled after Displacements. The Company shall send the results of Vacancy or Displacement awards to each Pilot's Company email address and shall post the results on the Company's intranet within three (3) Business Days after the closing date. Such communications shall also be sent to a Furloughed Pilot's personal email address on file with the Company.
4. A Pilot must accept a Vacancy or Displacement award predicated on his Standing Bid; *provided*, in the event of a *bona-fide* emergency situation not known to the Pilot at the time of the closing date that would preclude him from being able to accept. An affected Pilot shall immediately notify the Company of any such emergency situation.

G. PILOTS NEARING RETIREMENT.

1. The Company is not required to award a Permanent Vacancy requiring Transition or Upgrade Training to a Pilot who is within two (2) Year of mandatory Retirement age.
2. If the Company elects to not award a Permanent Vacancy to a Pilot nearing retirement, as provided in subsection 18.G.1., and that Vacancy has a higher Hourly Pay Rate than his current Position, he shall receive By-Pass Pay at the higher Hourly Pay Rate, as provided in Section 3 (Compensation).

H. AIRCRAFT FREEZES.

1. A Pilot who has been awarded a Permanent Vacancy that requires fifteen (15) Days or more of Training to qualify shall incur a two (2) Year "Aircraft Freeze." Such Aircraft Freeze shall begin upon the Day the Pilot begins Operational Experience ("OE") for such Position.
2. A Pilot who has been Involuntarily Assigned or Displaced into a new Position shall not incur an Aircraft Freeze.
3. When a Pilot incurs an Aircraft Freeze, he shall be ineligible to bid and be awarded a Permanent Vacancy in another Position, except:
 - a. The Company may waive an Aircraft Freeze for a Vacancy Bid. If the Company waives an Aircraft Freeze, any Pilot, system-wide, who has

an existing Aircraft Freeze, shall also have his Aircraft Freeze waived for that Vacancy Bid.

- b. An Aircraft Freeze shall not restrict a Pilot from bidding into a higher Status (*i.e.*, First Officer to Captain);
- c. A Pilot's Aircraft Freeze shall be waived for purposes of bidding laterally in Status to a New Fleet, as provided in Section 4 (New Aircraft), during the first twenty-four (24) Month period after such New Fleet was added to the Company's Operating Specifications. A Pilot may use this exception only one (1) time for each New Fleet.

Example: A B-737 F/O bids a F/O Vacancy on the B-767, which is a New Fleet that was recently added to the Company's Operating Specifications. His B-737 Aircraft Freeze is waived, and he incurs a new 24-Month Aircraft Freeze on the B-767. Six Months later, he is awarded a B-737 Captain Vacancy. Because this is an upgrade, his B-767 Aircraft Freeze is waived, and he incurs a new 24-Month Aircraft Freeze on the B-737. Six Months later, a B-767 Captain Vacancy is posted. Because this Pilot was previously allowed to waive his B-737 F/O Aircraft Freeze to be awarded B-767 F/O Position on that New Fleet, he is ineligible to bid the B-767 Captain Position until his latest Aircraft Freeze is satisfied.

4. A Captain shall be allowed to voluntarily down-bid to First Officer; *provided*, he shall be required to satisfy a twenty-four (24) Month Aircraft Freeze before again being allowed to Upgrade to Captain or Transition to a new Fleet.

I. TRAINING DATES.

1. A Pilot who has been awarded or Assigned to Training as a result of a Vacancy Bid or Displacement, may attempt to trade his Training date on a "man-for-man" basis with other Pilots who are also scheduled for Training from the same Vacancy Bid or Displacement. The result of a voluntary trade of a Training date shall not result in the implementation of any delay in Training provisions, as provided in subsection 18.1.2.
2. For operational reasons, the Company may delay a Pilot's Training for a new Position for up to ninety (90) Days beyond the date his new Permanent Vacancy was awarded. If a more junior Pilot who was awarded the same Position in the same or later Vacancy Bid begins receiving a higher Hourly Pay Rate for that Position, commensurate with his Longevity, as provided in Section 3 (Compensation), the delayed Pilot shall also begin receiving the higher Hourly Pay Rate for that new Position, commensurate with his Longevity.

SECTION 19 GRIEVANCES

A. GRIEVANCES.

Any Pilot or group of Pilots covered by this Agreement who has a Grievance concerning any Company rule or regulation or any action of the Company affecting them, shall have such Grievance considered in accordance with the following procedures. It is the intent of the Parties to resolve Grievances or potential Grievances informally and at the lowest level possible. There shall be an earnest effort on the part of all parties to settle Grievances promptly in accordance with the procedures outlined herein. There are two types of Grievances, Disciplinary and Non-Disciplinary.

B. DISCIPLINARY GRIEVANCES.

1. A non-Probationary Pilot shall not be disciplined or discharged without just cause.
2. Investigatory Procedures.
 - a. The Company may apply and document corrective counseling to address an incident or conduct that is deemed to be a "Minor Offense." However, a Minor Offense shall not be documented without written notice to and acknowledgement of the Pilot. A documented Minor Offense, as provided herein, is not considered discipline and, therefore, is not subject to the investigation process, as provided in subsection 19.B.2; it may not be referenced in any subsequent Disciplinary action, except as provided in subsection 19.B.19.
 - b. Any alleged incident or conduct, including repeated conduct, deemed to be "serious," "major" or "critical" offenses and shall be subject to the Investigatory Process, as provided in subsection 19.B.2.
 - c. This subsection shall not be used to preclude the Company's consideration of prior discipline or counseling; *provided*, such prior discipline or counseling is eligible to be referenced, as provided in subsection 19.B.19, under its Progressive Discipline Policy in determining appropriate discipline for a current offense, which discipline shall be consistent with discipline imposed on Pilots in the past for the same or similar offense.
 - d. Once the Company learns of an alleged incident or conduct that may be deemed to be a "serious," "major" or "critical" offense, it has thirty (30) Days to complete its investigation. Circumstances outside the

Company's control that prevents the completion of such investigation within the thirty (30) Day period shall not preclude the Company from taking action against a Pilot based on the alleged incident or conduct.

- e. Discipline shall not take place if the alleged incident or conduct occurred more than one hundred eighty (180) Days prior to the Company commencing its investigation; *except*, if steps were taken by a Pilot under investigation to actively conceal the alleged incident or conduct, the Company shall then have thirty (30) Days from the date it became aware of or should have become aware of the alleged incident or conduct to complete its investigation. Neither silence on the part of the Pilot, a failure to disclose, nor a denial of the offense shall constitute active concealment, unless the Pilot had an affirmative legal obligation to have disclosed the alleged incident or conduct.
 - f. The Company is not precluded from issuing appropriate discipline to a Pilot pending an investigation by the FAA or National Transportation Safety Board ("NTSB") or other civil authority that may result in revocation or suspension of his Pilot's License.
3. Nothing herein shall prevent the Company from holding a Pilot out of service with pay pending completion of an investigation into possible discipline or discharge.
 4. If a Company representative chooses to have an informal discussion with a Pilot concerning an alleged incident or his conduct or requests that he provide a written statement regarding said matter, the Company representative shall first inform such Pilot that he may be subject to discipline or discharge as a result of the information he provides and that he has a right to Union Representation. A Pilot who declines to engage in such discussions or provide a written statement regarding such matter shall not be subject to discipline or discharge solely for such refusal.
 5. During its investigation, the Company may, at its discretion, refer the matter to the Union Professional Standards Committee ("PSC") for resolution. In such case, the Company has fifteen (15) Days to complete its investigation after the PSC informs the Company it was not able to or did not choose to resolve the matter.
 6. If a Pilot is required to attend a meeting with the Company held for the purpose of investigation of a matter that may result in his discipline or discharge for a "serious," major" or "critical offense," he shall be so notified of an Investigatory Meeting. Such notice shall provide a summary of the allegations against the Pilot, a summary of the facts then known to the Company, the date and location of the alleged incident and the rule or policy or regulation allegedly violated. Such notice shall also advise him of his right

to request Union Representation. A copy of the notice shall also be sent to the Union at the time it is sent to the Pilot.

7. The scheduled date of an Investigatory Meeting shall be no less than five (5) Days after the earlier of the date the Pilot acknowledges receipt of written notification or the date the notice is personally delivered to the Pilot. If the Pilot requests, he may have a Union Representative, or another Pilot of his choosing present at the Investigatory Meeting; *provided*, the attendance of the Union Representative or other Pilot, as may be applicable, does not unduly delay the conduct of the Investigatory Meeting. A request to delay an Investigatory Meeting for up to three (3) Business Days for the purpose of obtaining representation and/or for scheduling purposes shall not be unreasonably denied by the Company. However, any delay in convening an Investigatory Meeting due to obtaining representation for the Pilot shall extend the deadline, as provided in subsection 19.B.2 by the number of delay Days.
8. An Investigatory Meeting shall be held on the Pilot's scheduled Workday, unless otherwise mutually agreed upon, and shall normally be conducted telephonically. However, an Investigatory Meeting concerning a matter that may ultimately lead to termination or suspension of service shall be conducted in-person at the Pilot's Domicile, unless the parties agree otherwise.
 - a. If an Investigatory Meeting is held on a Pilot's Workday before or after his scheduled Assignment, he shall be considered on continuous Duty for the entirety of his scheduled Assignment combined with the elapsed time of the Investigatory Meeting. His total Duty Time must comply with the limitations, as provided in Section 13 (Hours of Service), and he shall be compensated for such Duty, as provided in Section 3 (Compensation).
 - b. If an Investigatory Meeting conflicts with a Pilot's scheduled Duty Assignment, he shall be removed from such Assignment to the extent necessary and shall be compensated, as provided in Section 3 (Compensation), for the PCH value of the removed Assignment. Such Pilot shall not be Reassigned to any new Assignment on the same Day as the Investigatory Meeting.
9. Upon request, the Company shall provide the Union with copies of any documents, including witness statements, the Company has in its possession that it believes supports the allegations against the Pilot. The Union shall be allowed sufficient time to review the information prior to the start of the Investigatory Meeting. Upon request, the Union shall provide the Company with copies of any documents, including witness statements, the Union has in its possession that it believes refutes the allegations against

such Pilot. The parties may redact information that they consider sensitive, confidential or proprietary.

10. During the course of the Investigatory Meeting, the Pilot under investigation or the Union shall have the opportunity to present information, including the testimony or statements of witnesses, and to ask questions of the Company's representative(s).
11. The Company shall be responsible for payment of Per Diem and any associated travel costs, including transportation and lodging, if any, as provided in Section 6 (Expenses, Lodging and Transportation), if necessary for a Pilot under investigation to attend a required Investigatory Meeting under this Section 19.
12. Nothing contained herein prevents the Pilot under investigation, the Union and the Company from reaching agreement upon the appropriate level of discipline, if any, at any time after the Company commences an investigation.
13. Additional discipline may result from actions or statements made or information learned during the investigatory process. That event may cause the Company to begin a separate investigatory process with respect to the new Disciplinary action. With the consent of the parties, the Disciplinary actions may be merged for the purpose of further appeals, as provided in this Agreement.
14. Unless mutually agreed, no stenographic report or audio or other recording may be taken or made by any party or person during an Investigatory Meeting (excluding contemporaneous notes). However, when the parties mutually agree that a stenographic report shall be taken, the costs shall be borne equally by the parties to the dispute.
15. A drug or alcohol test allowed or required by the FAA or this Agreement shall not be considered an Investigatory Meeting for purposes of this Section 19.
16. The Company shall notify the Pilot and the Union of its decision within fifteen (15) Days after completion of the Investigatory Meeting. If the Company alleges just cause to discharge or otherwise discipline a Pilot, including the issuance of a written warning, the Company's written decision shall specify the rule or policy or regulation allegedly violated and basic facts upon which the Disciplinary decision is based. The charges shall not be expanded beyond those charges originally stated in the notice of Investigatory Meeting, as provided in subsection 19.B.6. If the Company concludes no Disciplinary action is appropriate, the Company's written decision shall state that the matter was closed with no Disciplinary action taken against the

Pilot.

17. If the Company concludes that the Pilot shall be terminated, he shall be separated from the Company. If the Company concludes that a Disciplinary suspension is appropriate, the Pilot shall be removed from Duty status and shall begin serving an unpaid suspension. He shall be returned to paid Duty status upon completion of the suspension period.
18. If a Pilot had been held out of service or terminated and is subsequently exonerated, as a result of an appeal to the System Board of Adjustment, as provided in Section 20 (System Board of Adjustment), he shall be reinstated without loss of Seniority or Longevity and shall be made whole and be compensated for such time lost in an amount that he would have ordinarily earned had he been continued in service during such period, less any interim earnings and/or unemployment benefits. His personnel records shall be cleared of the charges, in accordance with the appeal decision, award or by mutual agreement of the parties.
19. Disciplinary and counseling letters shall be removed from a Pilot's permanent personnel file twenty-four (24) Months after the date of issue and shall not, thereafter, be referred to in any subsequent discipline or discharge, *provided*, if during that twenty-four (24)-Month period the Pilot has engaged in a recurrence of the same or similar conduct that resulted in a counseling letter, such counseling letter may be referenced in any resulting Disciplinary action.
20. If the Pilot or the Union is not satisfied with the Company's decision, the Union may, within twenty (20) Business Days after receipt of such decision, make a written appeal to the NAC Pilots System Board of Adjustment, as provided in Section 20 (System Board of Adjustment).
21. Nothing in this Section shall be construed as extending the rights of subsection 19.B. to a Pilot during his Probationary Period.

C. NON-DISCIPLINARY GRIEVANCES.

1. Prior to filing a Grievance over a dispute regarding the Company's interpretation or application of the Agreement, the affected Pilot or a Union Representative shall first attempt to resolve the dispute informally with the Chief Pilot, or designee, via phone conversation, personal meeting, e-mail exchanges, and the like, within thirty (30) Days after the Pilot or the Union became aware, or reasonably should have become aware, of the event from which the dispute arises.
2. If the dispute is not resolved to the satisfaction of the Pilot and/or the Union, either he or the Union may file a Grievance within twenty (20) Business

Days after the informal discussion, as provided in subsection 19.C.1. A written request for a Grievance Meeting setting forth a statement of the known facts, sections of the Agreement allegedly violated, dates out of which the Grievance arose and a request for relief shall be filed, as provided in subsection 19.D.3., with the Director of Operations, or designee.

3. A Grievance Meeting between the Grievant, Union and Director of Operations, or designee, shall be held within ten (10) Business Days after receipt of such written request. Such meeting shall be telephonic, unless the parties agree otherwise.
4. Upon a specific, good faith, written request made at least three (3) Business Days preceding a Grievance Meeting, unless another time frame is mutually agreed upon, the Company and the Pilot or the Union, as applicable, shall provide the other party with copies of any documents, including witness statements and records of how the Company has interpreted and/or applied the policy, rule or provision of the Agreement in dispute in the past, that they intend to present at the Grievance Meeting.
5. Requested information shall be exchanged as soon as practical, but in no case less than one (1) Business Day prior to the commencement of the Grievance Meeting, unless mutually agreed otherwise. The failure to provide required information, unless such information is withheld deliberately, shall not have an exclusionary effect. If additional pertinent requested information is identified before the close of the Grievance Meeting, it shall be provided to the requesting party as soon as possible.
6. Nothing in subsection 19.C.4. shall be construed to waive any privilege provided by law that would protect the information from disclosure, including the attorney-client and attorney work product privileges.
7. Within ten (10) Business Days after the Grievance Meeting, the Director of Operations, or designee, shall issue to the Grievant and the Union copies of his written decision, including any relief granted.
8. The Union may, within twenty (20) Business Days of receipt of the Director of Operations' decision, make a written appeal to the NAC Pilots System Board of Adjustment, as provided in Section 20 (System Board of Adjustment).

D. GENERAL.

1. The time limits, as provided in this Section 19, may be extended by written agreement of the Company and the Grievant or the Union.
2. Failure to file or advance any Grievance by the Pilot or the Union within the

time periods prescribed shall result in the waiver and abandonment of the Grievance. If any hearing answer required of the Company, as provided in this Section 19, is not provided within the time limits prescribed herein, the Grievance shall advance to the next level of the Grievance procedure.

3. All notification(s), request(s) and/or decision(s) shall be in writing, as provided in Section 31 (General).
4. A copy of all notification(s), request(s) and/or decision(s) shall be furnished by either party to the Local Union's Business Agent, Executive Council Chairman and Director of Operations.
5. When a Pilot agrees to act as a representative of, or as a witness for another Pilot during an Investigatory or Grievance Meeting, as provided in this Section 19, such Pilot shall be allowed sufficient time mutually agreed upon to permit him to appear as such representative or witness. However, the Company shall not be obligated to compensate a Pilot for his representative or witness time, as provided in this subsection.

SECTION 20 SYSTEM BOARD OF ADJUSTMENT

A. ESTABLISHMENT AND JURISDICTION.

1. In compliance with Section 204, Title II, of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment, which shall be known as the "Northern Air Cargo Pilots System Board of Adjustment" (hereinafter referred to as "The Board").
2. The Board's purpose shall be to adjust and decide disputes that may arise under the terms of this Agreement when such disputes have been properly submitted to The Board by the Union, as provided in subsection 20.D.
3. The Board shall consider the appeal of any dispute properly submitted to it by the Union, when such matter has not been previously settled, as provided in Section 19 (Grievances), and any issues arising from the subsequent processing of the dispute.
4. The jurisdiction of The Board shall not extend to proposed changes in rates of pay, hours or working conditions and it shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of this Agreement. Except as specifically provided elsewhere in the Agreement, The Board shall have no jurisdiction to consider any dispute in which the applicable provisions of Section 19 (Grievances) or this Section 20 have not been complied with, including where a dispute has not been timely submitted to The Board. All procedural disputes shall be resolved by The Board.
5. As an alternative to The Board, by mutual agreement the Company and Union may utilize alternative dispute resolution procedures, including, but not limited to, Grievance mediation procedures developed jointly by the parties and the National Mediation Board ("NMB"), to attempt to resolve any disputes arising under this Agreement.

B. COMPENSATION OF THE BOARD.

1. The Board shall be duly constituted when necessary to hear and decide an appeal under this Section 20. When so constituted, The Board shall be comprised of three (3) members ("Board Members",) one (1) of whom is chosen by the Union, one (1) of whom is chosen by the Company and one (1) of whom is a neutral Arbitrator, selected as provided in subsection 20.CB.2. and who is the Neutral Board Member; provided, the parties may mutually agree to have the Grievance heard before the Neutral Board Member only. Each party shall advise the other in writing of the name of the person who has been appointed as its respective Board Member.

2. Upon receipt of at least fifteen (15) Days advance notice, the Company shall release the Union's Board Member to the extent necessary to allow him to attend meetings or hearings of The Board.
3. Once selected, the parties' respective Board Members shall serve until The Board issues a final and binding decision on a dispute they were selected to hear and decide, including any subsequent period wherein The Board retains jurisdiction. Should it become necessary for a party to replace a Board Member other than the Neutral Board Member before a matter can be closed, such party shall immediately advise the other party and the remaining Board Members in writing of his removal and replacement.
4. The Company or Union Board Member shall serve as Chairman of The Board for coordinating administrative activities, but shall not preside over meetings of The Board, which shall be the responsibility of the Neutral Board Member, as provided in subsection 20.C.8. The term of office of such position shall be one (1) Year. From Year to Year, the position of Chairman shall be filled alternately by the Company or Union Board Member, as applicable. The determination of which Board Member shall first serve as Chairman shall be settled by a coin toss.
5. Each Board Member shall be free to discharge his Duty in an independent manner without fear that his individual relations with the Union, the Company or with the Pilots may be affected in any manner by any action taken by him in good faith in his capacity as a Board Member.

C. PANEL OF NEUTRAL BOARD MEMBERS.

1. By mutual agreement the Company and the Union shall establish a panel of Arbitrators to serve as the Neutral Board Member. There shall be a minimum of seven (7) Arbitrators on the panel, which shall be established no later than the Effective Date of this Agreement. If no agreement can be reached by such date, the parties shall mutually petition the National Mediation Board ("NMB") for the names of seven (7) Arbitrators with preference given to West Coast Arbitrators with experience arbitrating labor disputes involving airlines and airline employees.
2. Upon ninety (90) Days advance written notice, either party may remove an Arbitrator from the panel, as provided in subsection 20.C.1.; *provided*, once an Arbitrator has been selected to hear a dispute, as provided in subsections 20.C.4. thru 20.C.6., such Arbitrator shall serve until a decision is rendered in the case he has been selected to hear. Neither party shall be allowed to remove more than two (2) Arbitrators from the panel in a rolling twelve (12) Month period without the agreement of the other party.

3. If an Arbitrator is removed from the panel, as provided in subsection 20.C.2., or due to death or the inability of the Arbitrator to remain on the panel, the parties shall attempt to mutually agree upon a replacement within thirty (30) Days. If the parties are unable to agree upon a replacement, each party shall submit the names of two (2) Arbitrators, all of whom have experience as neutrals in the airline industry, are members of the National Academy of Arbitrators and are willing to serve on the panel. The names of the potential replacements shall be placed in a "hat" and one (1) name shall be blindly drawn by a representative of either the Company or the Union, as determined by a coin toss.
4. Within thirty (30) Days after the Union notifies the Company it has appealed a Grievance to The Board, the parties shall, by the alternate strike method, select a Neutral Board Member from the list of Arbitrators, as provided in subsection 20.C.1. The party to strike first shall be determined by a coin toss.
5. The selected Arbitrator shall be asked to provide both parties with available dates for hearings for the next sixty (60) Days. Upon receipt of the Arbitrator's dates of availability, the parties shall confer regarding a mutually agreeable date or dates for the hearing. If no date has been agreed upon within fifteen (15) Days from the date the Arbitrator's dates were received by the parties, then either party may request in writing, with a copy to the other party, that the Arbitrator schedule the hearing. Upon receipt of such request the Arbitrator shall schedule the hearing.
6. If the selected Arbitrator does not offer available dates for hearings within the next sixty (60) Days, then the last struck Arbitrator, as provided in subsection 20.C.4, shall be selected.
7. The above listed provisions providing for notifications and communications with the Arbitrator shall not be construed to permit any unauthorized *ex parte* communication with the Arbitrator regarding the nature or merits of the Grievance to be heard.
8. The selected Arbitrator shall be the Neutral Chairman of The Board. He shall guide the parties in the presentation of testimony, exhibits and argument at hearings to ensure that a fair, prompt and orderly hearing of the dispute is afforded.

D. SUBMISSIONS TO THE BOARD.

1. The Union shall provide to the Company's and to the Union's Board Members a copy of its submission to The Board. Once a Neutral Board Member has been selected, as provided in subsection 20.C., the Union

shall promptly provide him with a copy of said submission.

2. Each submission shall include: Question or questions at issue; statement of facts; position of the Union; position of the Company; and remedy requested. When possible, joint submissions should be made. However, if the parties are unable to agree upon a joint submission, then either party may submit its position to The Board.
3. If the Union appeals more than one (1) Grievance to The Board, the Union shall choose the order of Grievances to be heard and decided by The Board. Unless the Company and the Union agree upon a combination of Grievances to be presented to The Board, each Grievance presented shall be treated as a separate case.

E. PROCEEDINGS BEFORE THE BOARD.

1. The Company and the Union shall be the only parties to a Board proceeding. The Company may be represented at Board hearings by such person or persons as it may choose and designate, and the Union may be represented by such person or persons as it may choose and designate. The Union shall designate who may present any arguments and evidence on behalf of a Grievant(s).
2. Evidence may be presented either orally, or in writing, or both.
3. The parties may summon any witnesses who are employed by the Company, and who may be deemed necessary by the parties to the dispute. At the request of either party, the Neutral Board Member may issue subpoenas for information and witnesses for hearings to the same extent such subpoenas are available in civil proceedings.
 - a. The number of witnesses summoned at any one time who are Company employees shall not be greater than that which can be spared from the operation without significant interference with the services of the Company.
 - b. Witnesses providing testimony shall do so under oath.
 - c. Each witness summoned by The Board or called by either party shall be free from retaliation or adverse action by either the Company or the Union because of giving testimony in good faith.
4. A majority vote of The Board Members sitting at a hearing shall be competent to reach a decision. The decision of The Board shall be final and binding for both parties and shall be rendered within thirty (30) Days after the hearing is concluded and the record is closed. By mutual

agreement, the parties may request The Board to issue its decision orally or with a brief written decision after the taking of evidence and the conclusion of oral arguments, with a comprehensive written decision to follow.

F. INFORMATION SHARING.

1. Upon a written request made prior to a Board hearing, the Company and the Union shall provide the other party with information in its possession that was not previously obtained, as provided in Section 19 (Grievances), or other provisions of this Section 20. The requested information shall be provided no later than seven (7) Days after receipt of such request. If additional pertinent requested information is identified before the close of The Board hearing, it shall be provided to the requesting party as soon as possible.
2. No later than five (5) Business Days prior to the hearing, the Company and the Union shall exchange all evidentiary exhibits, including the names of the witnesses they intend to introduce at the hearing. Any additional evidentiary exhibits or witnesses that are identified and intended to be introduced at the hearing after the above mentioned five (5) Business Day requirement shall be exchanged as soon as practicable, but prior to their introduction at the hearing. Unless the names of witnesses or evidentiary exhibits are deliberately withheld, this provision shall not preclude either party from introducing any additional evidence during the course of the hearing.
3. Nothing in this Section 20 shall be construed to waive any privilege provided by law that would protect information from disclosure, including the attorney-client and attorney work product privileges.
4. The parties are not required to introduce any of the aforementioned documents, exhibits or summon the aforementioned witnesses during the course of the hearing. However, no document or witness testimony shall be submitted to or considered by The Board in reaching its decision that has not been afforded the right of cross examination by the other party.

G. GENERAL.

1. The original(s) of all appeals and notifications and any other correspondence concerning specific cases shall be sent or transmitted, as provided in Section 31 (General).
2. The time limits, as provided in this Section 20, may be extended by written mutual agreement between the Company and Union. If a time limit or any mutually-agreed extension, thereof expires on a weekend or observed holiday, the time limit shall be extended to the next Business Day.

3. The expenses and reasonable compensation of the selected Arbitrator, or any other mutually agreed upon neutral parties shall be borne equally by the Company and the Union.
4. Each of the parties hereto shall assume the compensation, travel expense and other expenses of its Board Member, the witnesses called or summoned by it. The Company shall provide free positive space transportation on Company Aircraft to employees serving as witnesses or Board Members.
5. When it is mutually agreed that a stenographic report is to be taken of a Board hearing in whole or in part, the cost shall be borne equally by both parties to the dispute. If it is not mutually agreed that a stenographic report be taken, any stenographic report taken of such hearing made by either of the parties shall be furnished to the other party, upon request; *provided*, the cost of such stenographic report so requested shall be borne equally by both parties. Nothing shall preclude the Neutral Board Member from making or requesting an audio recording of the hearing for his exclusive use.
6. The cost of the meeting rooms and requisite hearing facilities for Board meetings shall be borne equally by the parties. Upon mutual advance agreement of the parties in each particular instance, at the request of the Neutral Board Member, The Board may incur expenses necessary for its decision of a case and such expenses shall be borne equally by the parties.
7. The Board shall meet with all Board Members present at the principal offices of the Company, unless the Neutral Board Member specifies a different place of meeting. Such meetings shall be convened at a time and date in coordination with the Neutral Board Member.

SECTION 21 DOMICILES

A. GENERAL.

1. A Domicile is located at single airport, designated by the Company, where Pilots are permanently based.
2. A Domicile shall be located within the United States and/or its Territories.
3. A Pilot's Trip Pairings or Company-Directed Assignments shall be scheduled, rescheduled, awarded, Assigned or Reassigned to begin and end at his Domicile or in the event of a R-3 Reserve Assignment, his Residence Airport or if approved, an alternative Airport. There shall be no limitation to the number of Domiciles the Company may establish, *provided*, all Domiciles shall be located within the United States and/or its Territories, unless the Company and the Union mutually agree otherwise.
4. If the Company requests a meeting with the Union to discuss the potential opening of an International Domicile, the Union shall not arbitrarily dismiss such request. If after such meeting the Union agrees to engage in negotiations over the possible opening, location, terms and conditions of the Domicile, the Company shall submit a formal letter of intent requesting the commencement of such negotiations.
5. The Company shall provide advance written notice to the Union of at least sixty (60) Days of its intention to close a Domicile, or at least thirty (30) Days of its intention to open a Domicile, unless the Company and the Union mutually agree otherwise. At the Union's request, the Company and the Union shall meet to discuss their concerns regarding what affect opening and/or closing of a Domestic Domicile might have on the Pilots.

B. NEW DOMICILE.

1. When a Domicile is opened, or a new Fleet is introduced into an existing Domicile, it shall be considered a "New Domicile" for twelve (12) Months, beginning from the first posted Effective Date for such New Domicile or the first Revenue Flight flown by a Pilot in such New Domicile, whichever is later.
2. A New Domicile shall be bid and awarded in Seniority Order to Pilots based on the preferences in their Standing Bids, as provided in Section 18 (Filling of Vacancies).
3. A Pilot awarded a Position on New Aircraft, as provided in Section 4 (New

Aircraft), at his current Domicile, shall not be entitled to a Paid Move, as provided in Section 6 (Expenses, Lodging or Transportation).

C. TEMPORARY DOMICILE STAFFING.

The Company may temporarily staff a Domicile with Pilots utilizing Temporary Duty ("TDY") Assignments, as provided in Section 18 (Filling of Vacancies). Such temporary staffing shall not exceed six (6) Months in any rolling twelve (12) Month period.

SECTION 22 CHECK AIRMEN AND INSTRUCTORS

A. CHECK AIRMAN AND INSTRUCTOR SELECTION PROCEDURE.

1. This Section 22 is applicable to Pilots who are Assigned to perform Duties as Check Airmen and/or Instructors. Training Department practices, policies, procedures and regulations shall be applicable, so long as they are not in conflict with the Agreement.
2. The Company shall post job openings for Check Airmen and Instructors in the same manner as Position Vacancies are posted, as provided in Section 18 (Filling of Vacancies).
3. Check Airmen and Instructors shall be selected by the Company from Pilots on the NAC Pilots System Seniority List ("Seniority List") who apply for such job openings and, with the exception of Initial Cadre Check Airmen ("ICCA"), as provided in Section 4 (New Aircraft), a Check Airman must have been a Captain in their respective Fleet for at least one (1) Year; *provided*, the Chief Pilot may waive the one (1) Year requirement. The Company shall consider the Union's recommendations, if made, for each applicant. Selections shall be made by the Company. In the event there are an insufficient number of qualified applicants, the Company may choose to re-post the job opening. A Check Airman must be approved by the FAA.
4. The Company may utilize FAA approved contract vendors or contract Trainers to perform ground or Simulator instruction when there are not a sufficient number of qualified Company Check Airmen in a Fleet to meet its Training needs.
5. If the Company intends to enter into a contract with a FAA approved contract vendor or Contract Trainer to fulfill Training needs, the Company shall notify the Union and provide a written explanation of the purpose and need to engage in such outside Training. A contract with an FAA approved vendor or Contract Trainer shall not exceed twelve (12) consecutive Months, unless the Company and the Union mutually agree to an extension.
6. Ground Instructors may be selected from the Seniority List or, at the Company's discretion, they may be selected from an alternate source. It shall be a Pilot's option to accept a Ground Instructor position.
7. A Pilot's selection to be a Check Airman and/or Instructor is Fleet specific and is not transferable to a different Fleet without the Company posting a job opening and such Pilot making an application and being considered, as provided in subsection 22.A.3.

8. Check Airman shall not be deemed Management Pilots.
9. FAA personnel may perform Checking Duties, as authorized by the FAA Administrator.

B. CHECK AIRMAN AND INSTRUCTOR DUTIES.

1. A Check Airman or Instructor who also performs Line Flying shall only operate the Fleet in which he is a Check Airman or Instructor (*i.e.*, no dual qualification). A Check Airman's Duties may require him to occupy the Captain's, First Officer's or Observer's station.
2. A Check Airman may perform Operating Experience ("OE"), Line Checks, Classroom Training, Simulator Training and Checking, as appropriate for his qualifications, Seniority and Position, as provided elsewhere in this Agreement, and/or associated Duties.
3. A Designated Pilot Examiner ("DPE") is a Check Airman who is authorized by the FAA to administer Type Ratings.
4. An Instructor performs instruction in a classroom, procedures Trainer and/or a Simulator, but does not perform any Checking Event(s). However, he may administer required coursework knowledge examinations (*e.g.*, written test, Computer Based Training ("CBT")), and/or associated Duties.

C. CHECK AIRMAN AND INSTRUCTOR RETENTION.

1. If a Check Airman or Instructor bids for and is awarded a Vacancy in a Fleet that is different than his current Fleet, he shall have the following options:
 - a. With Company concurrence, a Check Airman or Instructor may elect to be retained as a Check Airman or Instructor in his current Fleet. If there is a differential in the Hourly Pay Rate of the two (2) Fleet Types, he shall be compensated at the higher Hourly Pay Rate, as provided in Section 3 (Compensation). His newly awarded Vacancy shall be considered a placeholder Position ("Phantom Award"), meaning he shall not then fill such Position. A Phantom Award shall not be counted as a Position in that Fleet and Domicile; or
 - b. A Check Airman may elect to enter Training for his Phantom Award Position at any time. Upon completion of such Training, he shall be Assigned to his new Position as a Regular Line Pilot.
 - c. When a Check Airman or Instructor returns to Line Flying from the Training Department, as provided in subsection 22.C.4., he shall return

to his current, Position and Domicile or, if applicable, to his Phantom Award Position. If the Check Airman has not previously completed Training for his Phantom Award, he shall be Assigned to Training within ninety (90) Days of his intended return date. If there are no Vacancies in his awarded Position and Domicile, he shall be carried in excess in such Position and Domicile until the next Vacancy Bid and/or Displacement award, at which time he shall be awarded a Position that his Seniority can hold.

2. The Chief Pilot shall review the performance of a Check Airman or Instructor upon written request from the Union or upon his own initiative; provided, such the Union request must contain sufficient information for the Company to independently verify that a performance evaluation is warranted. The Company shall inform the Union of the results of such a performance evaluation performed under this subsection.
3. If the review of a Check Airman's performance is determined to be unsatisfactory, the Chief Pilot shall have the discretion to remove the Check Airman from the Training Department.
4. A Check Airman or Instructor who elects to resign his position shall provide the Chief Pilot with at least ninety (90) Days' notice prior to his return date to the Line. The Check Airman or Instructor and the Company may mutually agree to expedite or delay his return to the Line.
5. If a Check Airman's Seniority becomes insufficient to allow him to continue to hold Captain Status in his Fleet, he shall no longer be allowed to perform OE, but may perform Line Checks from the Observer's station or Instruction or Checks in a Simulator in his Fleet.
6. If a Check Airman's Seniority subjects him to being Furloughed, he may be retained as a Check Airman, as provided in Section 17 (Furlough and Recall).

D. CHECK AIRMAN AND INSTRUCTOR SCHEDULING.

1. If scheduled for less than nine (9) Days of Training, Checking, Instruction, or associated Duties in a Month that does not include operating an aircraft as a required Flight Deck Crewmember (*i.e.*, Captain or First Officer), sufficient Trip Pairings shall be dropped from his awarded Line to allow him to perform his Training, Checking, Instruction, or associated Duties. A Check Airman may perform OE only on the Trip Pairings remaining in his Line.
2. If scheduled for nine (9) or more Days of Training, Checking, Instruction, or associated Training Department Duties in a Month that does not include

operating an aircraft as a required Flight Deck Crewmember (*i.e.*, Captain or First Officer), a Check Airman or Instructor shall not bid for a Line of Time.

3. The Training Department shall provide Crew Scheduling and each Check Airman or Instructor who did not bid a Line of Time with their Monthly Training Schedules prior to the beginning of SAP. When such Check Airman or Instructor is based in a Domicile that participates in SAP and his Training Schedule PCH is below the MPG, the Company may require him to participate in SAP, as provided in subsection 14.G. After reaching the MPG through Super-Seniority, he shall and be allowed to participate in SAP, as all other Eligible Pilots.
4. When a Check Airman or Instructor does not bid a Line of Time, as provided in subsection 22.D.2., he shall not be scheduled by Crew Scheduling to perform a Reserve Assignment(s) in the Month, except when he is based at a Domicile that does not participate in SAP, Crew Scheduling may assign him the minimum number of Trip Pairings and/or Reserve Assignments after the Secondary Bid Process to increase his Line value up to the MPG. This limitation does not prohibit a Check Airman from picking-up a Reserve Assignment from Open Time.
5. The combination of Days performing Training, Checking, Instruction, associated Duties, or Line Flying of such Check Airman or Instructor shall not be scheduled to exceed seventeen (17) Days in a Month without his concurrence.
6. Such Check Airman or Instructor shall be scheduled for at least one (1) block of four (4) or more consecutive Days Off in a Month.
7. The Days on which a Check Airman or Instructor travels to or from a Training facility shall count against the number of Days of Training or Checking, as provided in subsections 22.D.1. and 22.D.2.
8. A Check Airman or Instructor shall have his schedule constructed with no less than the required minimum Days Off per Month, as provided in Section 13 (Hours of Service).

E. CHECK AIRMAN AND INSTRUCTOR PAY.

A Check Airman or Instructor shall be paid the higher Hourly Pay Rate of his current or, if applicable, Phantom Bid Position and his applicable Check Airman overrides, as provided in Section 3 (Compensation).

SECTION 23 MANAGEMENT AND NON-FLYING PILOTS

A. MANAGEMENT PILOTS.

1. For the purposes of the Agreement, Management Pilot positions shall be limited to: Vice President of Flight Operations; Director of Operations (“DO”), Director of Flight Standards, Chief Pilot, Domicile Chief Pilot (maximum of one (1) per Domicile); Assistant Chief Pilot(s) (“ACP”) (maximum one (1) per Fleet Type); and, Manager of Flight Training. The Company shall not be required to staff any of the above positions, nor shall it create a Management Pilot position that is not listed herein. The Agreement shall not apply to a Management Pilot, except where specifically provided.
2. A Management Pilot hired after the Effective Date of this Agreement shall be placed on the bottom of the NAC Pilots System Seniority List (“Seniority List”), as provided in Section 16 (Seniority).
3. A Management Pilot shall retain and continue to accrue Seniority, as provided in Section 16 (Seniority).
4. A Management Pilot shall not be eligible to bid for or be awarded or Assigned to a Line of Flying but is eligible to perform flying for the Company under specific limitations, as provided in Section 14 (Scheduling).
5. A Management Pilot who performs Company flying in a Position his Seniority would otherwise not allow him to hold shall only perform such Company flying if he Displaces a Pilot or performs unassigned flying from Open Time, as provided in Section 14, Scheduling.
6. A Management Pilot must be on the Seniority List to perform Company flying. A Management Pilot shall not perform Revenue Flying for the Company if he is retained when his Seniority would otherwise put him on Furlough.
7. A Management Pilot may resign his management position at any time by tendering a written Resignation. Upon tendering his Resignation, such Pilot, shall be considered as having returned to the Line as a Line Pilot, unless his employment with the Company has been terminated for alleged just cause, in which case the Grievance process, as provided in Section 19 (Grievances) is available to him.
8. A Management Pilot shall participate in and be subject to all future Vacancy

Bids and Displacement Awards while in a Management position. He shall retain the Position he held prior to transferring into his Management position, unless he is awarded a new Position resulting from a Vacancy Bid or a Displacement award, as provided in Section 18 (Filling of Vacancies). Such award shall be considered a placeholder Position ("Phantom Award"), meaning he shall not fill such Position, nor shall his Phantom Award be counted as one (1) of the system-wide Positions. The Company may elect to train a Management Pilot in his Phantom Award Position. If such Management Pilot elects to return to Line Flying, as provided in subsection 23.A.7., he shall be Assigned to his Phantom Award Position. If he has not previously completed the Training required for that Position, he shall be Assigned to Training within ninety (90) Days from the date of his request to return to Line Flying. If there are no Vacancies in his Phantom Award Position and Domicile, he shall be carried in excess in such Position and Domicile until the next Vacancy Bid and/or Displacement award, at which time he shall be awarded a Position that his Seniority can hold.

9. If the Company has Furloughed Pilots with Seniority greater than a Management Pilot who has requested to return to Line Flying, he shall not be returned to Active Service until he would be recalled.

B. NON-FLYING ASSIGNMENTS.

1. A Pilot who performs a Non-Flying Assignment for twelve (12) Months or less on a cumulative basis shall be considered to be on a part-time Non-Flying Assignment and shall not lose Seniority.
2. A Pilot who performs a Non-Flying Assignment for more than twelve (12) Months on a cumulative basis, other than in the Flight Operations, Flight Training or Flight Safety Departments, shall be considered to have transferred to a full-time Non-Flying position and shall be removed from the Seniority List; *provided*, this provision does not apply to a Pilot while on Furlough, Sick Leave or Medical Leave of Absence.
3. A Pilot performing a part-time Non-Flying Assignment shall retain his Position and Domicile, unless he has been Furloughed, as provided in Section 17 (Furlough & Recall), or Displaced, as provided in Section 18 (Filling of Vacancies).
4. A Pilot performing a part-time Non-Flying Assignment shall be eligible to bid for and be awarded a future Vacancy.
5. A Pilot performing a part-time Non-Flying Assignment shall be compensated no less than his Daily Pay Guarantee ("DPG") or his Monthly

Pay Guarantee (“MPG”) for each Day or Month, respectively, he is performing such Assignment. Any Pay Credit Hours (“PCH”) earned in addition to his part-time Non-Flying Assignment shall be paid, as provided elsewhere in the Agreement.

6. When a Pilot performing a part-time Non-Flying Assignment is scheduled on a Day(s) that conflicts with other scheduled Assignments, he shall be compensated for such Assignment as if he had been Reassigned, as provided in Section 3 (Compensation).

C. GENERAL.

1. The Company shall notify the Union when a Pilot becomes a Management Pilot or has been Assigned to perform a Non-Flying Assignment, or when there has been a material change to such Pilot’s Management or Non-Flying duties.
2. If a Probationary Pilot becomes a Management Pilot or a Pilot performing a part-time Non-Flying Assignment prior to completing his Probationary Period, as provided in Section 16 (Seniority), he shall complete the remaining portion of his Probationary Period upon returning to the Line.
3. If a Management Pilot or Pilot performing a part-time Non-Flying Assignment is to be Furloughed, he may be retained, as provided in Section 17 (Furlough and Recall).

SECTION 24 UNION REPRESENTATION

- A.** Upon advance written notice, the Company shall admit a reasonable number of officially designated Union Representatives to those areas of its property where Pilots generally congregate and to the various offices of the Company for the purpose of attending meetings with management and administering the Agreement.
1. When the Union plans a formal/group meeting to take place on Company property, the Union Representative shall give twenty-four (24) hours advance notice to the Company.
 2. If Union business requires a Union Representative to access the Security Identification Display Area (SIDA), he shall submit such request by email to the Director of Flight Operations, or his designee, for approval.
- B.** The Union shall notify the Company in writing and in a timely manner of the designation and/or election of its various representatives that will be interacting with Company representatives.
- C.** The Company shall notify the Union at least ten (10) Days prior to the commencement of any Initial Training. Representatives of the Union shall be provided an opportunity a minimum of two (2) hours to meet with and address the Company's New Hire Pilots at a mutually agreed upon time during normal Company Indoctrination Training hours. The Union shall advise the Company in advance as to who its representative(s) shall be at these meetings. Any costs for such meetings, other than the facility, if the meeting is held in Company facilities, shall be the responsibility of the Union. Nothing contained herein shall prohibit a Union Representative(s) from continuing a meeting beyond two (2) hours at the Company's facility outside of normal Training hours with the Company's permission.
- D.** Upon request, the Company shall provide the Union with a suitable location for a bulletin board at each Domicile where the Company controls the facility for the purpose of posting official notices of Union meetings, elections and other notices pertaining to internal Union matters. A duly authorized representative of the Union shall sign all such notices. Notices posted shall not contain personal attacks against any individual(s). No inflammatory, derogatory, or obscene material shall be permitted thereon. The Company reserves the right to remove any material that violates a Company rule. A System Board of Adjustment decision or a decision of a court or other governmental agency that is counter to a Company's opinion shall not be considered derogatory for the purposes of this Section 24.

SECTION 25 UNION SECURITY

- A.** Within sixty (60) Days following the beginning of employment, or within thirty (30) Days after the Effective Date of this Agreement, whichever is the later, each Pilot shall become a member of the Union in good standing as a condition of employment. All Pilots who are members of the Union in good standing on the Effective Date of this Agreement or who become members in good standing shall remain members in good standing as a condition of continued employment; *provided*, that Pilots to whom membership is not available upon the same terms and conditions as are generally applicable to any other member or with respect to Pilots to whom membership was denied or terminated for any reason other than the failure of the Pilots to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership, shall be excluded from the requirements of this Section.
- B.** Each Pilot who fails to voluntarily acquire or maintain membership in the Union shall be required, as a condition of employment, within sixty (60) Days following the beginning of his employment, or within thirty (30) Days after the Effective Date of this Agreement, whichever is the later, pay the Union each Pay Period a Service Charge as a contribution for the administration of the Agreement and the representation of such Pilot. The Service Charge for the first Pay Period shall be in an amount equal to the Union's regular and usual initiation fees and Pay Period dues, as specified by the Union, and for each Pay Period thereafter in an amount equal to the regular and usual Pay Period dues and periodic assessments (not including fines and penalties), including Union assessments (not including fines and penalties), as specified by Union, uniformly required as a condition of acquiring or retaining membership.
- C.** If any Pilot becomes delinquent in the payment of his Service Charge or any Union member becomes delinquent in payment of his initiation fees and/or dues, and/or periodic assessments, the Union shall notify such Pilot personally with a written statement or by certified mail, return receipt requested, with a copy to the Director of Operations that he is delinquent in the payment of such Service Charge, initiation fee and/or membership dues and/or periodic assessments, as specified in this Section 25, and is subject to discharge as a Pilot. Such letter shall also notify the Pilot that he must remit the required payment within a period of fifteen (15) Days or be discharged.
- D.** Upon the expiration of the fifteen (15) Day period, if the Pilot still remains delinquent, the Union shall certify in writing to the Director of Operations, with a copy to the Pilot, that the Pilot has failed to remit payment within the grace period allowed and is therefore to be discharged. Within fifteen (15) Days of the Union's certification, the Director of Operations, or his designee, shall notify both the Pilot and the Union by certified mail, return receipt requested, that he

is to be discharged, and shall take the necessary steps to formally discharge said Pilot, unless otherwise appealed, as provided in this Section 25.

- E.** A Pilot who is to be discharged, as the result of an interpretation or application of the provisions of this Section 25, shall be subject to the following procedures:
1. A Pilot who believes that the provisions of this Section 25 have not been properly interpreted or applied as it pertains to him, may submit his request for review in writing within ten (10) Days from the date of his notification by the Director of Operations, as provided in subsection F. above. The request must be submitted to Director of Operations, or his designee, who shall review the request and render his decision in writing no later than five (5) Days following receipt of the request.
 2. The Director of Operations, or his designee, shall forward his decision to the Pilot, with a copy to the Union. Said decision shall be final and binding on all interested parties unless appealed, as provided herein. If the decision is not satisfactory to either the Pilot or the Union, then either may appeal the decision within fifteen (15) Days from the date of the decision directly to a neutral referee who may be agreed upon by the Pilot and the Union within fifteen (15) Days thereafter. If the parties fail to agree upon a neutral referee within the specified period, either the Pilot or the Union may request the National Mediation Board to name such neutral referee. The decision of the neutral referee shall be final and binding on all parties to the dispute. The fees of such neutral referee shall be borne equally by the Pilot and the Union.
- F.** During the period a review is being handled under the provisions and terms of this Section 25, and until final award by the Director of Operations, his designee, or the neutral referee, as applicable, the Pilot shall not be discharged from the Company nor lose any Seniority rights because of noncompliance.
1. A Pilot discharged by the Company under the provisions and terms of this Section 25, shall be deemed to have been “discharged for just cause” within the meaning of the terms and provisions of this Agreement. Such discharge is not subject to Section 19 (Grievances), and Section 20 (System Board of Adjustment).
 2. The Company shall not be liable for any time or wage claim of any Pilot discharged by the Company pursuant to a written order by any authorized Union Representative under the terms of this Section 25.
- G.** During the life of this Agreement, the Company agrees to deduct from the pay of each member of the International Brotherhood of Teamsters, and remit to the Union, membership dues uniformly required as a condition of acquiring or retaining membership, as specified by the Union, and in accordance with the

provisions of the Railway Labor Act, as amended; *provided*, such member of the International Brotherhood of Teamsters voluntarily executes an authorization form. This form, also to be known as "Check-Off Form", shall be prepared and furnished by the Union.

- H. The payment of Service Charges, in accordance with subsection 25.B. above, may be made by check-off upon the voluntary execution of Check-Off Forms by Service Charge payers.
- I. The following information shall be reported and transmitted with the remittance of dues to the Union: Each Northern Air Cargo Pilot's full name, dues rate, service fees, gross wages, rates of pay, Position, and employment Status.
 - 1. If a payroll deduction is missed, or if the Company deducts an incorrect amount from a Pilot's wages, the proper adjustment shall be made the following Pay Period.
 - 2. A Pilot who has executed a Check-Off Form, and who Resigns, is otherwise terminated from the employ of the Company, is transferred or promoted outside of the bargaining unit, or enters a non-pay status, shall be deemed to have suspended his dues check-off Assignment and authorization. For a Pilot who is transferred or promoted outside of the bargaining unit or enters non-pay status, the suspension shall continue until the Pilot rejoins the bargaining unit or reenters pay status, respectively. For a Pilot who Resigns or is otherwise terminated, and is subsequently re-employed, no deductions of Union dues shall occur until such time as the Pilot executes a new Check-Off Form in compliance with this Section 25.

**SECTION 26
NON-DISCRIMINATION**

- A.** The Company shall not discriminate against any Pilot covered by this Agreement on the basis of lawful union activity, nor shall the Company or Union discriminate on the basis of race, color, ancestry, religion, sex, national origin, age, disability, sexual orientation, marital status, gender identity and expression, Vietnam Era or other eligible veteran's status or any other applicable classification protected by federal, state or local law.

- B.** When a Pilot is referred to in the Agreement in the male gender, it is recognized as referring to both male and female, unless the meaning is obviously to the contrary.

SECTION 27 UNIFORMS

- A.** A Pilot shall wear the uniform prescribed by the Company at all times while he is performing Duty as a required Flight Deck Crewmember, on a Company Flight Segment. Failure to comply with this requirement may result in progressive discipline; *provided*, a Pilot who wears his own weather protective gear (*e.g.*, Raincoat, or, boots) over his uniform and appropriate for the climate shall not be subject to discipline.
- B.** The Company shall provide each Pilot with a uniform that is appropriate for the Pilot's Domicile, including six (6) pair of slacks, six (6) shirts (long or short sleeves) with flap pockets and epaulet holders, a single set of epaulets, shirt wings, blazer wings, an all-weather jacket or coat, a cap, and, if required for specific International or Domestic Flying, the Pilot shall be provided with a tie, blazer with the appropriate number of stripes, as provided in subsection 27.C., and/or traditional Pilot hat, appropriate to the Pilot's Status.
- C.** A Captain shall have four (4) stripes on his epaulets and "scrambled eggs" on his hat, if provided. A First Officer shall have three (3) stripes on his epaulets.
- D.** The Company shall be responsible for the cost of initial, scheduled replacement items, as provided in subsection 27.D., and reasonably required repairs of Company uniforms.
- E.** Replacement schedule for all Company provided Uniform accessories are:

 - 1. On every employment anniversary, a Pilot shall be provided with two (2) new pair of slacks, three (3) new shirts, a cap and if applicable, a new tie.
 - 2. On every second anniversary, a Pilot shall, upon request, also be provided with a new set of epaulettes, Jacket and if applicable, a Hat and Blazer.
- F.** The Company and the Union shall meet upon request to discuss any new required items to be issued to the Pilots or any change in the style, color or material of the uniforms, prior to any change being instituted. Before a Pilot is expected to report for Duty in any changed or new uniform item, the Company shall have provided it to the Pilot.
- G.** A Pilot may wear a Company-issued or Union-issued lanyard to display required identification tags.
- H.** A Union pin and/or an American flag pin may be worn on the uniform or the outermost garment.

- I. For Pilots on Duty away from their Domicile for seven (7) or more consecutive Days, the Company shall pay reasonable expenses of laundering personal clothing and uniform dry cleaning, provided these expenses are incurred away from the Pilot's Domicile.
- J. The Company shall be responsible for the cost of any required Personal Protective Equipment ("PPE") or headsets.
- K. The Company shall pay for a Pilot's Personal Communication Device (PCD) that is specifically required as a condition of employment.
- L. Personal grooming standards for Pilots shall be consistent with recognized and customary practices for grooming in business workplaces in the United States. Mustaches and goatees are permissible, shall be neatly trimmed, and shall not infringe upon the face seal of cockpit emergency oxygen masks.

SECTION 28 CRAF AND HOSTILE AREA OPERATIONS

A. APPLICATION.

This Section 28 applies to all operations to or from or over a designated "Hostile Area," including any Civil Reserve Air Fleet ("CRAF") agreement between the Company and the United States Department of Defense ("DOD"), flights conducted pursuant to Air Mobility Command ("AMC") contracts, or flights conducted pursuant to a teaming arrangement with one or more other airlines to provide such operations to or from or over a designated "Hostile Area." Unless specifically provided otherwise, all other provisions of this Agreement and any amendments or side letters thereto shall be applicable to such operations.

B. HOSTILE AREA OPERATIONS.

The term "Hostile Area Operations" means a Flight Segment, any portion of which, in origin, destination or over flight, including a Flight Segment where the intent is to land or depart, in a "Hostile Area," as defined in subsection 28.C.

C. HOSTILE AREA.

The term "Hostile Area" means: (1) an area designated by the United States Department of Defense as a "Hostile Area" (or similarly designated); or, (2) geographic areas outside the United States in which an act(s) of aggression, including acts of war, insurrection or terrorism, have recently been committed, presently are being committed, or are likely to be committed in the near future against a foreign government or against the United States government or its citizens or interests designated by the parties as a "Hostile Area."

1. If the parties disagree concerning whether an area is "Hostile," such dispute may be submitted by the Union directly to the System Board of Adjustment ("SBA"), as provided in Section 20 (System Board of Adjustment), for final and binding resolution. The dispute shall be heard by the SBA sitting with a neutral Arbitrator selected from the Section 20 arbitration panel within ten (10) Days following the submission of the dispute. The hearing shall take place no later than thirty (30) Days after the selection of the neutral Arbitrator. The decision of the SBA shall be rendered no later than thirty (30) Days after the record is closed.
2. Pending the outcome of the SBA proceeding, an area shall not be designated as "Hostile;" *provided*, the compensation and benefit provisions in Section 29 (Missing in Action, Internment, POW), shall apply retroactively if the area is designated as "Hostile." A Hostile Area designation shall remain effective until the parties mutually agree to rescind the designation.

D. ASSIGNMENTS TO CRAF, AMC AND HOSTILE AREA OPERATIONS

1. Assignments to participate in CRAF or AMC operations that do not involve Hostile Areas shall not be affected by this Section 28.
2. Hostile Area Operations shall be Assigned in the following manner:
 - a. The Company shall establish a Hostile Area Pilot Pool ("Pool"). Current and qualified Pilots may opt into the Pool ("Pool Pilot") at any time for one (1) or more periods of three (3) Months each. A Pool Pilot shall be subject to Hostile Area Operations Assignments for the entire time he is a Pool Pilot;
 - b. The Company shall first seek to assign Hostile Area Operations to Pool Pilots in Seniority Order to the extent doing so does not disrupt regular operations, consistent with current practice;
 - c. If the Hostile Area Operations cannot be Assigned to Pool Pilots, as provided in subsection 28.D.2.b., the Company shall seek to assign the Hostile Area Operations in Seniority Order to current and qualified volunteers not in the Pool to the extent doing so does not disrupt regular operations, consistent with current practice;
 - d. If the Hostile Area Operations cannot be Assigned, as provided in subsections 28.D.2.b. or c., the Company shall assign the Hostile Area Operations in sequential order, first to Management Pilots, then, in inverse Seniority Order to current and qualified Line Pilots, then, as a last resort, to Contract Crewmembers.
 - e. No Pilot shall be required to fly to or from or over a Hostile Area or a geographic area under dispute, as provided in subsection 28.C.1., if he reasonably believes that doing so poses an imminent threat of injury or death. A Pilot shall not be subject to discipline or discharge for such refusal.
 - f. The employment and/or utilization of a Contract Crewmember shall be limited to the duration of the particular flight(s) to and from or over the Hostile Area and up to five (5) Days thereafter.

E. COMPENSATION FOR HOSTILE AREA OPERATIONS

In addition to any other applicable pay and credit, all Assignments to Hostile Area Operations, as provided in this Section 28, shall be paid, as provided in Section 3 (Compensation).

F. ADDITIONAL BENEFITS APPLICABLE TO HOSTILE AREA OPERATIONS

1. The Company shall provide a Pilot flying to or from or over a Hostile Area with five hundred thousand dollars (\$500,000) life insurance coverage in addition to all other insurance benefits, as provided in this Agreement, payable to the Pilot's family or estate, as provided in Section 29 (Missing in Action, Internment, POW).
2. A Pilot who, as a direct result of his participation in Hostile Area Operations, suffers a disability that is attributable to "Hostile" activities, that precludes him from continuing his duties shall suffer no loss of income for a period of forty-two (42) Months or the length of disability, whichever is less. Such Pilot shall receive sufficient compensation after adding Worker's Compensation, Social Security and any other remuneration to which he may be entitled under governmental or Company programs to sustain the Pilot's Minimum Pay Guarantee ("MPG") income, as provided in Section 3 (Compensation).
3. To the extent they are present in the Company's benefit programs, exclusions and limitations for war, terrorism, job-related injury and criminal acts, and any limitation on the amounts paid per accident, are waived for Pilots while participating in any Hostile Area Operation. Notwithstanding the foregoing, any limitations for self-inflicted injury and for job-related injury in the medical and dental plan shall remain in effect.
4. A disability under Subsection 28.F.2 rendering a Pilot unable to continue to perform his regular duties shall be as determined in the course of a Workers' Compensation proceeding in the state of the Pilot's Domicile.

G. PER DIEM

A Pilot participating in operations, as provided in this Section 28, shall receive Domestic or International Per Diem, as applicable, as provided in Section 6, (Expenses, Lodging & Transportation).

H. CRAF DUTY LIMITATIONS

The Company's performance of CRAF operations, whether or not Hostile Area Operations, shall, without regard to the level of activation, be governed solely by the limitations on Duty Time, Flight Time and Rest requirements contained in the Special Federal Aviation Regulations ("SFARs") issued in conjunction with a CRAF activation or, if no SFARs have been issued, then by such limitations, if any, contained in the Federal Aviation Regulations ("FARs"). The SFARs or FARs, as applicable, shall supersede any conflicting provisions contained in the Agreement.

I. OTHER HIGH-RISK AREAS

The Company shall be responsible for ensuring that adequate security precautions have been taken to ensure the security of a Pilot required to operate a flight to or from or over any area that the United States Department of State or DOD has designated as an area of “high threat or risk” or designated as an “area of imminent danger.”

SECTION 29
MISSING IN ACTION, INTERNMENT, PRISONER OF WAR

- A.** Any Pilot who, while engaged in the Company's operations is determined to have become involuntarily detained (*i.e.*, interned, held as a prisoner or hostage, or is missing in action, as a result of an action by any person, group or foreign government entity), shall be entitled to compensation and benefits continuation as if he had continued working, including but not limited to:
1. Bi-Monthly compensation at the rate applicable to the Pilot, as if he was in fact working, based upon the applicable Monthly Pay Guarantee ("MPG"), as provided in Section 3 (Compensation), for the Months in which the Pilot became involuntarily detained, he shall receive the applicable MPG or actual compensation required by this Agreement, whichever is greater;
 2. Continuation of the health insurance benefits applicable to the Pilot (including those extended to the Pilot's family), subject as before to the required employee contributions;
 3. Continuation of 401(k) and other deductions from the Pilot's Bi-Monthly compensation and the Company's matching contributions on behalf of the Pilot;
 4. Continued annual Sick Leave grant, as provided in Section 10 and PTO accrual, as provided in Section 11;
 5. Continued Seniority and Longevity accrual.
- B.** The compensation listed above shall be deposited to the account the Pilot designated for payroll purposes unless he has completed and filed with the Company the form attached to this Section, as Appendix 29-A, in which case such compensation shall be paid as he has directed therein. The Company shall provide to each Pilot a copy of the aforementioned form at the time he is hired. In furtherance thereof, the Company shall make the form available on its website so that Pilots may update the form as necessary.
- C.** If it cannot be determined whether a Pilot has been involuntarily detained in a manner that would trigger the compensation and benefits provided for in this Section 29, such compensation and benefits shall be denied, subject to being paid retroactively if his eligibility is later established. Any dispute(s) regarding the application of this Section may bypass the Grievance procedures, as provided in Section 19 (Grievances), and be submitted directly to the Northern Air Cargo Pilots System Board of Adjustment, as provided in Section 20 (System Board of Adjustment). Such dispute(s) shall be heard and resolved as expeditiously as possible.

- D.** If the fact of a Pilot's death is established by any legal standard, or there is sufficient evidence that a reasonable person would conclude that the Pilot has died, the Compensation and benefits, as provided in subsection 29.A., shall cease and any death benefits to which the Pilot is entitled shall be paid.
- E.** If the fact of a Pilot's cannot be legally established, or there is insufficient evidence for a reasonable person to conclude that the Pilot has died, the compensation and benefits, as provided in subsection 29.A., shall be paid for up to twenty-four (24) Months from the time the Pilot was last known to be alive or until his death has been legally or otherwise confirmed or until he has been returned alive to his Domicile. If at the end of the twenty-four (24) Month period the Pilot's status still cannot be confirmed, then any death benefits to which he may be entitled shall be paid.
- F.** At the time an Eligible Pilot's compensation and benefits are terminated pursuant to subsections 29.D. or 29.E., the Vacation Accruals to which he was entitled shall be paid as compensation as he has directed in the form attached to this Section 29, as Appendix 29-A. If the Pilot has not completed and filed such form with the Company, then the accruals shall be paid to his estate.
- G.** In the case of a Pilot who has not completed and filed out the above-mentioned form with the Company, such compensation shall be paid to the estate of the Pilot at the time death benefits, if any, are to be paid, as provided in this Section 29.
- H.** If a Pilot for whom death benefits have been paid, as provided in this Section 29, is later determined to be alive and eligible for the compensation and benefits listed, as provided in subsection 29.A., such compensation and benefits shall be paid on a retroactive basis, less any death benefits already paid and shall continue for as long as the Pilot continues to qualify for such. If the death benefits paid to the Pilot's designated beneficiaries or estate are greater than the Compensation that would have been paid the Pilot, as provided under subsection 29.A. had no presumption or finding of death been made, then the Pilot shall be obligated to refund the excess to the Company.
- I.** The compensation and benefits, as provided in this Section 29, shall not apply to any Pilot:

 - 1. Whose gross misconduct causes him to be missing, detained or interned and results in his unavailability for Duty;
 - 2. Who engaged in activities that he knew or should have known were illegal under the laws of the country in which such activities took place;

3. Who voluntarily entered an area that he was directed to avoid by the Company, the U.S. government, or the foreign government with jurisdiction over the area entered by the Pilot if the Pilot had prior notice of the directive;
 4. Who is held by law enforcement or governmental officials in the United States, its possessions, or territories, except as provided in subsection 29.J.
- J.** Notwithstanding anything to the contrary contained in this Section 29, the compensation and benefits, as provided in subsection 29.A., shall continue for any Pilot who, as a result of any action taken pursuant to and in accordance with Company instructions, policy and procedures, becomes missing, interned or held as a prisoner by law enforcement or governmental officials of any foreign country or the United States, its possessions, or territories.

APPENDIX 29-A

To: Northern Air Cargo, INC.,

You are hereby directed to pay all bi-Monthly Compensation allowable to me pursuant to Section 29, Missing in Action, Internment, POW, of the collective bargaining agreement between Northern Air Cargo ("the Company), and the Pilots in the service of the Company, as represented by the International Brotherhood of Teamsters, as follows:

NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____
PERCENTAGE OF BI-MONTHLY COMPENSATION: _____
As long as living, or allowed by law, and thereafter to:
NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____

NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____
PERCENTAGE OF BI-MONTHLY COMPENSATION: _____
As long as living, or allowed by law, and thereafter to:
NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____

NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____
PERCENTAGE OF BI-MONTHLY COMPENSATION: _____
As long as living, or allowed by law, and thereafter to:
NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____

NAME/ INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____
PERCENTAGE OF BI-MONTHLY COMPENSATION: _____
As long as living, or allowed by law, and thereafter to:
NAME/INSTITUTION: _____
Recipient's Address: _____
ACCOUNT NO. (as applicable): _____

- The balance, if any, and any amounts accruing after death of all persons named in the above designation shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.
- The foregoing direction may be modified from time to time by signed letter by the undersigned, and such modification shall become effective upon the Company's receipt of such letter.
- Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payments with respect thereto.

SECTION 30 MANAGEMENT RIGHTS AND POLICIES

A. MANAGEMENT RIGHTS

Except to the extent expressly limited or modified by a specific provision of this Agreement, the Company reserves and retains, solely and exclusively, all of the inherent rights, powers and authority to manage the business and direct its work force and all the matters relating thereto that the Company had prior to the signing of this Agreement. The rights of management shall not be exercised so as to violate or conflict with any provision of this Agreement, the Railway Labor Act, as amended (“RLA”), or the Federal Air Regulations (“FARs”).

B. COMPANY POLICIES

1. Pilots covered by this Agreement shall be governed by all applicable Company rules, regulations, manuals and policies that do not conflict with the terms and conditions of this Agreement and which may be amended from time-to-time.
2. The Company shall maintain all such applicable Company rules, regulations, manuals and policies, and subsequent revisions thereto, in a manner affording each Pilot easy access regardless of the Pilot's location (e.g., in electronic format on the Company intranet.)
3. The Company shall notify the Union and Pilots of revisions to the rules, regulations, manuals and policies applicable to Pilots that have been reduced to writing, as of the Effective Date of this Agreement. Upon request by the Union, the Company agrees to engage in constructive dialog with the Union regarding any revisions and/or new rules, regulations, manuals and policies that the Union believes may or has materially impact(ed) the terms and conditions affecting the Pilots covered herein.
4. The Union reserves the right to grieve the reasonableness of rules, regulations, manuals and policies as applied to Pilots in actual cases.

SECTION 31 GENERAL CONDITIONS

A. THE AGREEMENT.

1. If any provision of this Agreement is declared or rendered invalid by any court of competent jurisdiction, governmental agency or legislation, such invalidation shall not affect the remaining provisions of this Agreement.
2. Within sixty (60) Days of the Effective Date of the Agreement, the Company shall provide each Pilot, including New Hire Pilots, with an electronic copy of the Agreement, including all Letters of Agreement. Medical, Dental and Retirement Summary Plan Description documents shall be available at no cost to Pilots. The Company shall continue to provide such documents in electronic form to all Pilots.
3. All future Letters of Agreement shall be incorporated into the Agreement as revised pages. Within sixty (60) Days of executing such Letters of Agreement(s), the Company shall provide each Pilot with an electronic copy of such revised pages at no cost to the Pilots.

D. SECURITY CLEARANCES.

Notwithstanding any other provision of this Agreement, each Pilot may be required as a condition of employment to secure and maintain a security clearance to the level required by any Governmental Agency with whom the Company contracts. The Company shall bear the expense of securing and maintaining any such required security clearance

E. FLYING OTHER THAN FOR NORTHERN AIR CARGO.

This Agreement contemplates that Pilots shall devote their entire professional flying services to the Company, except that nothing in this Agreement shall be construed to prevent any Pilot from affiliating with the military services of the United States. An Active Pilot may perform flying for personal reasons. A Pilot must obtain written approval by the Director of Flight Operations before engaging in other commercial flying, which normally shall not be in competition with the Company. Pilots permitted to engage in such flying shall provide Crew Scheduling, at the end of each Day with the start, stop and total Flight Time for non-Company flight activity. Requests to allow such flying shall be considered on a case-by-case basis. Unless approved in writing in advance by the Company, extra flying under this subsection shall not limit a Pilot's ability to fly the maximum allowable Flight Time under Federal Law for the Company. This provision shall not apply to any Pilot who is on Furlough or a Leave of Absence.

D. LEGAL INDEMNITY.

1. Indemnity and Counsel: The Company shall hold harmless, indemnify and provide legal counsel for any Pilot in the employ of the Company if he is named as a defendant, or subpoenaed as a witness, by a claimant in legal proceedings arising out of the Pilot's operation of a Company owned or leased aircraft while acting within the scope of his duties for the Company, except for those proceedings initiated by the Company directly against the Pilot, where the Pilot has acted outside the scope of his duties including gross negligence, or intentional or criminal misconduct, unless his action was to prevent dangerous interference with the operation of the aircraft (e.g. hijacking) or the Pilot has refused to cooperate in the legal proceedings. In the event a Pilot who has been denied indemnity obtains a final ruling from an Arbitrator or judge that he should have been indemnified, the Pilot shall be allowed the benefits provided under this subsection.
2. Insurance: The Company shall provide Comprehensive Airline Legal Liability insurance with respect to the foregoing undertaking which shall afford legal defense and indemnification of no less than one hundred percent (100%) of any judgment, or award, directed against the Pilot, or his estate, arising out of the performance of his Duty as a Pilot.
3. A Pilot shall not be required to pay for any damage to an airplane or Company equipment when such damage occurs during the Pilot's service to the Company.

E. NOTICES, RESPONSES, FILINGS, AND DECISIONS.

Except as provided elsewhere in this Agreement, all notices, including meeting notices, notices of Training and Checking, responses, filings (e.g., Grievances, appeals, all Company and System Board of Adjustment decisions) and all mutual extensions of any time limits, shall be in writing and accomplished by: personal delivery; depositing such notices in the U.S. Mail, certified, postage prepaid, return receipt requested; or commercial carrier (e.g., UPS); or by fax or electronic communication with delivery confirmation; addressed to the last known address or fax number or email address of the person(s) to whom the notice is being given, and/or to the address/fax number/email address of the Company and/or the Union.

F. PERSONNEL AND TRAINING FILE.

1. A single master personnel file shall be maintained on each Pilot in the employ of the Company. With the exception of official Training records, as provided in subsection 31.G.2, and Medical Records, the Company is

prohibited from maintaining any other additional files on each Pilot.

2. A single Training file may be maintained on each Pilot, as provided in Section 12 (Training), and shall contain all records associated with Training, including grades received on all examinations and instructor evaluations involving said Pilot.
3. When a Pilot wishes to examine his personnel file, he shall schedule an appointment with the Director of Employee Services, which shall be within two (2) Business Days after he notifies the Director of Employee Services. If he requests, he may be accompanied by a Union Representative. A Pilot may also grant the Union written authority to review his personnel file on his behalf two (2) times in a Year. The Union shall present the Company with such written authorization prior to accessing the files. A Company Representative shall be present during any review of a personnel file. Upon request at the time of the file examination, a Pilot or the Union Representative shall be provided with a copy of any information contained in the Pilot's file. The Company shall make the contents of a Pilot's personnel file available to him in electronic form as soon as reasonably possible.
4. A Pilot must receive a copy of any written information of a derogatory, negative, or adverse nature being placed in his file. If he does not receive a copy of such material, it shall not be used, nor shall the Company contend that it may be used, in any action against the Pilot. A Disciplinary letter shall be removed from a Pilot's personnel file, as provided in Section 19 (Grievances).
5. Training and personnel records shall only be disclosed to third parties where required by governmental agencies, by subpoena or court order, or as authorized in advance in writing by the Pilot. Except as otherwise required by law, if a prospective employer makes an employment related inquiry, other than required by the Pilot Record Improvement Act ("PRIA") or other federal, state or local law, the Company shall provide only the Pilot's name, Position, date of hire and date of separation, if applicable. Salary information shall be provided only if the Pilot gives the Company prior written consent to disclose such information. Nothing herein shall be interpreted to prevent the Company from complying with the requirement of any law or order of any court of competent jurisdiction.
6. Any time information is requested by any government agency that is specific to a Pilot, such Pilot shall be advised upon release of such information.

G. RECORD OF PAYMENTS.

Upon written request, the Company shall provide proof of payments made on behalf of Pilots for Group Insurance premiums, 401(k) and Union dues.

H. TAXATION OF BENEFITS.

If during the term of this Agreement, there is a change in governmental regulations affecting Benefits and taxation, thereof, the Company shall have the option to elect to pay any legislated or regulated penalties and/or give notice to the Union of its intent to reopen this Agreement for the purpose of bargaining such provisions. If the Company reopens this Agreement for this limited purpose, negotiations shall proceed under the provisions provided in Section 6, Title II of the RLA.

I. INCIDENT NOTIFICATION.

When traumatic incidents occur in the workplace, including but not limited to aircraft accidents, National Transportation Safety Board ("NTSB") aircraft incidents, hijacking, bomb threats, and aircraft evacuations, the Chief Pilot, or his designee, shall notify the Union as soon as possible. If the Pilot(s) involved in the traumatic incident requires time away from work, the Pilot(s) and a Union Representative shall determine the extent of the need and required time away from work.

J. NON-RELATED FLIGHT DUTY MEETINGS.

If a Pilot is required by the Company to attend any meetings/conferences, he shall be removed from his Duty or Reserve Assignment and be paid, as provided in Section 3. (Compensation). If such required meetings/conferences are on a Pilot's Day(s) Off, he shall be paid, as provided in Section 3.

K. COCKPIT VOICE RECORDER, FLIGHT DATA RECORDER, VIDEO RECORDER, AND SIMILAR DEVICES.

1. Information contained on a cockpit voice recorder ("CVR"), flight data recorder ("FDR"), maintenance data computer ("MDC"), video and/or image recording device, or similar aircraft electronic recording or reporting device (e.g., ACARS, ARINC, ADS-B) (all herein referred to as a "Recorder"), may not be used, directly or indirectly, for purposes of discipline or commencing an investigation that could lead to discipline. Data from a Recorder shall not be monitored or reviewed for the purpose of evaluating Pilot performance, unless required by law or governmental authority. Data from a Recorder may be used for required maintenance related purposes. The Data obtained from a Recorder shall not be released to a third-party, unless required by law, an order of a court of competent jurisdiction or upon mutual consent of

the Company and the affected Pilot(s).

2. Except as provide herein, all protective provisions, as provided in subsection 31.J.1. shall apply to all data collection or reporting devices installed in Flight Simulators:
 - a. At the consent of the Pilot in Training, videotaping shall be for Training purposes only and restricted solely to non-jeopardy Simulator Training.
 - b. Video tapes shall be viewed by no persons other than the participants and their instructors immediately after the Simulator Training. Video-tapes shall be erased immediately following their viewing.
 - c. Video-tapes shall not be used in conjunction with Check-rides or any Disciplinary proceedings.
3. The Company shall not install Cockpit Video/Imaging Recording Devices in aircraft operated by Pilots unless required by applicable law.
4. Without limiting the Pilot protections, as provided in subsection 31.J., cockpit voice recordings and any other audio recordings other than as consented to in subsection 31.J.5 may only be listened to by the Company and/or the content transcribed and reviewed if all Pilots whose voices may have been recorded are present or have given written consent; *provided*, Recorders may be removed and the contents transcribed and/or listened to if ordered to do so by a court of law, or by an authorized government agency. If the Company is required to provide the contents of any Recorder, a transcript thereof, or the Recorder itself, to any government agency, or court of law, it shall notify the Union and affected Pilot(s) within twenty-four (24) hours and provide the Union with a copy of all court and/or agency orders. Union Representatives shall have the right to be present when Company personnel listen to any recordings. If a Union Representative(s) intends to be present, the Union shall inform the Company within twenty-four (24) hours of having been notified and Company representatives shall not listen to any such recording without the Union Representative being present, unless mandated by a state or federal agency.
5. Recorded Phones.
 - a. All phones in Crew Scheduling and Flight Control may be recorded. Pursuant to this Agreement, the Pilots consent to the recording of phone lines.
 - b. Upon Union request in connection with an active matter, as provided in

Section 19 (Grievances) or Section 20 (System Board of Adjustment), the Company shall permit the Union to listen to any available recorded conversation with a Pilot.

L. NOTICES TO PILOTS.

Pilots shall receive written notice of any change in their Domicile Assignments, Pilot Status, Furloughs, Recalls, and Leaves of Absence. Copies of such notices shall be sent to the Union and posted electronically to all Pilots. Changes shall be in accordance with the applicable terms of this Agreement.

M. PILOT CHANGE OF ADDRESS.

A Pilot shall immediately notify the Employee Services Department and Crew Scheduling, of any change of address or telephone contact number. Notice may be email or pursuant to the HR Online System.

N. PASS POLICIES/INTERLINE AGREEMENTS.

A Pilot and his immediate family shall be entitled to the same pass, or reduced fare privileges provided other Company employees. Such privileges are posted on the HR Online System.

O. CONSUMPTION OF ALCOHOL.

The Company shall not attempt to enforce any Company policy or rule that imposes any restrictions on a Pilot's consumption of alcohol that is more restrictive than the applicable FAR's. Nothing herein shall be construed as excusing a Pilot from being able to pass statutory alcohol testing.

P. PROMOTIONAL ACTIVITIES.

A Pilot shall not be required to participate in publicity or promotional activities.

Q. VISAS, PASSPORTS, AND INOCULATIONS.

A Pilot may be required to obtain and maintain visas, passports and inoculations as a condition of employment. The Company shall pay for all required visas and inoculations fees. The Company shall meet and confer with the Union prior to implementing a mandatory inoculation program.

R. EMERGENCY CONTACT.

If previously authorized by a Pilot, the Company shall provide a family member or other bona-fide representative of the Pilot with information sufficient to allow such family member or representative to make contact with the Pilot in the event of a family emergency.

S. CABIN AND FLIGHT DECK MAINTENANCE.

Aircraft cabin entry area and flight decks shall be cleaned regularly and properly maintained. All cockpit seats shall be fully functional, as provided in the Company Minimum Equipment List ("MEL"), and clean with all seat covers and cushions in good condition. A Pilot shall assure that such areas are left in a clean and orderly condition. The Company shall provide all appropriate cleaning supplies and approved wipes for oxygen mask equipment.

T. MANUALS AND EQUIPMENT.

1. The Company shall provide Pilots with Company manuals, Electronic Flight Bags ("EFB"), including revisions thereto, and Company-issued Personal Communication Devices ("PCD") that the Company requires Pilots to use in the performance of their Duties, at no cost to the Pilots. A Pilot or his estate shall not be required to pay the cost of any repair or replacement of any Company Aircraft, equipment, insignia or emblems unintentionally lost or damaged, except for the cost charged by an Airport Authority for the replacement of a lost or damaged AOA badge.
2. A Company identification card shall be issued to each Pilot.

U. REQUIRED AIRCRAFT EQUIPMENT.

1. There shall be no requirements to install coffee makers, microwaves or a galley oven on B737 or similar aircraft. All Company B757/B767 or larger aircraft shall have a coffee maker and a microwave or galley oven installed. Such Galley Equipment shall be maintained in operational condition in accordance with the Company's MEL. All Company Aircraft shall have a cooler stocked with water and ice for each flight.
2. The Company shall provide moveable, external stairs at each location where the Company operates aircraft. Where there are no services available, a portable ladder shall be carried onboard in lieu of air stairs or external, moveable stairs.
3. All aircraft in operation by the Company, as of August 1, 2017, shall have lavatories onboard the aircraft; *provided*, any such current aircraft that do not have lavatories, shall provide an alternative means for Pilot use. After

the date specified above, all new aircraft which are purchased and put into operation by the Company shall have lavatories installed.

V. POLYGRAPHS.

The Company shall not require Pilots, or Pilot applicants, to submit to a polygraph or lie detector test.

W. RESIGNATIONS.

1. A Pilot resigning his employment with the Company shall provide written notice to the Chief Pilot specifying the last date that he shall be available for Duty. Such notification shall be no less than two weeks prior to his intended departure date and unless the Chief Pilot has agreed in writing to a shorter time period, the Company shall deem his Resignation effective on the date the Pilot specifies in his Resignation notice (i.e., the "Effective Date of Resignation").
2. The Company shall provide compensation, as provided in Section 3 (Compensation) through the Pilot's Effective Date of his Resignation. Unless otherwise provided for in this Agreement, all Company-provided Benefits shall continue through the last date of the Month in which the Pilot's Resignation is effective.
3. A Pilot may, with approval of the Company, be permitted to retract his notice of Resignation at any time prior to his Effective Date of Resignation.

X. COCKPIT OBSERVER AUTHORITY ("JUMPSEAT").

Pilots shall be authorized to Jump-seat in Company Aircraft on a space available basis. Requests for such authority shall be processed on a "first-come, first-served" basis and shall be authorized by the Pilot-in-Command ("PIC"). When two (2) or more Pilots make a simultaneous request to Jump-seat on the same flight, the more senior Pilot's request shall be honored. Company Pilots shall have displacement rights over all other Jump-seaters from other airlines. The PIC on each flight may authorize any Jump-seat user, as provided in the applicable FARs. Such authority shall not be used to circumvent any provisions of this Agreement or established Company policy regarding eligibility and priority.

Y. CONTINUANCE OF OPERATIONS.

1. Except as provided in subsection 31.Y., during the term of this Agreement (from the Date of Signing of this Agreement to the "Release Date," if any, by the National Mediation Board), the Union shall not authorize, cause,

engage in, sanction or assist in any work stoppage, strike or slowdown of operations. Likewise, during this same time period, the Company shall not cause, permit or engage in any lockout of its Pilots.

2. Nothing herein shall preclude either party from exercising its legal rights to enforce status quo violations, including violations of subsections 31.X. and 31.Y., and seek injunctive relief from the United States District Court for the District of Alaska or from another US District Court in a District where a violation is alleged to have occurred or is occurring.

Z. PROTECTION FROM DISCIPLINE DURING A LEGAL JOB ACTION.

Notwithstanding any other provision of this Agreement, it shall not be a violation of this Agreement, and it shall not be cause for discharge, permanent replacement or any other Disciplinary action, if a Pilot refuses to enter upon any property of the Company, any Company Affiliate or any other Entity where it's employees are engaged in a lawful strike or where the employees of a third-party entity doing business with or providing service to the Company, Company Affiliate or other Entity are engaged in a lawful strike. It shall not be cause for discharge, permanent replacement or any other Disciplinary action if a Pilot refuses to cross or work behind any lawful picket line, including without limitation a lawful picket line of the Union or any other labor organization directed at an entity doing business with or providing service to the Company, Company Affiliate or other Entity. At the request of the Company, the Union shall use its best efforts to provide the Company with information about any labor disputes and picket lines that could affect the Company's operations. When requested by the Company, the Union shall assist the Company in promptly identifying alternative hotels and airlines, if applicable, if Pilots exercise their rights under this subsection.

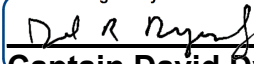
**SECTION 32
DURATION**

This Agreement shall become effective July 24, 2018 and shall continue in full force and effect for five (5) Years, thereafter, and shall renew itself without change, thereafter, unless written notice by either party of intended change is served in accordance with Section 6, Title II, of the Railway Labor Act, as amended ("RLA"), between three hundred sixty-five (365) and one hundred eighty (180) Days prior to July 24, 2023, or any July 24th thereafter if the Agreement is renewed.

In witness thereof, the parties have signed this Agreement on July 24, 2018:

SIGNED FOR THE UNION

SIGNED FOR NORTHERN AIR CARGO

DocuSigned by:
By: 

Captain David Dyas
AAC Executive Council Chairman

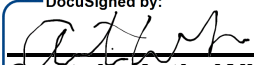
DocuSigned by:
By: 

Captain Brandon Johnson
Director of Operations

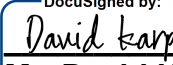
Date: July 24, 2018

Date: July 24, 2018

**SIGNED FOR NORTHERN AVIATION
SERVICES INC.**

DocuSigned by:
By: 

Captain Artie Wikle
NAC Chief Steward

DocuSigned by:
By: 

Mr. David Karp
President and CEO, , Inc.

Date: July 24, 2018

Date: July 24, 2018

SIGNED THE IBT-AIRLINE DIVISION

By: 

Captain David Bourne
Director, Airline Division

Date: July 24, 2018

By: 

Captain Scott Hegland
International Representative - IBT

Date: July 24, 2018

LETTER OF AGREEMENT #1

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: HUMAN INTERVENTION MOTIVATION STUDY (“HIMS”) COMMITTEE

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between NORTHERN AIR CARGO, INC (the “Company”) and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS (the “Union”).

WHEREAS the parties recognize the mutual benefits associated with a Human Intervention Motivation Study (“HIMS”) Committee; and

WHEREAS the parties wish to confirm the working relationship between the Company and the Human Intervention Motivation Study (“HIMS”) Committee of the Teamsters International Union, Airline Division (“Union”);

NOW, THEREFORE, it is mutually agreed that:

A working relationship exists between the Company and the HIMS Committee of the Union to establish and maintain a HIMS Program intended to foster assistance for pilots who seek help with chemical dependency, abuse, or related challenges. HIMS standards are intended to reflect the special medical certification requirements of Pilots and are based on generally accepted standards developed by the Federal Aviation Administration (“FAA”), the Company, and the Teamsters International Union, Airline Division.

1. Each person, within two Years of assuming the position of Director of Operations, System Chief Pilot, or Domicile/Assistant Chief Pilots (or their equivalent positions regardless of company job title) shall attend a HIMS

seminar presented under the auspices of the Union. No individual in any of the above positions shall be required to attend a seminar more than once while in management.

2. The Company shall, upon reasonable notice from the Union, release the HIMS representative to attend a HIMS seminar annually. A HIMS representative must have completed an IBT HIMS seminar prior to beginning activity on any case.
3. The HIMS Committee shall address preventing and remediating adverse personal, career, health and psychological effects for Pilots associated with substance abuse, dependency, and related emotional and behavioral disorders. The HIMS Committee and the Company shall meet on a case-by-case basis to coordinate the assistance that shall be provided to Pilots in cases of company referral or interventions.
4. The HIMS Committee and the Company shall select up to three (3) rehabilitation programs per Domicile that provide treatment on an inpatient (up to 28 Days) or outpatient basis at facilities that meet the criteria of the FAA Special Issuance Program (Designated Program) and shall be from the health providers approved List. At the request of the Union or the Company, they shall conduct an annual review of the current selections and, if necessary, agree upon any changes to such list.
5. The Chief Pilot, or his designee, shall contact the HIMS Committee Chairman, or HIMS representative, upon recognition that a Pilot may be affected by a potential HIMS issue. Provided the affected Pilot has consented, the Chief Pilot and/or Director of Employee Services shall refer him to a qualified medical provider for assessment and treatment services. A potential HIMS issue shall not be interpreted to mean or include (1) a circumstance that would constitute a basis for post-accident or reasonable suspicion drug or alcohol testing, or (2) a Pilot's failure to pass a drug or alcohol test.
6. In the event that a qualified medical professional determines that a Pilot should attend an inpatient rehabilitation program, the Pilot shall be financially responsible for reasonable expenses that are directly related to the treatment provided during the inpatient rehabilitation program, in excess of those expenses covered through the applicable insurance, for a twenty-eight (28) Day rehabilitation inpatient treatment program at one of the facilities mutually agreed upon by the HIMS Committee and the Company in accordance with Paragraph 5 above that meets the criteria of the FAA Special Issuance Program.
7. All expenses associated with all subsequent rehabilitation programs, if any, shall be financial responsibility of the Pilot in the same manner as paragraph 6, above.
8. Outpatient support shall be in accordance with HIMS standards and may include referral to support groups such as Birds of a Feather.

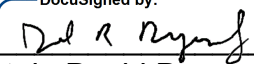
- 9. The HIMS Committee, HIMS representative and the Company shall keep matters referred to the HIMS Committee confidential. Should the HIMS Committee notify the Chief Pilot and/or Director of Employee Services that a Pilot no longer requires HIMS support, all documentation maintained by the parties regarding such matter, except as required by the FAA for participation in its Special Issuance Program, shall be purged from their respective files in accordance with this Letter of Agreement and applicable laws.

- 10. Nothing herein shall alter or diminish the Company's right to enforce its policies with respect to drugs and alcohol. A Pilot who has not violated a Company rule of conduct or FAR regarding use of alcohol or prohibited substances and has not been identified for and/or tested positive in drug and alcohol testing (random or reasonable suspicion), shall be treated in accordance with this Letter of Agreement. Similarly, pilots who voluntarily come forward seeking assistance for substance abuse, dependency, and related emotional and behavioral disorders prior to any rule violation shall not be subject to Disciplinary action for having come forward, Pilots will be allowed to return to Active Service as a Pilot following appropriate rehabilitation and FAA recertification.

THIS LETTER OF AGREEMENT shall be effective on its date of signing and shall remain in full force and effect concurrent with this Agreement.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

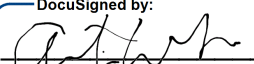
DocuSigned by:
 By: 
 Captain David Dyas
 AAC Executive Chairman

Date: July 24, 2018

For the Union:

DocuSigned by:
 By: 
 Captain Brandon Johnson
 NAC Director of Operations

Date: July 24, 2018

DocuSigned by:
 By: 
 Captain Aric Winkle
 NAC Chief Steward

Date: July 24, 2018

LETTER OF AGREEMENT #2

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: UNION PROFESSIONAL STANDARDS COMMITTEE

THIS LETTER OF AGREEMENT ("LOA") is made and entered into in accordance with the provisions of the Railway Labor Act, as amended ("RLA"), by and between NORTHERN AIR CARGO, INC. ("the Company"), its successors and assigns, and the Pilots in the service of the Company., as represented by the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AIRLINE DIVISION ("the IBT" or "the Union").

WHEREAS, the parties recognize the mutual benefits associated with a Professional Standards Committee; and,

WHEREAS, the parties wish to confirm the working relationship between the Company and the Union Professional Standards Committee ("PSC");

NOW, THEREFORE, it is mutually agreed that:

1. A working relationship exists between the Company and the PSC.
2. The goal of the PSC is to facilitate resolution of conflicts between Pilots which affect their professional interaction, or conflicts between a Pilot and a member of another employee group, that reflects unfavorably upon the profession or the Company.
3. The proceedings of the PSC are and must remain completely confidential.
4. Within two Years of assuming the position of Director-Flight Operations, or Chief Pilot, including their respective successors, each person shall attend

a Professional Standards seminar presented under the auspices of the Union. No individual in any of the above positions shall be required to attend a seminar more than once during his supervisory tenure.

5. Should a professional standards problem come to the attention of the Company, it may, at its discretion, refer such dispute to the PSC Chairman. Whenever the Company refers a dispute to the PSC, the PSC shall have a period of thirty (30) Days, or longer, as may be mutually agreed upon, during which to attempt to resolve the problem. During this period, the Company agrees not to take or continue any action against the Pilot(s) based on the event(s) that gave rise to the referral to the Committee.
6. At or before the end of the period, as provided in subparagraph 5., the PSC Chairman, or his designee, shall make an oral report to appropriate Company management stating either that "the problem has been resolved" or that "the PSC is unable to be of any further assistance in this matter."
7. If the PSC reports that the problem has been resolved, the matter shall be considered closed and all documentation maintained by the Company regarding such matter shall be purged from its respective files in accordance with the Collective Bargaining Agreement and applicable laws.
8. If the PSC reports that it is unable to be of further assistance, the Company is free to take whatever Disciplinary action it deems appropriate and necessary to resolve the problem in accordance with applicable provisions of the Collective Bargaining Agreement. In cases where the Company would elect to commence or continue Disciplinary proceedings, the delay caused by the involvement of the PSC shall not be raised by the Union as a defense, nor shall the Company assert any failure of the PSC to arrive at a successful resolution as supporting its Position.
9. This LOA shall become effective upon signing and shall remain in full force and effect unless terminated by mutual agreement of the parties; *provided*, it may be amended by mutual agreement of the parties at any time.

IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:


DocuSigned by:
 By: David R. Ryans
 Captain David Ryans
 AAC Executive Chairman

Date: July 24, 2018

For the Company:

DocuSigned by:
 By: Branden Johnson
 Captain Branden Johnson
 NAC Director of Operations

Date: July 24, 2018

DocuSigned by:
By: 
Captain Artie Wike
NAC Chief Steward

Date: July 24, 2018

LETTER OF AGREEMENT #3

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: FLIGHT OPERATIONAL QUALITY ASSURANCE PROGRAM

THIS LETTER OF AGREEMENT ("LOA") is made and entered into and in accordance with the provisions of the Railway Labor Act, as amended ("RLA"), by and between NORTHERN AIR CARGO, INC. ("the Company"), its successors and assigns, and the Pilots in the service of the Company., as represented by the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AIRLINE DIVISION ("the Union").

WHEREAS, the prevention of incidents and accidents is a primary objective in the course of operating an airline, and;

WHEREAS, the parties intend that the main purpose of the Flight Operational Quality Assurance ("FOQA") Program shall be to enhance the safety of flight operations at the Company; and,

WHEREAS, the Company and the Union understand that the implementation of an operational data collection and analysis system that is developed in a non-punitive, problem solving approach to flight operations is of significant benefit and that the analysis and subsequent investigation of operational data is an effective method of achieving the objective of a safe flight operation; and,

WHEREAS, the Company and the Union intend that no Pilot be identified, disciplined, discharged or subjected to any additional Training/Checking as a result of the use of any FOQA Program information; and,

WHEREAS, the Federal Aviation Administration ("FAA") has stated in Advisory

Circular ("AC") 120-82 that it shall review only de-identified data derived from voluntary FOQA Programs and shall not use this information for enforcement purposes;

NOW, THEREFORE, the Company and the Union agree as follows:

A. DEFINITIONS

1. The term "FOQA Program" means a program designed to enhance flight safety through controlled analysis of recorded de-identified flight data information.
2. The term "FOQA Data" means information collected by any means for use in the FOQA Program. FOQA Data shall be used for the purpose of FOQA analysis by the FOQA Monitoring Team ("FMT").
3. The term "Identifying Data" includes any FOQA Data that allows recorded or collected flight data to be associated with a specific Pilot.
4. The term "Identified Data" includes any recorded or collected FOQA Data prior to removal of all identifying data.
5. The term "De-Identified Data" includes any recorded or collected flight data after removal of all identifying data that could in any way be used to identify a specific Pilot.
6. The term "Recording Device" shall include any device, equipment or system that transmits and/or records and/or collects FOQA Data.
7. The term "Data Acquisition Date" is the date on which the Company receives the recorded flight data from the FOQA Vendor.
8. The term "FOQA Program Information" means any and all data collected for the FOQA Program, any and all FOQA data and the analysis or compilation of such data. This includes tapes, transcripts, reports, papers, memos, statements, studies, charts, graphs, notes, or any other description, analysis or compilation of information collected by any such equipment or by FMT members.
9. The term "FOQA Monitoring Team" ("FMT") means a committee composed of Pilot members appointed by the Company and Pilot members appointed by the Union. This group is responsible for reviewing and analyzing FOQA data and identifying, recommending, and monitoring corrective actions.
10. The term "Gatekeeper" means all Union-appointed members of the FMT.

The Gatekeepers are primarily responsible for the security of identified Data. The Gatekeepers, and only the Gatekeepers, have the authority and ability to link FOQA Data to individual flights or Pilots.

11. The term "Operational Exceedance Event" means an event in which an aircraft is operated, as determined by FOQA Data, outside of mutually agreed upon tolerances defined by the FMT.
12. The term "FOQA Analysis" means the process of analyzing FOQA Data by the FMT. Aggregate operational norms and exceedances shall be analyzed for trends to develop recommendations to the Company to eliminate future exceedances.
13. The term "Aircraft Maintenance Engineer Handler" ("Handler") means a designated maintenance engineer. If the electronic data movement process is not available, at the Company's discretion, the Handlers shall manage the manual process of recovery of FOQA Data from aircraft, transmittal to the FOQA Vendor, as well as the secure storage and destruction of the Raw Data.
14. The term "Raw Data" means FOQA Data from the time it is collected by any method from any aircraft through its transmittal to a FOQA Vendor until it is completely erased or destroyed. Raw Data shall be considered Identified Data and shall be treated and protected as such by the Company.
15. The term "FOQA Vendor" means a company contracted by the Company to provide FOQA Data collection, security and analysis.

B. FOQA PROGRAM

1. The design, implementation and operations of the FOQA program shall be by written agreement of the Company and the IBT. Any variation from this agreed upon FOQA program shall require the mutual agreement of the parties prior to implementation. The parties shall mutually agree in writing prior to the implementation date.
2. The FMT shall oversee the Day-to-Day operations of the FOQA Program. The list of flight parameters that shall be monitored, and the regulatory and procedural limits defining the exceedances of any level, with the exception of the Aircraft Flight Manual ("AFM") limits, shall be determined by the FMT and unanimously agreed upon, in writing. The list shall be subject to review and all changes, deletions, or additions shall also be unanimously agreed upon by the parties, in writing by the FMT.
3. At a minimum, the FOQA Program shall be used for evaluating the following areas:

- a. Aircraft performance
 - b. Aircraft systems performance
 - c. Crew performance in general (but not specific Pilots)
 - d. Company procedures
 - e. Training programs
 - f. Training effectiveness
 - g. Aircraft design
 - h. Air Traffic Control ("ATC") system operation
 - i. Airport operational issues
 - j. Meteorological issues
4. FOQA Monitoring Team("FMT")
- a. The FMT shall be composed of the FOQA program manager, FOQA Analyst, and a minimum of one (1) and up to a maximum of three (3) Pilot (Gatekeepers) appointed by the Union. No Pilot members of the FMT may have any current authority in the discipline, demotion or dismissal of Pilots, whether on behalf of the Company or the Union. Each member of the FMT must have appropriate Company Aircraft Training but does not require currency.
 - b. Either the Company and/or Union (the parties) may select fewer than two (2) members due to contingencies. Conversely, if either party determines it is necessary to increase the size of the FMT, it shall be accomplished in writing, by mutual agreement.
 - c. The FMT shall meet on a regular Monthly basis in order to oversee the Day- to-Day operations of the FOQA Program and establish necessary policies and procedures to ensure compliance with the provisions of this LOA. This does not prevent the FMT from meeting on an ad hoc basis when required. Required meeting schedules and notification procedures shall be determined by the FMT. Nothing in this LOA precludes any individual member(s) of the FMT from working with any De-Identified FOQA Data at any time for analysis or review. Each FMT member shall have unlimited access to De-Identified FOQA Data.
5. Gatekeepers
- a. The Company shall remove the Pilot Gatekeeper(s) from Duty and the Union shall not be charged the for any subsequent flight pay loss as a result of the Pilot performing his Gatekeeper Duties.
 - b. There shall be a maximum of three (3) Gatekeepers or a minimum of one Gatekeeper per Equipment Type.

- c. Gatekeepers shall be selected from a base with a minimum of ten (10) crews (per Aircraft Type).
- d. All short-term transactions requests for a Gatekeeper's release from Duty shall be forwarded to the Director of Operations for processing.

6. Handlers

- a. Up to two (2) Handlers shall be appointed by the FOQA Program Manager to manage the handling and protection of FOQA data devices for maintenance and engineering.
- b. In the event the electronic data collection system becomes inoperative and the Company elects to manually obtain FOQA data, the Handlers shall be responsible for the process involving transfer of all Raw Data from the recording devices to the FOQA software. Further, they shall be responsible for protecting all Raw Data and hardware in their possession in a secure process until such data is erased or otherwise destroyed

C. DATA USE, RETENTION AND SECURITY

- 1. The design of the FOQA Program shall ensure the confidentiality and ultimate anonymity of individual Pilots.
- 2. No person, other than a Gatekeeper, shall be authorized to identify the individual Pilot(s) associated with FOQA Data.
- 3. The Company shall provide the Gatekeepers with a private process for determining Pilot names based on date and flight number.
- 4. If any concerns associated with an Operational Exceedance Event are raised by any member of the FMT, a Gatekeeper shall make contact and request the Pilot(s) provide information to him/her to answer any concerns raised by the FMT.
- 5. No person, other than an FMT Member or maintenance and engineering handler (designated by the FOQA program manager), shall be authorized access to De- Identified FOQA Data except in the form of FMT Analysis Reports.
- 6. No person, except as expressly permitted by the Company FOQA manual, may have access to Raw Data.
- 7. Sufficient De-Identified Data shall be maintained on the Vendor's server

to fulfill the requirements of the FOQA Program.

8. The FOQA stakeholders mentioned in the FOQA manual shall be the recipients of any FOQA analysis reports created by the FMT. A copy of each report shall be made available to the stakeholders.
9. Password-protected software shall allow access to Identifying and Identified Data to the Gatekeepers alone. In the event the circumstances surrounding any exceedances warrant, the Gatekeepers shall be permitted to contact and interview the associated Pilot(s). For this purpose, the Company shall provide the Gatekeepers with contact numbers of all Company Pilots.
10. FOQA Program Information (Identified or De-Identified) shall not be released to any third-party, whether it is a person, an entity or a government institution unless compelled to do so by operation of law. When the Company intends to release information because they believe they're required to do so by law, they shall immediately notify the Union of the relevant information involved in such request to release of information, so to allow the Union ample time to determine whether to contest the disclosure.
11. Identifying Data shall be removed from Identified Data as soon as possible, but no later than fourteen (14) Days from the Data Acquisition Date by the Company and/or a FOQA Vendor.
12. Any notes, memoranda or other documents used by an FMT member that may be used to identify an individual Pilot with a specific flight shall be de-identified in accordance with this LOA. If it is impossible to de-identify such materials, then such information shall be destroyed no later than fourteen (14) Days after having been obtained.
13. Raw Data collected or received in the course of the FOQA Program, in any form, shall be completely erased or destroyed no later than fourteen (14) Days after date of acquisition, unless otherwise agreed by both parties.
14. Any person who is in contact with identified data used in a FOQA Program shall be prohibited from divulging such data to any individual other than the Gatekeepers. In the event a person divulges any identifying data to any individual other than the Gatekeepers, such person shall immediately be removed from any further participation in the FOQA Program.
15. Secure facilities shall be provided for FMT members. The secure facility shall have a computer terminal with printer access. Secure file storage for

each FMT member shall be provided. The FMT facilities shall be large enough to comfortably hold an FMT meeting. Only FMT members shall have access to this room and shall be responsible for keeping it tidy. The FMT computer shall be dedicated to FOQA usage. Use of the facility by members outside of the FOQA program must receive expressed consent by the FMT members.

16. Any Identifying Data recorded or collected by the Company prior to the implementation date of the FOQA Program shall not be used for the program and shall be de-identified or destroyed
17. Pursuant to this LOA, if any member of the FMT suspects that a violation of the FOQA Program requirements has occurred, he shall have the option to immediately suspend the FOQA Program by notifying the Company FOQA Program Manager or Director of Operations. Following any suspension of the program, the FOQA Steering Committee ("FSC"), as defined in the FOQA manual, shall conduct a review of the alleged violation. The FSC must unanimously agree to resume the program.
18. Upon receipt of a suspension notice, the Company shall notify the FOQA Vendor to immediately cease data collection and transmittal. The Company shall also notify the Safety Committee Chairman.
19. In the event of termination of the FOQA Program or cancellation of this LOA, all Identifying Data and Identified Data shall be destroyed within seven (7) Days.

D. CONTRACTS WITH FOQA VENDORS

1. The Company shall contract with a service provider (FOQA Vendor) to process and analyze information arising out of the FOQA Program. The Union shall be fully appraised of all contractual relationships and the substance of all arrangements between the Company and the FOQA Vendor.
2. In accordance with this LOA, the FOQA Vendor shall be bound by the same obligations as was placed upon the Company with respect to maintaining the security and confidentiality of FOQA data and information. The Company shall make contractual arrangements as necessary to ensure their obligation to maintain security and confidentiality of all data and information is satisfied. The Company shall take all reasonable steps to ensure that the obligations concerning such security and confidentiality of FOQA Data and information is respected by the service provider and shall immediately notify the Union and Director of Operations in the event of any non-compliance. The Company shall provide to the Union for its review all contractual arrangements between themselves and the service

provider. The Company shall arrange for routine inspections on the premises of the FOQA Vendor where the service provider maintains the information. The Union may decline to permit the data and information to be analyzed or processed by a FOQA Vendor when the Union is unsatisfied with the arrangements made to secure the confidentiality of the data and information arising out of the FOQA Program.

E. IMMUNITY

1. The collection of FOQA data which has been retrieved solely through the parameters set forth in this FOQA Program does not require notification.
2. The Company may not use information that is collected in the FOQA Program to corroborate information that is received from another source for the purpose to justify or initiate an investigation of a Pilot and/or for the application of Disciplinary measures, suspension or dismissal.
3. FOQA Program Information shall not be used as a basis, in whole or in part, to justify or require a Pilot's submission to a non-recurrent Proficiency Check, additional Training, or Line Check.
4. FOQA Program Information shall be considered inadmissible in any Grievance Hearing or System Board of Adjustment, or in any administrative or legal proceedings.

F. GENERAL PROVISIONS

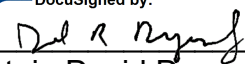
1. The parties have reviewed FAA AC 120-82 concerning the FOQA Program and agree that they shall not provide the Administrator with information arising out of the FOQA Program, except in a De-Identified form, and shall do so only if strictly required by law. However, the parties may agree in writing to provide the Administrator with aggregate De-Identified Data. Further the consent of the Union to a FOQA Program operated by the Company is conditional upon the FAA maintaining a policy that is substantially similar to that expressed in AC 120-82. In the event AC 120-82 is retracted and is not replaced with another substantially similar policy or regulatory provision, the Company FOQA Program shall cease to exist and all collected Identified Data shall be immediately and permanently destroyed.
2. Any violation of the requirements set forth in the agreed-upon FOQA Program, or the terms herein, shall immediately cause the FOQA Program to be held in abeyance until the infraction is resolved to the mutual satisfaction of both the Company and the Union. Should the parties be unable to come to an agreement as to the resolution of the violation, the FOQA Program shall be terminated immediately and any

FOQA Data shall be permanently destroyed by the Company and the FOQA Vendor immediately upon receipt of the suspension notice.

3. This LOA shall become effective upon the Date of Signing and shall be considered a continuing program. Notwithstanding any of the foregoing either party, upon thirty (30) Days written notice to the other party, may terminate this LOA. Upon service of such written notice, and after the permanent destruction of all Identified Data, this LOA shall be null and void and this FOQA Program shall cease.

IN WITNESS WHEREOF, the parties hereto have signed this LOA:

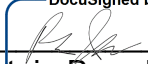
For the Union:

DocuSigned by:
By: 

Captain David Dyas
AAC Executive Chairman

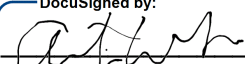
Date: July 24, 2018

For the Company:

DocuSigned by:
By: 

Captain Brandon Johnson
NAC Director of Operations

Date: July 24, 2018

DocuSigned by:
By: 

Captain Art Wikle
NAC Chief Steward

Date: July 24, 2018

LETTER OF AGREEMENT #4

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: AVIATION SAFETY ACTION PROGRAM POLICIES AND PROCEDURES

This LETTER OF AGREEMENT (“LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (“RLA”), by and between NORTHERN AIR CARGO (“the Company”), its successors and assigns, and the PILOTS in the service of the Company, as represented by the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AIRLINE DIVISION (“IBT” or “the Union”).

WHEREAS, the Aviation Safety Action Program (“ASAP”) is the result of an agreement between the Company, the Union and the Federal Aviation Administration (“FAA”) based on FAA Advisory Circular 120-66, as revised, and which was codified in a Memorandum of Understanding dated November 3, 2017 (“ASAP MOU”), and

WHEREAS, the Company and the Union desire to adopt certain policies and procedures related to the operation of the ASAP.

NOW, THEREFORE, the parties stipulate and agree as follows:

A. CONFIDENTIALITY AND PROTECTIONS AGAINST DISCIPLINE

1. An ASAP report and information obtained through an ASAP report shall not be used for purposes of initiating or supporting Disciplinary action against a Pilot, unless that report is excluded from ASAP for one (1) or more of the reasons specified in the ASAP MOU (*i.e.*, reports that involve criminal

activity, substance abuse, controlled substances, alcohol, or intentional falsification).

2. The Company shall not assign discipline or an evaluation (e.g., oral Check, Line Check, Proficiency Check) to a Pilot in response to the event(s) referenced in an ASAP report if the following conditions are satisfied:
 - a. The Pilot at issue is the Pilot who submitted the ASAP report; and,
 - b. The ASAP report is submitted within the time for filing non-sole source reports, as specified in the ASAP MOU, regardless of whether the report is ultimately determined to be sole source or non-sole source; and,
 - c. The ASAP report is accepted by the Event Review Committee (“ERC”); and,
 - d. The ASAP report is not subsequently excluded by the ERC.
3. Nothing in this LOA shall relieve a Pilot of his obligation to respond to requests from the Director of Operations, or his designee, for information relating to an event that is otherwise known to the Company, regardless of whether the event is the subject of an accepted ASAP report.

B. INDIVIDUAL CORRECTIVE ACTIONS

1. The ERC shall have exclusive authority to determine the appropriate individual corrective action, if any, for all events where an ASAP report is accepted and not later excluded by the ERC.
2. The ERC shall direct all individual corrective action in accordance with the provisions of the ASAP MOU.
3. The Company and the Union shall abide by the individual corrective action Assigned by the ERC.
4. The ASAP Manager shall coordinate and track individual corrective action in accordance with the provisions of the ASAP MOU. The ASAP Manager shall provide a copy of any written outline generated by the ERC to the person or persons Assigned to administer an individual corrective action. The individual Assigned to administer the corrective action shall be provided with a reasonable period to review the outline and, if necessary, query the ERC (via the ASAP manager).

C. CORRECTIVE ACTIONS NOT INVOLVING AN AIRCRAFT OR SIMULATOR

1. Corrective actions not involving the use of an aircraft or Simulator shall be conducted in the manner directed by the ERC.
2. Unless the ERC directs otherwise, any member of the ERC that dispositioned a case resulting in a corrective action, as provided in Paragraph C. of this LOA, other than online Training, may observe the corrective action for purposes of validating successful completion of the corrective action; *provided*, at least forty-eight (48) hours advance written notice is provided to the ERC and the ASAP Manager. If the ERC member who wishes to observe a corrective action in a case that he or she has dispositioned is unavailable, he or she may designate another active ERC member to observe the corrective action in his or her place. Except as provided in this subparagraph, no individual (other than a FAA representative) shall be permitted to observe a corrective action without the mutual consent of the Company and Union ERC members who dispositioned the case. No more than one (1) observer from the Company and one (1) observer from the Union shall observe a corrective action subject to this subparagraph absent mutual agreement of the Company and Union ERC members who dispositioned the case.

D. CORRECTIVE ACTIONS INVOLVING AN AIRCRAFT OR SIMULATOR

1. Unless the ERC directs otherwise, individual corrective action involving the use of an aircraft or a Simulator shall be administered by an Active Service Pilot on the Northern Air Cargo Pilots System Seniority List who is type-rated and holds an FAA designated Check Airman or Instructor position in that Fleet.
2. A Check Airmen or Instructor who is Assigned to administer a corrective action in an aircraft or Simulator may be required to complete a pre-activity briefing with the ASAP Manager to review confidentiality and/or any other subjects that are germane to the ERC-directed corrective action.
3. Unless the ERC directs otherwise, any member of the ERC that dispositioned a case resulting in a corrective action involving the use of an aircraft or Simulator (other than mentored line flying) may observe the corrective action for purposes of validating successful completion of the corrective action; *provided*, at least forty-eight (48) hours advance written notice is provided to the ERC and the ASAP Manager. If the ERC member who wishes to observe a corrective action in a case that he or she has dispositioned is unavailable, he or she may designate another active ERC member to observe the corrective action in his or her place. Except as provided in this subparagraph, no individual, other than a FAA representative, shall be permitted to observe a corrective action without the

mutual consent of the Company and Union ERC members who dispositioned the case. No more than one (1) Observer from the Company and one (1) Observer from the Union shall observe a corrective action subject to this subparagraph absent mutual agreement of the Company and Union ERC members who dispositioned the case.

4. The ASAP Manager shall inform ERC members of the date and time of a corrective action involving the use of an aircraft or Simulator (other than mentored line flying). Such corrective action shall be accomplished on a Day. If the ERC determines that the requirement set forth in this subparagraph would result in undue delay, considering the Pilot's schedule, aircraft or Simulator availability, Check Airmen or Instructor availability, and other relevant factors, the Company may modify the Pilot's schedule to accomplish the corrective action within a reasonable time frame determined by the ERC; *provided*, the Company shall not modify a Pilot's schedule in a manner that interferes with a scheduled Vacation period, including the associated Duty-Free Period, without the Pilot's consent. Unless otherwise agreed to by the Pilot, any Pilot who is subject to a mandatory schedule modification shall receive no less than seven (7) Days' notice of the change. Nothing in this paragraph shall prohibit a Pilot from accepting a voluntary schedule modification for purposes of completing an ASAP corrective action in the aircraft or Simulator.

E. SYSTEMIC ISSUES

1. The parties recognize the importance of taking systemic corrective actions to address systemic safety issues, as well as the ERC's authority to recommend systemic corrective actions in accordance with the provisions of the ASAP MOU. For purposes of this LOA only, a systemic safety issue is a safety-related issue designated as a systemic issue by the ERC.
2. Company and Union personnel shall cooperate with the ASAP Manager to provide information requested by the ERC and/or to facilitate implementation of systemic corrective actions

F. DATA ANALYSIS

1. The Company and Union commit to completing at least one (1) joint data analysis project each Year. The scope and content shall be determined by mutual agreement of the Company and the Union.
2. Union ERC members will, upon request, be given electronic access to view and "query" closed and de-identified ASAP reports.

3. Except as provided in subparagraphs F.4. and F.5. of this LOA, all ASAP data, including, but not limited to, aggregate and de-identified data, shall remain confidential at all times.
4. The content of ASAP related publications, including publications referencing aggregate and/or de-identified ASAP data, may be issued only by mutual agreement of the Company and Union.
5. It shall not be a violation of the confidentiality obligations described in this LOA for any Company and/or Union ERC representative(s) to advise the Local Union Principal Officer and/or the Company Chief Executive Officer regarding: (1) a potential concern identified through ASAP data analysis that has been brought to the attention of the ERC and Company Director of Safety and that has not resulted in an ERC recommendation for systemic corrective action; (2) a disagreement regarding the need for or content of a publication, release, or statement containing or referencing ASAP data; or (3) any other potential concerns regarding a situation that may present a serious and immediate threat to the safety of flight operations. The Company Chief Executive Officer shall promptly confer with the Local Union Principal Officer, and vice versa, for purposes of resolving issue(s) brought forward. Absent mutual agreement of the parties, the ASAP data and, if applicable, the potential concern identified through ASAP data analysis shall remain confidential.
6. The confidentiality requirements contained in this LOA shall have no application to data or information discovered by the Union, its officers, agents or employees independent of ASAP.

G. PROGRAM ADMINISTRATION

1. Nothing in this LOA shall limit the authority of the ERC or the FAA under applicable laws, regulations, agency guidance materials and circulars, or the ASAP MOU.
2. Each ERC member shall be free to exercise his independent judgment in order to discharge his Duty in an autonomous manner, without fear of coercion or undue influence by the Company or Union.
3. Neither party shall dispute or place into the Grievance process, as provided in Section 19 (Grievances) of the Agreement, any corrective action Assigned by the ERC.
4. The Company and the Union may develop an ASAP Administration Manual by mutual agreement.

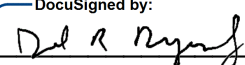
5. The acceptability of non-FAA observers at ERC meetings shall be determined through consensus of the ERC prior to the commencement of the meeting. At any time during a meeting where one (1) or more non-FAA Observers have been approved, any ERC member may elect to exclude one (1) or more non-FAA observers to protect the confidentiality of ongoing discussions.
6. Before assuming any ASAP-related duties or responsibilities or attending any ASAP meetings or having access to the ASAP database, the following individuals shall be required to execute a reasonable confidentiality agreement approved by the Company and the Union: (1) the ASAP Manager; (2) the Company and Union members of the ERC; (3) any individual who is Assigned to administer a corrective action, as provided in Paragraph C. of this LOA; (4) any Check Airman or Instructor who is Assigned to administer a corrective action, as provided in Paragraph D. of this LOA; (5) any non-FAA Observer who is approved to observe a corrective action, as provided in Paragraphs C. or D. of this LOA, or who is approved to attend ERC meetings, as provided in subparagraph G.6. of this LOA; and, (6) any person having access to the ASAP database.
7. The ASAP Manager shall be responsible for issuing ASAP closure letters to Pilots. The ASAP manager shall use his best efforts to send such letters within sixty (60) Days after a case is closed. In order to mitigate backlogs, the Company may, with the Union's concurrence, release a Union ERC member from conflicting Duty (at Company expense) to assist in the production of closure letters.
8. If the Union ERC member is required to exercise his ASAP responsibilities on a scheduled Workday, the Company shall be responsible for all wages, benefits, travel, and other expenses incurred by a Union ERC member in the exercise or performance of ERC member rights and duties under this LOA. The Union is otherwise responsible for the wages, benefits, travel and other expenses of a non-ERC Union Representative that exercises or performs rights or duties under this LOA.
9. The Company shall grant reasonable requests to release a non-ERC Union Representative from conflicting Company Duty for purposes of observing a corrective action, as provided in Paragraphs C. and D. of this LOA. All such requests shall be made in a manner that minimizes the impact on the operational schedule. The Union shall be responsible for all wages, benefits, travel, and other expenses incurred by a non-ERC Union Representative who is observing a corrective action.

H. DURATION

1. This LOA shall be effective immediately upon execution and shall run concurrently with the term of the ASAP MOU.
2. If the ASAP MOU is terminated, this LOA shall become null and void; *provided*, Paragraphs A. and B. of this LOA shall continue to apply in connection with all reports and investigations that are in progress at the time such termination takes place.
3. If the ASAP MOU is superseded by a revised ASAP MOU, the parties shall meet and confer in good faith to determine whether modifications to this LOA are necessary and appropriate.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

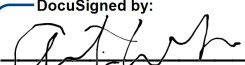
DocuSigned by:
 By: 
 Captain David Dyas
 AAC Executive Chairman

Date: July 24, 2018

For the Company:

DocuSigned by:
 By: 
 Captain Brandon Johnson
 NAC Director of Operations

Date: July 24, 2018

DocuSigned by:
 By: 
 Captain Artie Wikle
 NAC Chief Steward

Date: July 24, 2018

LETTER OF AGREEMENT #5

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: SECTION 14 IMPLEMENTATION SCHEDULE

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between NORTHERN AIR CARGO, INC. (Company) and the AIR LINE PILOTS in the service of NORTHERN AIR CARGO, INC., as represented by the INTERNATIONAL BROTHERHOOD OF TEAMSTERS (Union).

WHEREAS, the Company and the Union wish to make certain amendments to the Collective Bargaining Agreement signed July 24, 2018 ("Agreement"); and

WHEREAS, the Company and the Union agree that scheduling requirements and results under the predecessor CBAs with the Company and with Aloha Air Cargo, Inc. that are in effect until July 24, 2018, impact the Parties' ability to implement certain provisions in Section 14 (Scheduling) of the Agreement until a later date;

NOW, THEREFORE, it is agreed as follows:

1. The Effective Date of the Agreement shall be July 24, 2018, except as noted below:
 - a. Subsection 14.C. shall be implemented in connection with the

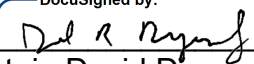
September 2018 Monthly Bid Period for October 2018 Lines.

- b. Section 14.E.1., 14.E.2. and 14.E.9. through 14.E.13. will be implemented on September 1, 2018 in connection with the Monthly Bid Period for October 2018 Lines.
 - c. Subsections 14.F.(Integration Period), 14.G. (Schedule Adjustment Period (SAP)) and 14.H.(Secondary Bid Process) shall be implemented in connection with the Monthly Bid Period conducted in September 2018 for the October 2018 lines.
 - d. Subsections 14.N. (Volunteer Pilot Available (VPA)), 14.O., (Junior Assignment (JA)) and 14.P (Irregular Operations (IROPS)) shall be implemented on October 1, 2018
2. The entire implementation of Section 14 (Scheduling) shall be completed by October 1, 2018.

THIS LETTER OF AGREEMENT shall be effective on July 24, 2018 and remain in effect until its expiration date on October 1, 2018.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

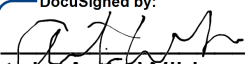
DocuSigned by:
 By: 
 Captain David Dyas
 AAC Executive Chairman

Date: July 24, 2018

For the Company:

DocuSigned by:
 By: 
 Captain Branden Johnson
 NAC Director of Operations

Date: July 24, 2018

DocuSigned by:
 By: 
 Captain Arnie Wikle
 NAC Chief Steward

Date: July 24, 2018

LETTER OF AGREEMENT #6

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: JOINT IMPLEMENTATION RESOLUTION COMMITTEE

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Northern Air Cargo (herein after the "Company"), and the International Brotherhood of Teamsters (herein after the "Union" or "IBT").

WHEREAS, the Company and the Union have reached a tentative agreement upon a Collective Bargaining Agreement (hereinafter referred to as the "Agreement"), and

WHEREAS, both parties agree there are beneficial reasons for implementing the Agreement in an orderly and expeditious fashion commencing with its agreed upon Effective Date of July 24, 2018, or the Date of Signing (DOS) of this Agreement, whichever is later, and continuing for six (6) Months thereafter (the Implementation Period).

NOW, THEREFORE, it is agreed as follows:

- A. The parties recognize that the process of implementing the Agreement shall benefit significantly by the cooperative efforts of representatives of both parties and by the establishment of an orderly and expeditious process for resolution of problems and disputes regarding the interpretation and application of the Agreement, Therefore, it is agreed that a Joint Implementation Committee (JIRC) shall be established to serve during the Implementation Period. The JIRC shall serve to assist during the implementation process, including the following:

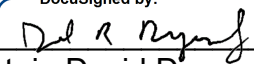
1. The JIRC shall, to the extent not already being performed by members of the Scheduling Committee, assist in the development of any necessary scheduling software modifications, the Training of bargaining unit personnel in the provisions of Section 14, Scheduling and in the resolution of disputes over the interpretation and application of Section 14, Scheduling. a
 2. Disputes and questions regarding the limitations in Section 14, Scheduling, along with the corresponding compensation calculations, or any other questions of "legality" relating to the interpretation or application of Section 14, Scheduling shall be submitted to the JIRC. This initial diversion from the Grievance process shall be in effect until January 15, 2019, or six Months after DOS, whichever is later (the Implementation Period End Date) and shall only apply to Grievances arising from Section 14, Scheduling. It is understood that the parties' agreement to this initial diversion process does not relieve a Party from its obligation to adhere to the terms of the Agreement.
 3. When issues considered "non-material" and "non-compensatory" in nature arise in Section 14, Scheduling, the members of the JIRC shall have the ability to jointly agree upon corrective actions to Section 14, Scheduling, so long as the material intent of the provisions in this Section are not altered to create a "material change" to the original intent of this Agreement.
- B. The JIRC shall be comprised of three (3) Company representatives, (one (1) with crew scheduling authority, one (1) from Flight Operations Management and one (1) with payroll authority) and three (3) Union Representatives, (one (1) being an IBT Representative of the bargaining unit, one (1) who had involvement in the negotiations of the Agreement and one (1) from the elected Union Leadership). The Company's initial representatives shall be: Captain Brandon Johnson, Dustin Madden, Jennifer Carlisle-Little and the Union's initial representatives shall be: Captain Scott Hegland, Captain Larry Brown and Captain Edward Thompson. The status and Compensation for Union members of the JIRC shall be in accordance the provisions of the Letter of Agreement titled, "Flight Pay Loss for Union Business ... except that the cost of such Union Leave shall be paid one hundred percent (100%) by the Company.
- C. When a Scheduling issue subject to Section 14 arises prior to the Implementation Period End Date") the affected Pilot and scheduler shall discuss the matter in an attempt to resolve it without the delay of any flight. Unless performing the disputed Assignment shall result in an unsafe operation or violate a FAR, the governing policy during the Implementation Period shall be "fly the trip and resolve the dispute through the process set forth in this Letter." If the matter is not resolved between the pilot and the scheduler, they shall jointly (if possible) or separately (if not) document the issue and submit it promptly to the JIRC. There shall be no minimum number or limit on the number

of times the JIRC shall meet during this six (6) Month period, however, once a dispute is submitted to the JIRC, the committee shall schedule a meeting within fifteen (15) Days of the submission.

- D. As long as the Company is making a good faith effort to implement the Agreement, and adhere to the terms of the Agreement, the sole remedies available to Pilots for any issue arising prior to the Implementation Period End Date shall be to correct pay and/or, if mutually agreed to by a majority of the Company and Union members of the JIRC, to grant additional compensatory time off with pay for a harmed pilot.
- E. The JIRC shall document all decisions as to the meaning of the provisions in Section 14, Scheduling and educate the pilots and relevant Company personnel on the decisions. If the JIRC cannot reach agreement by a majority of its members as to the meaning of, the application of, or if any, its suggested non-material and non-compensatory changes in Section 14, Scheduling, within thirty (30) Days of an issue(s) being submitted to the JIRC, any unresolved issue(s) shall be submitted as Grievances and processed, as provided in Section's 19 (Grievance) and 20 (System Board of Adjustment) of the Agreement and any suggested non-material and non-compensatory changes by the JIRC to Section 14 shall be not be approved. The thirty (30) Day period for reaching agreement may be extended by mutual agreement of the Union Business Agent and the Company's Flight Operations Director. All such unresolved issues shall be submitted directly to the Grievance process under subsection 19.C.3 of this Agreement.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

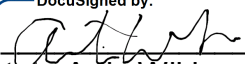
DocuSigned by:
 By: 
 Captain David Dyas
 AAC Executive Chairman

Date: July 24, 2018

For the Company:

DocuSigned by:
 By: 
 Captain Brandon Johnson
 NAC Director of Operations

Date: July 24, 2018

DocuSigned by:
 By: 
 Captain Aric Wikle
 NAC Chief Steward

Date: July 24, 2018

LETTER OF AGREEMENT #7

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: PARENT AND AFFILIATES

This Letter of Agreement is made and entered into by and between Northern Aviation Services, Inc., Northern Air Cargo, ("NAC," or "Company") and the Pilots in the service of NAC, as represented by the International Brotherhood of Teamsters, Airline Division. ("Union").

WHEREAS, Northern Aviation Services, Inc. is the parent company of NAC;

THEREFORE, BE IT RESOLVED:

1. Northern Aviation Services, Inc., NAC and their Affiliates (as defined in paragraph 3, below) shall be subject to all terms, conditions and exceptions stated in Section 1, Scope, including subsections 1.A through subsection 1.J of the NAC/IBT Collective Bargaining Agreement ("CBA") (as it presently exists and as it is subsequently amended) to the same extent as NAC and/or the Company, and as if all references in subsections 1.A through 1.J of the CBA expressly referred to Northern Aviation Services, Inc. as well.
2. This Letter of Agreement shall continue in full force and effect irrespective of any Successor Transaction, as defined in subsection 1.F of the CBA, undertaken in respect of Northern Aviation Services, Inc., or any successor thereto, and shall be binding on any Successor (as defined in subsection 1.F to Northern Aviation Services, Inc. or NAC, or any Successor thereto.)
3. The term "Affiliate" as used in this Letter of Agreement means any entity

that NAC or its parent, Northern Aviation Services, Inc., controls or any entity controlled by an Affiliate.

4. A transfer in whole or part of Northern Aviation Services, Inc., NAC or an Affiliate, and any successors thereto, or to another division, section, business unit or Entity of the corporate parent of Northern Aviation Services, or any successor thereto, shall not diminish or alter in any manner the obligations of Northern Aviation Services, Inc., NAC and their Affiliates, and any successors thereto, under Section 1 of the CBA, associated Letters of Agreement, or this Letter of Agreement.
5. Regardless of the structure of a successor transaction referred to in subsection 1.F of the CBA affecting NAC and/or the Pilots covered under the CBA, the terms of subsection 1.F, 1.G and 1. H of the CBA shall apply to Northern Aviation Services, Inc., NAC and their Affiliates.
6. If the corporate parent of Northern Aviation Services, Inc., or any successor thereto, directly or through an affiliate, establishes or acquires a Controlling Interest (as defined in subsection 1.J.5 of the CBA) in an air carrier that conducts flying covered by subsection 1.D of the CBA, Northern Aviation Services, Inc. and NAC shall provide written notice to the Union of the establishment or acquisition of the air carrier as soon as practicable, but no later than sixty (60) Days prior to the closing of the transaction with respect to an acquisition or fourteen (14) Days after discovering that the corporate parent of Northern Aviation Services, Inc. intends to establish an air carrier, whichever is applicable. If the notice does not include written confirmation that the air carrier is an Affiliate of Northern Aviation Services, Inc., and/or NAC, and any successors thereto, for all purposes under Section 1 of the CBA, associated Letters of Agreement and this Letter of Agreement, then the following provisions shall apply:
 - a. NAC Crewmembers on Furlough, if any, shall be immediately recalled to Active Service effective the date the Union receives the written notice referred to in Paragraph 6, above.
 - b. NAC Crewmembers are not subject to Furlough until the air carrier referred to in Paragraph 6, above, is an Affiliate of Northern Aviation Services, Inc., and/or NAC, and any successors thereto.
 - c. NAC Crewmembers are not subject to downgrade until the air carrier referred to in Paragraph 6, above, is an Affiliate of Northern Aviation Services, Inc., and/or NAC, and any successors thereto.
 - d. There shall be no reduction in NAC Crewmember compensation or benefits as a direct or an indirect result of the air carrier referred to in

Paragraph 6, above, until the air carrier referred to in Paragraph 6, above, is an Affiliate of Northern Aviation Services, Inc., and NAC, and any successors thereto (and then subject to the terms of Section 1 of the CBA, associated Letters of Agreement and this Letter of Agreement).

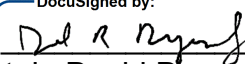
- e. The growth of the craft or class of Pilots shall not be slowed as a direct or indirect result of the air carrier referred to in Paragraph 6, until the air carrier referred to in Paragraph 6, above, is an Affiliate of Northern Aviation Services, Inc., and/or NAC, and any successors thereto (and then subject to the terms of Section 1 of the CBA, associated Letters of Agreement and this Letter of Agreement). Accordingly, if this Paragraph 6.e, is in effect, Letter of Agreement 01-004 is automatically amended to account for flying performed by the air carrier rather than the Pilots covered by the CBA. Any disputes arising under this Paragraph may be submitted to expedited arbitration under subsection 1.H of the CBA.
- f. Notwithstanding the terms of Section 32 (Duration), the IBT-NAC CBA shall become amendable upon request of the Union at any time after the Union receives the written notice described in Paragraph 6, above. If the Union chooses to exercise its rights under this Paragraph 6.f, the Union shall select one of the two options, below, which shall govern collective bargaining negotiations over amendments to the IBT-NAC CBA:
 - (1). The Union shall send a Railway Labor Act (hereinafter, "RLA") Section 6 notice (hereinafter, "Section 6 notice") to NAC and inform the NAC that the Union is exercising rights pursuant to Paragraph 6.f.(1) of this Letter of Agreement. Within seven (7) Days after the Section 6 notice is received by NAC, the parties shall submit a joint application for mediation to the National Mediation Board (NMB). The parties shall engage in expedited collective bargaining negotiations pursuant to Section 6 of the RLA over amendments to the IBT-NAC CBA. If a complete agreement is not reached within four (4) Months after NAC receives the Section 6 notice, the parties shall jointly request a proffer of arbitration from the NMB. The joint request for a proffer of arbitration shall include a request that the NMB make the proffer no later in time than six (6) Months from the date NAC received the Section 6 notice. Either party may reject the proffer of arbitration. At the expiration of the 30-Day cooling off period, if applicable, the parties are free to resort to self-help in accordance with the RLA.
 - (2). The Union shall send a Section 6 notice to NAC and simultaneously inform NAC that it is exercising rights pursuant to Paragraph 6.f.(2) of this Letter of Agreement. Within seven (7) Days after the Section 6 notice is received by NAC, the parties shall select an Arbitrator to preside at the interest arbitration hearing in accordance with Section

20 (System Board of Adjustment) of the CBA. The parties shall immediately contact the Arbitrator and request three (3) hearing dates that are no later in time than five (5) Months from the date NAC received the Section 6 notice. The parties shall select the three (3) dates closest in time to the date that is five (5) Months after the date NAC received the Section 6 notice. The parties shall engage in expedited collective bargaining negotiations pursuant to Section 6 of the RLA over amendments to the IBT-NAC CBA. If no agreement is reached within four (4) Months after NAC received the Section 6 notice, the parties shall submit all unresolved issues to binding interest arbitration. The interest arbitration hearing shall be conducted in accordance with terms set forth in Attachment A, all of which are incorporated into this Letter of Agreement by reference and binding on the parties hereto.

7. Nothing contained in this Letter of Agreement or in Section 1, Scope, of the CBA, or other Letters of Agreement related to Section 1, shall create an obligation on the part of the corporate parent of Northern Aviation Services, Inc., to recognize the Union as an exclusive bargaining agent or otherwise to bargain with the Union under the Railway Labor Act or any other applicable law.
8. It is further agreed that any disputes which arise out of interpretation or application of this Letter of Agreement will be subject to resolution by final and binding arbitration in accordance with the provisions of subsection 1.H and Section 20 of the CBA, with Northern Aviation Services, Inc. agreeing in all respects to be subject to the terms and conditions of subsection 1.H and Section 20.
9. This Letter of Agreement shall become effective on the date of signing and shall remain effective concurrent with the duration of the Agreement.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

DocuSigned by:
By: 
Captain David Dyas
AAC Executive Chairman

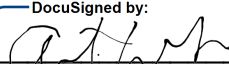
Date: July 24, 2018

For the Company:


DocuSigned by:
By: 
Captain Brandon Johnson
NAC Director of Operations

Date: July 24, 2018

For Northern Aviation Services Inc:

DocuSigned by:
By: 
Captain Art Wikle
NAC Chief Steward
Date: July 24, 2018

DocuSigned by:
By: 
48659FB2D206492...
David Karp
President and CEO, Northern
Aviation Services, Inc.
Date: July 24, 2018

By: 
Captain David Bourne
Director-Airline Division, IBT
Date: July 24, 2018

LETTER OF AGREEMENT #8

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: SCOPE 1-002

This Letter Of Agreement (“LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (“RLA”), by and between Northern Air Cargo (“NAC” or “the Company”), Aeko Kula dba Aloha Air Cargo (“Aloha Air Cargo”), their successors and assigns, and their Parent, Northern Aviation Services, its successors and assigns, and the Pilots in the service of the Company, as represented by the International Brotherhood Of Teamsters, Airline Division (“IBT” or “the Union”).

WHEREAS, the parties wish to avoid any disputes over the Company’s obligations under the IBT-Northern Air Cargo Agreement (“CBA”) pending the sale, transfer, conveyance or surrender of Aloha Air Cargo’s operating certificate;

NOW, THEREFORE, the parties agree and stipulate as follows:

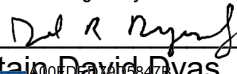
- A. On or before the date of the Aeko Kula operating certificate is sold, transferred, conveyed or surrendered, or May 1, 2019, whichever occurs first, 1) Pilots employed by Aloha Air Cargo shall be employed by Northern Air Cargo; 2) all aircraft Assigned to the Aeko Kula operating certificate will be transferred to the Northern Air Cargo operating certificate; and 3) all operations under the Aeko Kula operating certificate by the signatories to this Letter of Agreement and their Affiliates shall cease. The parties may extend the May 1, 2019 date by mutual agreement. Flying by or on behalf of the Entity to which the former Aeko Kula operating certificate is sold, transferred or conveyed shall not (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or

benefits of Pilots; (3) reduce the number of pilots in any Position; or (4) slow the growth of the craft or class of Pilots.

- B. The Aeko Kula operating certificate shall not be sold, transferred, conveyed or transferred to an Affiliate as that term is defined in Section 1 of the CBA.
- C. On the date of the sale, transfer, conveyance or surrender, or May 1, 2019 (unless the parties agree to an extension), whichever occurs first, Aeko Kula shall cease to exist as an Entity as the term is defined in Section 1 of the CBA. However, it shall not be a violation of this Letter of Agreement or the CBA if Aloha Air Cargo remains an Affiliate of Northern Aviation Services operating exclusively as an indirect carrier; provided, all freight transported by air on behalf of Aloha Air Cargo and/or its customers shall be performed by Pilots on the Northern Air Cargo Integrated Seniority List (ISL) in accordance with the CBA.
- D. Except as set forth in this LOA, the terms of the CBA apply to Pilots employed by Aloha Air Cargo and/or Assigned to aircraft on the operating certificate of Aeko Kula, including all of the terms of Section 1 of the CBA and associated letters of agreement, without distinction between Pilots employed by Northern Air Cargo and Pilots employed by Aloha Air Cargo. Without limiting the aforementioned statement, Section 1.F and 1.G, and all of the rights and obligations contained therein, apply to all Pilots on the ISL regardless of the carrier that employs the Pilots.
- E. The existence of Aeko Kula, the continuing Assignment of designated B737 aircraft to the Aeko Kula operating certificate, and the Assignment of Pilots on the ISL to operate such aircraft, shall not be treated as a violation of Section 1 of the CBA, pending the sale, transfer, conveyance or surrender of the Aeko Kula operating certificate or until May 1, 2019, whichever occurs first; provided:
 - 1. Without limiting the terms of Paragraph D above, Pilots may bid and be awarded Vacancies (including displacements) on the Northern Air Cargo operating certificate or Aeko Kula operating certificate in accordance with Section 18, regardless of the carrier that employs the Pilot during the period referred to in Paragraph E above.
 - 2. Only B737 aircraft with registration numbers 301 KH, 302 KH, 303 KH and 361 NC may be Assigned to the Aeko Kula operating certificate during the above-referenced period.
- F. This LOA shall become effective upon signing and shall remain in full force and effect in accordance with the terms of Section 32 of the CBA, except as limited by its terms and unless terminated sooner by mutual agreement of the parties; *provided*, it may be amended by mutual agreement of the parties at any time.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

DocuSigned by:
By: 
Captain David Dyas
AAC Executive Chairman

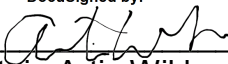
Date: July 24, 2018

For the Company:


DocuSigned by:
By: 
Captain Brandon Johnson
NAC Director of Operations

Date: July 24, 2018

For Northern Aviation Services Inc:

DocuSigned by:
By: 
Captain Artie Wikle
NAC Chief Steward
Date July 24, 2018

DocuSigned by:
By: 
Mr. David Karp
President and CEO, Northern Aviation
Services, Inc.
Date: July 24, 2018


By: _____
Captain David Bourne
Director-Airline Division, IBT
Date: July 24, 2018

DocuSigned by:
By: 
Ms. Aurora Campbell
VP Administration & Contracting
Date: July 24, 2018

LETTER OF AGREEMENT #9

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: SCOPE 1-003

This Letter of Agreement (“LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (“RLA”), by and between Northern Air Cargo (“NAC” or “the Company”), its successors and assigns, its Parent, its successors and assigns, and the Pilots in the service of the Company, as represented by the International Brotherhood Of Teamsters, Airline Division (“IBT” or “the Union”).

WHEREAS, the Company, its Parent, their Affiliates and the Union agree that NAC Pilots should receive the benefit of increased flying opportunities resulting from the acquisition of Strat Air;

WHEREAS, the Company, its Parent, their Affiliates and the Union agree that increased flying opportunities resulting from the acquisition of Strat Air should be allocated in a manner that is responsive to the needs of the business for the benefit of all stakeholders;

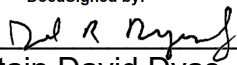
NOW, THEREFORE, the parties agree and stipulate as follows:

1. All freight transported by air on behalf of Strat Air and/or its customers shall be performed by Pilots on the Northern Air Cargo Seniority List in accordance with Section 1 of the IBT-Northern Air Cargo Agreement (CBA) and this LOA.

2. Nothing contained in this LOA shall modify the specific exceptions to Section 1.D or the Wet Lease provisions set forth in Section 1.E of the CBA, except as further provided herein.
3. The Company may continue to maintain one (1) Wet Lease for a B737-300 or similar aircraft with an MTOW of 139,500 lbs. or less operated by Swift Air (or another carrier in lieu of Swift Air) in MIA, to perform ad hoc/unscheduled flying in support of Strat Air operations for existing city pairs served by Swift Air (MIA-KIN, KIN-MBJ, MBJ-MIA, MIA-GEO, GEO-PBM, PBM-MIA, MIA-BGI, BGI-POS, POS-MIA, POS-GEO, GEO-PBM, MIA-LIM, MIA-SJU, SJU-SDQ, MIA-PAP, and MIA-SDQ), subject to the following conditions:
 - a. Revenue flying under the Wet Lease in support of Strat Air cannot exceed an average of one hundred and fifty (150) hours per Month (based on a rolling six (6) Month period);
 - (1) The Company shall provide the Union with the aircraft registration number of the aircraft referred to in this Paragraph 3.
 - (2) The Company shall provide the Union with hourly flight data on a Monthly basis in a form acceptable to the Union.
 - (3) If the average one hundred and fifty (150) hours per Month limit is exceeded, the right to Wet Lease under this Paragraph 3 shall be null and void sixty (60) Days thereafter unless the parties mutually agree otherwise.
 - b. A Wet Lease under this LOA shall not: (1) cause the Furlough or prevent the Recall of Pilots, (2) reduce the compensation or benefits of Pilots; (3) reduce the number of Pilots in any Position; or (4) slow the growth of the craft or class of Pilots; and
 - c. Section 1.E.2 of the CBA shall be inapplicable to flying in support of Strat Air operations if the Company invokes Paragraph 3 of this LOA, except the Company shall not be precluded from entering into a Wet Lease for a New Market as provided in Section 1.E.2.
4. This LOA shall become effective upon signing and shall remain in full force and effect in accordance with the terms of Section 32 of the CBA unless earlier terminated by mutual agreement of the parties; *provided*, it may be amended by mutual agreement of the parties at any time.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

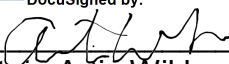
DocuSigned by:
By: 
Captain David Dyas
AAC Executive Chairman

Date: July 24, 2018

For the Company:

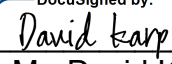
DocuSigned by:
By: 
Captain Brandon Johnson
NAC Director of Operations

Date: July 24, 2018

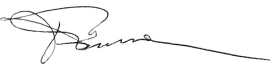
DocuSigned by:
By: 
Captain Aric Wikle
NAC Chief Steward

Date: July 24, 2018

For Northern Aviation Services, Inc:

DocuSigned by:
By: 
Mr. David Karp
President and CEO, Northern
Aviation Services, Inc.

Date: July 24, 2018

By: 
Captain David Bourne
Director-Airline Division, IBT
Date: July 24, 2018

LETTER OF AGREEMENT #10

By and Between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: SCOPE 1-004

This LETTER OF AGREEMENT ("LOA") is made and entered into in accordance with the provisions of the Railway Labor Act, as amended ("RLA"), by and between Northern Air Cargo ("NAC" or "the Company"), its successors and assigns, its Parent, its successors and assigns, and the PILOTS in the service of the Company, as represented by the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AIRLINE DIVISION ("IBT" or "the Union").

WHEREAS, the Company, its Parent, their Affiliates and the Union wish to avoid disputes over the meaning and application of the phrase "slow[ed] the growth of the craft or class of Pilots" as set forth in Section 1 of the Agreement and associated Letters of Agreement; and

WHEREAS, the parties are committed to attempting to resolve related disputes through good faith discussions based on empirical data;

THEREFORE, BE IT RESOLVED:

1. The Company shall provide the Union with the following information from July 1, 2016 to the date the Agreement is executed:
 - a. Total revenue hours flown by Pilots on the Northern Air Cargo Seniority List.
 - (1) For intra-Alaska

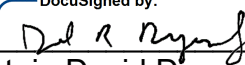
- (2) For intra-Hawaii
 - (3) For all other locations
 - b. Total poundage of freight transported by Pilots on the Northern Air Cargo Seniority List.
 - (1) For intra-Alaska
 - (2) For intra-Hawaii
 - (3) For all other locations
 - c. The number of Active Pilots.
 - d. The number of revenue hours subcontracted or wet leased by Northern Air Cargo.
 - (1) For intra-Alaska
 - (2) For intra-Hawaii
 - (3) For all other locations
 - e. Total poundage of freight transported pursuant to a Northern Air Cargo subcontract or wet lease.
 - (1) For intra-Alaska
 - (2) For intra-Hawaii
 - (3) For all other locations
2. The Company shall provide the Union with updated, semi-annual data every January 1 and July 1.
 3. If there is at least a 20 percent decrease in 1.a, 1.b, and/or 1.c, Year over Year, and/or at least a 20 percent increase in 1.d and/or 1.e then there is rebuttable presumption that the decrease or increase has directly or indirectly "slow[ed] the growth of the craft or class of Pilots" within the meaning of the applicable provision of Section 1 of the Agreement.
 4. The parties shall meet and confer in good faith to discuss and analyze the data and to reach agreements, when necessary, to address their respective concerns.
 5. If the parties do not reach an agreement on whether an act described in Section 1 "slow[ed] the growth of the craft or class of Pilots" and/or an appropriate remedy, the Union may file a Grievance in accordance Section 1.H of the Agreement. The System Board of Adjustment shall have the authority to resolve the dispute, including fashioning an appropriate remedy

to include a requirement to hire additional pilots and make affected Pilots whole.

- 6. For reporting purposes under this Letter of Agreement, "subcontract" or "subcontracted" shall not include ad hoc cargo or international mail moved on routes not traditionally flown by Northern Air Cargo Pilots pursuant to block space or brokerage agreements permitted under Section 1 of the Labor Agreement and associated Letters of Agreement.
- 7. This LOA shall become effective upon signing and shall remain in full force and effect unless terminated by mutual agreement of the parties; *provided*, it may be amended by mutual agreement of the parties at any time.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

DocuSigned by:
 By: 
 Captain David Dyas
 AAC Executive Chairman

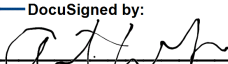
Date: July 24, 2018

For the Company:

DocuSigned by:
 By: 
 Captain Brandon Johnson
 NAC Director of Operations

Date: July 24, 2018


For Northern Aviation Services, Inc:

DocuSigned by:
 By: 
 Captain Artie Wikle
 NAC Chief Steward

Date: July 24, 2018

DocuSigned by:
 By: 
 48659FB2D206492...
 Mr. David Karp
 President and CEO, Northern Aviation Services, Inc.

Date: July 24, 2018

By: 
 Captain David Bourne
 Director-Airline Division, IBT
 Date July 24, 2018

LETTER OF AGREEMENT #11

between

NORTHERN AIR CARGO, INC.

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Re: Temporary B737 and B767 Fence Agreement

THIS LETTER OF AGREEMENT (“LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (the “Act”), by and between NORTHERN AIR CARGO, INC. (the “Company”) and the AIRLINE PILOTS in the service of NORTHERN AIR CARGO, INC., as represented by the INTERNATIONAL BROTHERHOOD OF TEAMSTERS (“IBT”) (collectively referred to as the “Parties”).

WHEREAS, effective July 24, 2018, the Parties entered to a Joint Collective Bargaining Agreement (“JCBA”);

WHEREAS, effective on July 24, 2018, Parties implemented the merged Northern Air Cargo Pilots System Seniority List (“Seniority List”);

WHEREAS, the Parties have agreed on temporary procedures for awarding certain Position Vacancies in Anchorage, Honolulu and other locations after the JCBA takes effect as set forth herein based on pre-JCBA career expectations identified by the representatives of the respective pilot groups.

THEREFORE, BE IT RESOLVED:

A. Beginning on July 24, 2018, the Company shall award all Vacancies to Pilots on the Seniority List in accordance with Section 18 of the JCBA (Filling of Vacancies), subject to the terms of this LOA.

B. B737 Vacancies During Fence Period

1. From July 24, 2018 until January 14, 2020 ("B737 Fence Period"), the Company shall award posted B737 Captain Vacancies in the HNL Domicile to eligible bidders who were on the pre-JCBA Aloha Air Cargo Pilots System Seniority List on July 24, 2018 prior to awarding said Vacancies to any other Pilot on the Seniority List. This paragraph shall have no further effect after the expiration of the B737 Fence Period.
2. During the B737 Fence Period, the Company shall award posted B737 Captain Vacancies in the ANC Domicile to eligible bidders who were on the pre-JCBA Northern Air Cargo Pilots System Seniority List on July 24, 2018 prior to awarding said Vacancies to any other Pilot on the Seniority List. This paragraph shall have no further effect after the expiration of the B737 Period.
3. If B737 Captain Vacancies remain unfilled after application of the provisions in paragraphs B.1 and B. 2, above, whichever is applicable, the Company shall award the unfilled Vacancies to eligible bidders on the Seniority List in accordance with Section 18 of the JCBA.
4. The Company shall award B737 First Officer Vacancies in the HNL Domicile and ANC Domicile to eligible bidders on the Seniority List in accordance with Section 18 of the JCBA prior to awarding said Vacancies to New Hire Pilots.

C. B767 Vacancies During Fence Periods

1. Beginning on the date the first B767 Vacancy is posted in the HNL Domicile and for a period of five hundred forty-eight (548) Days thereafter ("B767 Fence Period 1"), the Company shall award the first nine (9) B767 Captain Positions and the first nine (9) First Officer B767 Positions in the HNL Domicile to eligible bidders who were on the pre-JCBA Aloha Air Cargo System Seniority List ("AAC Protected Positions") prior to awarding said Vacancies to any other Pilot on the Seniority List. This paragraph shall have no further effect after the expiration of the B767 Fence Period 1.
2. Beginning on the date the first B767 Vacancy is posted in a Domicile(s) other than HNL, and for a period of seven hundred thirty (730) Days thereafter ("B767 Fence Period 2"), the Company shall award the first nine (9) B767 Captain Positions and the first nine (9) B767 First Officer

Positions in the Domicile(s) to eligible bidders who were on the pre-JCBA Northern Air Cargo System Seniority ("NAC Protected Positions") prior to awarding the Positions to any other Pilot on the Seniority List. This paragraph shall have no further effect after the expiration of the B767 Fence Period 2.

3. If AAC Protected Positions and/or NAC Protected Positions remain unfilled after application of the provisions in paragraphs C.1 and/or C.2, above, whichever is applicable, the Company shall award unfilled Protected Positions to eligible bidders on the Seniority List in accordance with Section 18 of the JCBA.
4. The Company shall award the B767 First Officer Positions and B767 Captain Positions referred to in paragraph B.3 to eligible bidders on the Seniority List in accordance with Section 18 of the JCBA prior to awarding said Vacancies to New Hire Pilots.
5. All B767 Captain Positions and B767 First Officer Positions in excess of the number of AAC Protected Positions and NAC Protected Positions referred to in paragraphs C.1 and C.2, above, shall be awarded to the Pilots on the Seniority List in accordance with Section 18 of the JCBA.

D. GENERAL

1. If the Company transfers a B767 from its then current Domicile in accordance with the JCBA to a New or other Domicile during the applicable Fence Periods described, above, and the Displacement Bid includes a reduction in the number of Pilots in the affected Domicile, the Company shall award nine (9) B767 Captain Vacancies and nine (9) B767 First Officer Positions in the New or other Domicile to eligible bidders who were on the applicable pre-JCBA System Seniority List associated with the Protected Positions referred to in Section B, above, prior to awarding the Positions to any other Pilot on the Seniority List. This paragraph shall have no further effect after the expiration of the B767 Fence Period 1 and/or B767 Fence Period 2, whichever is applicable.

Examples: The Company transfers the first B767 that is based in HNL to LAX. The Company posts a Displacement Bid in HNL and corresponding Vacancies on the B767 in LAX during the applicable Fence Period. The first nine (9) Captain and nine (9) First Officer Positions on that aircraft in LAX shall be Protected Positions for eligible bidders who were Pilots on the pre-JCBA Aloha Air Cargo Pilots System Seniority List. If, at any time during the applicable Fence Period, there are unawarded Vacancies for any of these nine (9) Captain or First Officer Positions, including on a back-fill basis, all eligible bidders on the Seniority List may bid and be

awarded the Vacancies as provided in Section 18 (Filling of Vacancies) after eligible bidders who were Pilots on the pre-JCBA Aloha Air Cargo Pilots System Seniority List are first given an opportunity to bid and be awarded the Vacancies.,

2. If the Company transfers a B767 from one Domicile to a New or other Domicile, as provided in paragraph D.1, above, and as a result of the transfer of that aircraft, there is a reduction in the number of Positions compared to the number of Protected Positions associated with the aircraft, Displaced Pilots in the affected Domicile shall have the ability to displace to any Position system-wide that their Seniority allows them to hold. All other subsequent Pilot Displacement bids and awards resulting from a reduction of B767 Positions shall be in accordance with the provisions set forth in Section 18 of JCBA. This paragraph shall have no further effect after the expiration of the B767 Fence Period 1 and/ or B767 Fence Period 2, whichever is applicable.

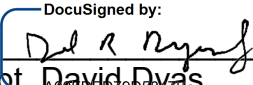
Examples: Nine (9) Captain and nine (9) First Officer Positions are assigned to the B767 in HNL. The Company transfers the B767 to LAX. As a result of the transfer, the Company reduces crewing levels on the aircraft to seven (7) Captains and seven (7) First Officers. In this case, two (2) B767 Captains domiciled in HNL and two (2) B767 First Officers domiciled in HNL may displace to any Position system-wide that their Seniority allows them to hold. If the Company subsequently decides to increase the crewing level on the B767 in LAX during the applicable Fence Period, then up to two (2) additional Captain Positions and two (2) additional First Officer Positions shall be treated as Protected Positions within the meaning of this LOA.

3. All Furloughs and Recalls shall be in accordance with Section 17 (Furlough and Recall) of the JCBA.
4. The pre-JCBA Aloha Air Cargo and Northern Air Cargo System Seniority Lists are attached to LOA.

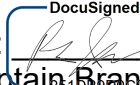
THIS LETTER OF AGREEMENT shall be effective as of July 24, 2018 and shall remain in full force and effect in accordance with its terms and concurrent with the JCBA.

IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

DocuSigned by:
By: 
Capt. David Dyas
AAC EXCO Chairman
Date: July 24, 2018

For Northern Air Cargo, Inc:

DocuSigned by:
By: 
Captain Brandon Johnson
NAC Director of Operations
Date: July 24, 2018

DocuSigned by:
By: 
Captain Aric Wikle
NAC EXCO Chairman
Date: July 24, 2018

LETTER OF AGREEMENT #12
between
NORTHERN AIR CARGO, INC.
and the
AIRLINE PILOTS
in the service of
NORTHERN AIR CARGO, INC.
as represented by
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Re: Flight Pay Loss

THIS LETTER OF AGREEMENT (LOA) is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between Northern Air Cargo, Inc. (the "Company") and the International Brotherhood of Teamsters, Airline Division, as administratively delegated to Teamsters Local 959 (the "Union"), hereinafter known as the "Parties".

WHEREAS, the administration of the Collective Bargaining Agreement ("Agreement"), the performance of Union duties related to the representation of Pilots, the Parties' mutual interest in avoiding undue disruption of Company operations, and ongoing labor-management cooperation requires the release of Pilots from conflicting Duty; and

WHEREAS, the parties have agreed upon procedures related to flight pay loss and benefit reimbursement related to the release of flight Pilots who perform Union duties.

NOW, THEREFORE, the Parties agree as follows:

1. When the Union wishes that a Pilot be released from Duty for Union business, the Union shall present a written request to the Company identifying the Pilots to be released and the release dates including travel Days. Requests for release from Duty for Union Leave and Company responsibilities for assuring that a Pilot is available to perform Union duties shall be made, as provided Section 8 (Leaves of Absence).

2. The Company shall pay "Flight Pay Loss" (FPL) to a Pilot for all Duty which he or she is released from to participate in approved Union business. FPL shall include the scheduled PCH of the Duty Assignment for which the Pilot is removed for Union Leave, plus a 12.65% override to cover his 401K contribution, FICA, Medicare and State Unemployment. Duty time covered by FPL payments shall be included within a Pilot's earnings for the pay period in which the FPL was incurred. Upon request from the Union, the Company shall submit the monthly Crew Time Reports, which verifies the scheduled Credit Pay for each Duty Assignment lost due to his Union activity.

3. As provided in paragraph 2 above, at the start of the Pilot Define Contribution Plan on July 1, 2021, the override percentage to cover a Pilot's Define Contribution and 401K contributions, FICA, Medicare and State Unemployment shall be increased to 16.25%.

4. With the exception set out in paragraph 6 below, the Union shall reimburse the Company for FPL paid to a Pilot who has been released for Union business. The Company shall provide an itemized bill to the Union within forty-five (45) Days of the last Day of the Bid Period in which the Pilot was paid FPL for Union business. The billing statement shall include, separately for each Pilot, the Pilot's name, dates and reimbursement calculation, based upon the Pilot's hourly pay rate, as provided for in Attachment A of the Agreement and, on a per-Day basis, the Pilot's scheduled Duty hours from which he or she was released. The Union shall issue payment to the Company within thirty (30) Days of receipt of the Company's billing statement.

5. The Union shall not be required to reimburse the Company for FPL or any additional compensation paid to a Pilot for participation in the Event Review Committee (ERC) under ASAP, for acting as a "Gatekeeper"

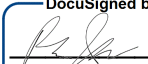
under FOQA, or any other meetings required by the Company, as provided for in the Agreement.

- 6. It is mutually understood by the parties that the Agreement provides for a Monthly period for pay purposes. For the purposes of this LOA, as it relates to a Pilot's pay period, the term "Month" shall be used.
- 7. As provided in Section 8 (Leaves of Absence), a Pilot shall continue to accrue Seniority and Longevity while released for Union Leave. No deduction from a Pilot's Seniority or Longevity shall be made when released for Union Leave.

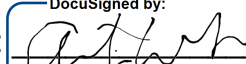
IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Company:

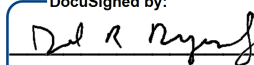
For the Union:

DocuSigned by:
 By: 
 Captain Brandon Johnson
 NAC Director Flight Operations

Date: July 24, 2018

DocuSigned by:
 By: 
 Captain Artie Wike
 NAC Chief Steward

Date: July 24, 2018

DocuSigned by:
 By: 
 Captain Dave Dyas
 AAC EXCO Chairman

Date: July 24, 2018

LETTER OF AGREEMENT #13

between

NORTHERN AIR CARGO, INC.

and

THE AIR LINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by the

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

RE: B767 RETROACTIVE PAY (RETRO PAY)

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 Northern Air Cargo, Inc. ("Northern Air Cargo" or the "Company") and the International Brotherhood of Teamsters ("IBT" or the "Union").

WHEREAS, the parties have agreed that the B767 Pilots shall receive Retroactive Pay (Retro Pay), from the date each individual Pilot flew his first Operating Experience (OE) Flight Assignment for the Company as a Crewmember in the B767 (Active B767 Pilot), up to the Date of Signing (DOS) of the Agreement;

WHEREAS, the parties agree that prior to this LOA the Company utilized Active B767 Pilots from both Northern Air Cargo (NAC) and Aloha Air Cargo (AAC), who were working under their separate Collective Bargaining Agreements (CBA's) and except as otherwise provided for in this LOA, it is understood that different Hourly Pay Rates and contractual provisions which are to be applied when calculating each individual Active B767 Pilot's Retro Pay.

NOW THEREFORE, the parties hereby agree as follows:

1. Retro Pay at the DOS of the Agreement.

The Company shall pay Retro Pay to each individual Active B767 Pilot in connection with the DOS of this LOA. The Retro Pay shall be based on the differences in the Hourly Pay Rate, as provided in paragraph two (2) below,

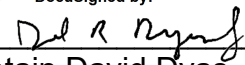
including any differences in fringe benefits or other payments that were legally or contractually required to be made (e.g., 401(k) retirement contributions, social security, payroll taxes) for compensation received prior to the DOS of the Agreement.

2. An Active B767 Pilot's Individual Retro Pay Amount shall be equal to his Hourly Pay Rate Differential (His applicable B767 Hourly Pay Rate, as provided in Appendix A of Section 3, Compensation minus the Hourly Pay Rate that he was paid prior to the DOS of this LOA) multiplied by the total amount of Credit Pay or Pay Credit Hours (PCH), whichever is applicable, that he earned as an Active B767 Pilot prior to the DOS of the Agreement.
3. All applicable Hourly Pay Rates an Active B767 Pilot's earnings were paid at prior to the DOS of the Agreement shall be used in his Retro Pay calculation.
4. The Company shall provide all relevant Pilot data and information to the Union in connection with the calculation of each individual Active B767 Pilot's Retro Pay, including the entire list of Active B767 Pilots, prior to the DOS of this LOA. The Company shall provide any additional data or information that is reasonably requested by the Union.
5. Any dispute between the Company and the Union concerning interpretation or application of this LOA shall be subject to the Expedited Dispute Resolution procedures, as provided in subsection 1.H. of the Agreement.
6. The Company shall provide the Union with all relevant data and Information, as provided in paragraph four (4), within fourteen (14) Days after the DOS of the Agreement.
7. The "Payment Date" for Active B767 Pilots Retro Pay shall occur no later than thirty (30) Days after the DOS of the Agreement.
8. All potential disputes involving Active B767 Pilots Retro Pay shall be submitted by the Union to the Director of Operations, or his designee within thirty (30) Days after the Payment Date.

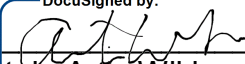
This LOA shall become effective on the DOS of the Agreement between the Company and the Union and shall remain in full force and effect concurrent with the Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

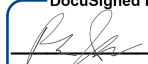
DocuSigned by:
By: 
Captain David Dyas
AAC EXCO Chairman

Date: July 24, 2018

DocuSigned by:
By: 
Captain Artie Wikle
NAC Chief Steward

Date: July 24, 2018

For the Company:

DocuSigned by:
By: 
251DB9D0C3734EC...
Captain Brandon Johnson
NAC Director of Operations,

Date: July 24, 2018

LETTER OF AGREEMENT #14

By and Between

**NORTHERN AIR CARGO, LLC, AEKO KULA, LLC,
AND NORTHERN AVIATION SERVICES, LLC**

and the

AIRLINE PILOTS

in the service of

NORTHERN AIR CARGO, INC.

as represented by

THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

This Letter of Agreement (“LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (“RLA”), by and between Northern Air Cargo, LLC, Aeko Kula, LLC, their successors and assigns, and their Parent, Northern Aviation Services, LLC its successors and assigns, and the Pilots in the service of Northern Air Cargo, LLC, as represented by the International Brotherhood Of Teamsters, Airline Division (“IBT” or “the Union”).

WHEREAS, on or about December 31, 2018, the Union was notified that Northern Air Cargo, Inc., Aeko Kula, Inc., and Northern Aviation Services, Inc. converted from corporations to limited liability companies on December 31, 2018 and are now known as Northern Air Cargo, LLC, Aeko Kula, LLC and Northern Aviation Services, LLC; and

WHEREAS, the change from corporations to limited liability companies are legal entity conversions by which the existing organizations changed from one type of legal entity to another without creating a new legal entity or terminating the existence of the existing organizations;

NOW, THEREFORE, the parties agree and stipulate as follows:

1. Northern Air Cargo, LLC, Aeko Kula, LLC, and Northern Aviation Services, LLC are the same entities (i.e., Northern Air Cargo, Inc., Aeko Kula, Inc., and Northern Aviation Services, Inc.) that existed prior to the conversion and all contractual rights and obligations of the converting entities remain in effect and may be enforced by and against the entities following the conversion.
2. For the avoidance of doubt, all agreements of any type (e.g., collective bargaining agreements, letters of agreement, memorandums of understanding, etc.), whether

written or oral, that have been entered into between Northern Air Cargo, Inc., Aeko Kula, Inc., Northern Aviation Services, Inc. and the IBT are to be deemed to have been made between Northern Air Cargo, LLC, Aeko Kula, LLC, and Northern Aviation Services, LLC for all purposes and may be enforced by and against any of the parties to this LOA.


IN WITNESS WHEREOF, the parties hereto have signed this LOA:

For the Union:

By: 
Captain David Dyas
NAC Executive Council, Chairman

Date: 1/22/19

For Northern Air Cargo, LLC:


Mr. Richard Macri
Chief Operating Officer

Date: 1/22/19

By: 
Captain Artic Wikle
NAC Executive Council, Vice Chairman

Date: 1/22/19

For Aeko Kula, LLC:


Ms. Aurora Campbell
VP Administration & Contracting

Date: 1/22/19

By: _____
Captain David Bourne
Director, Airline Division, IBT

Date: _____

For Northern Aviation Services, LLC:


Ms. Betsy Seaton
President and CEO

Date: 1/22/19

MEMORANDUMS

OF

UNDERSTANDING

November 30, 2018

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

MOU #1: PTO Day Conversion and Redistribution Process.

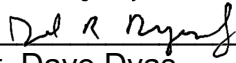
Dear Mr. Macri:


This letter will confirm our mutual understanding and agreement regarding the intended application of the new PTO and Vacation provisions in this Agreement, including, but not limited to, the assurance that a Pilot shall have the availability to use his accrued PTO Days from his PTO Bank when taking his scheduled Vacation. To assure that a Pilot shall have access to one hundred percent 100% of his accrued PTO for use in the following Year, the following processes shall be implemented: (a) If a Pilot's PTO Bank reaches the maximum accrual limit of thirty (30) PTO Days before December 31st of that Year, all additional PTO Days that the Pilot accrues in that Year shall continue to be deposited into his PTO Bank ("Annual PTO Overages"). (b) On December 31st of each Year, the Company shall convert all Annual PTO Overages from each affected Pilot's PTO Bank to Sick Leave Days and then redeposit each Pilot's new Sick Leave Days into their respective Sick Leave Bank ("SLB"), as provided in Section 10 (Sick Leave). (c) During this annual redistribution process, only those Pilots who have accrued more than thirty (30) PTO Days in his PTO Bank shall be subject to this redistribution process. This redistribution process shall cease as soon as a Pilot's PTO Bank balance reaches the maximum accrual limit and he shall begin the new Year with thirty (30) PTO Days in his PTO Bank, (d) A Pilot shall not participate in this conversion or redistribution processes if his PTO Bank balance is not over the maximum accrual limit on December 31st of that Year, (e) Unless otherwise provided for in this Agreement, a Pilot shall be limited to the use of thirty (30) PTO Days from his PTO Bank. (f) a Pilot who separates from the Company shall be paid for all his accrued PTO Days in his PTO Bank, up to a maximum of thirty (30) Days, at his Hourly Pay Rate, as provided in Section 3 (Compensation), at the time of his separation.


At the time of the signing of this MOU, there may have been Pilots who have had their PTO Days converted into Sick Days and redeposited into their Sick Leave Bank prior to December 31st of this Year. The Company agrees that upon the signing of this MOU, they shall by re-depositing one hundred percent (100%) of those converted PTO Days back into their respective PTO Bank.

The Company and the Union mutually agree to adopt the above-mentioned processes in order to assure that a Pilot shall have the ability to fully utilize his PTO Day accruals.

Please indicate your acceptance by signing below.

DocuSigned by:
By: 
Capt. Dave Dyas
NAC EXCO Chairman

DocuSigned by:
By: 
Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.

DocuSigned by:
By: 
Capt. Artie Wike
NAC EXCO Vice Chairman

November 30, 2018

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

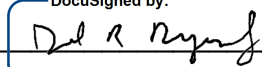
MOU #2: Positive Contact Responsibilities.

Dear Mr. Macri:

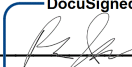
This letter will confirm our mutual understanding and agreement regarding the proper application of subsections 13.H. and 15.D. when changes to a Pilot's schedule is changed, including the notification of a Reserve Pilot's RAP and Rest Period Times. Each Pilot is required to provide their primary contact telephone number to the Company, including any changes or updates. Unless otherwise mutually agreed upon by the Pilot and Crew Scheduling, this telephone number shall be the only means of creating "Positive Contact" with a Pilot when Crew Scheduling changes a Pilot's scheduled Assignment(s) in his Line. When a Pilot's primary contact telephone number becomes unusable, it shall be his responsibility to inform the Crew scheduling, prior to his next scheduled Assignment, of his alternate contact method. The Pilot may, at his sole discretion, provide the Company with alternate contact numbers and/or emails that may be used, but unless the Pilot notifies the Company of a change in his primary contact number or email address, the Company shall only be obligated to utilize the previous primary contact method that the Pilot has authorized. As a courtesy after making Positive Contact with the Pilot, the Company may follow up the call with an email that covers the content of their conversation. In the event a telephone number cannot be used to make Positive Contact with a Pilot, alternate means may be mutually arranged between the Pilot and Crew Scheduling, such as the use of an email address or another approved PCD, in order to assure that Positive Contact is made.

The Company and the Union mutually agree to adopt the above-mentioned processes to assure that Positive Contact between the Pilot and the Company is accomplished.

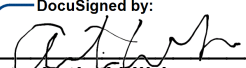
Please indicate your acceptance by signing below.

DocuSigned by:
By: 
A00FDED79D5847B...

Capt. Dave Dyas
NAC EXCO Chairman

DocuSigned by:
By: 
251DB9D0C3734EC...

Capt. Brandon Johnson
NAC Director of Flight Operations

DocuSigned by:
By: 
Capt. Artie White

NAC EXCO Vice Chairman

November 30, 2018

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

MOU #3: Reassignment to Trip Pairings containing R2 Reserve Assignments.

Dear Mr. Macri:

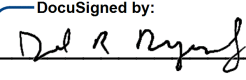
This letter will confirm our mutual understanding and agreement regarding the approved creation of Multi-Day Trip Pairings containing Flight and/or Deadhead Segments and R2 RAP's (e.g., current ANC Trip Pairings that are scheduled for multi-day RON's in LRD or HNL; current multi-day HNL Trip Pairings for the B767 Pilot's in MIA)., as provided subsections 14.D.1. and 14.D.2.a., and the approved assignment of such Trip Pairings to a Pilot who has a block of scheduled R1 or R2 RAP's in his Line or has been Reassigned to R4 Duty. It is recognized that historically the Company has created such Trip Pairings, as it has provided mutual benefits for the Company, as well as the NAC Pilots.

Therefore, it is mutually understood and agreed that the Company may continue to create these multi-day Trip Pairings and Pilots who are scheduled to perform a block of Reserve Assignments may be assigned to perform such Trip Pairings and shall be done so in conformity with the provisions of this Agreement.


Should the Company utilize a Pilot performing a R1 Reserve Availability Period (RAP) for such a multi-day Trip Pairing that contain R2 RAP's, they shall attempt to notify a Pilot as early as possible when assigning such Trip Pairing to the Pilot.

Should the EXCO in the future determine that such Trip Pairings may have been assigned outside of the provisions of this Agreement, the Company shall schedule a meeting date with the EXCO Chairman, or his designee, within fourteen (14) Days of his initial contact to the Company, for the purpose of discussing their current practices for assigning such Trip Pairings and suggested improvements. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of potentially remedying a previously submitted grievance by a Pilot(s) or the EXCO.

Please indicate your acceptance by signing below.

DocuSigned by:
By: 
A00FDED79D5847B...
Capt. Dave Dyas
NAC EXCO Chairman

DocuSigned by:
By: 
1FF644D76D804BB...
Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.

DocuSigned by:
By: 
Capt. Artie Wille
NAC EXCO Vice Chairman

November 30, 2018

Mr. Richard Macri
 Chief Operating Officer
 Northern Air Cargo, Inc.
 4510 Old International Road Airport Road
 Anchorage, AK 99502

MOU #4: Reassignment to a new type of Reserve Assignment.

Dear Mr. Macri:

This letter will confirm our mutual understanding and agreement regarding a Pilot who is Reassigned to another type of Reserve Assignment when already scheduled to a Reserve Assignment in his Line. As provided in 14.J Reassignment, the Collective Bargaining Agreement (CBA) provides limitations and restrictions to Reassigning a Pilot who is scheduled to perform a Trip Pairing in his Line. The parties agree that it is the intention of subsection 14.J., to prohibit Crew Scheduling from Reassigning a Pilot who **is performing or is scheduled to perform** a Trip Pairing to a Reserve Assignment. Furthermore, it is also agreed that the intent of this subsection is to prohibit Crew Scheduling from Reassigning a Pilot who "**is performing**" any Assignment to a Reserve Assignment, except when Reassigned to a R1 or R2 Reserve Availability Period (RAP) and is Reassigned to a R4 RAP. The parties also agreed that it was not the intent to prohibit Crew Scheduling from Reassigning a Pilot who has a scheduled Reserve Assignment in his Line, to another Type of Reserve Assignment, so long as it is not during the same Duty Period and it must and must be on the same scheduled Day(s) as his previously scheduled Reserve Assignments. When a Pilot, who **is currently performing** a Reserve Assignment, is notified that he is to be Reassigned in the future to another type of Reserve Assignment, he must be provided applicable Rest prior to beginning his new Reserve Assignment.

In Subsection 3.F., Reserve Pay provides the direction as to how a Pilot with a scheduled Reserve Assignment in his Line is paid when he is subsequently assigned to perform "a Trip Pairing" or "other Company-Directed Assignments." Section 2, Definitions provides a clear understanding of the definitions for "Company-Directed Assignments" and "Assignments". Under the definition of an Assignment, it references an example of an Assignment as a "Reserve Period."

Subsection's 14.J.5.a. and 14.J.5.b. also references specific instances when a Pilot who is scheduled to perform a Reserve Assignment may be Reassigned back into a previously scheduled Reserve Assignment. In this instance, the parties intended that a Reassignment from a scheduled Reserve Assignment to another type of Reserve Assignment was legal, subject to the provision's stated restrictions and limitations.

When Crew Scheduling Reassigns a Pilot to another type of Reserve Assignment, the following Restrictions and Limitations shall apply.

- (1) When Reassigning a Pilot to R1 RAP's, Crew Scheduling shall immediately schedule the Pilot for one (1) Day Off in every seven (7) Days in his Line and provide him with the applicable DOT's and Duty Off Times for each within each new R1 RAP.
- (2) A Pilot who is Reassigned to a new type of Reserve Assignment shall be scheduled to perform that new type of Reserve Assignment on the same Days as his originally scheduled Reserve Assignments in his Line.

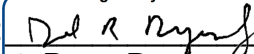
- (3) If Crew Scheduling intends to notify a Pilot who is performing or is scheduled to perform a RAP that he is to be Reassigned to another Type of Reserve Assignment in the future and there are more than two Pilots who are available for such Reassignment, they shall Reassign the Pilot utilizing the First-In/First-Out (FIFO) provisions, as provided in Section 15 (Reserve), and
- (4) (4) As provided in 14.E.12., Minimum Net Reserve Compliment, Crew Planning shall, to the extent possible, construct in each Domicile a minimum number of Reserve Lines that contain R1 RAP's to cover each Day in the Month.
- (5) A Pilot who has R1 RAP's in his Line shall not have them Reassigned to another type of Reserve Assignments.
- (6) A Pilot assigned to a R2 RAP(s) or R3 Reserve Assignment(s), he may be reassigned a R1 RAP(s). When Reassigned, Crew Scheduling shall first make "Positive Contact" with the affected Pilot.
- (7) When the Reassignment in paragraph (6) involves an R2 to an R1 RAP and Crew Scheduling provides the Pilot with **at least** a forty-eight (48) hour notice in advance of the DOT of his first scheduled R1 RAP, the Pilot shall be responsible for his own Travel to his Domicile. When the notification for such Reassignment **is less than** forty-eight (48) hours, the Company shall then provide him Deadhead Travel to his Domicile.
- (8) When the Reassignment in paragraph (6) involves a R3 Reserve Assignment(s) to an R1 RAP(s) or R3 Reserve Assignments to an R2 RAPs, the Pilot shall be provided at least a twelve (12) hour notice before required to Report for Duty.
- (9) When a Pilot **is** located in an Out-of-Domicile Location performing or scheduled to perform a block of R2 RAP's and he is assigned to a Trip Pairing that includes Deadhead/Flight Segments into his Domicile and scheduled R1 RAP's, Crew Scheduling **shall** provide him with a hotel room, per Diem and his Trip Rig shall continue throughout his time in Domicile when such Trip Pairing contains two (2) or fewer consecutive R1 RAP's and/or 2 Days of Flight Segments. When, under the same conditions the Trip Pairing is scheduled with three (3) or more consecutive R1 RAP's and/or Flight Segments, the Trip Rig for that Trip Pairing shall end upon arriving in Domicile and a new Trip Rig will not begin until he is assigned to his next Trip Pairing. If the Pilot is initially scheduled to a Trip Pairing is scheduled to three or more consecutive R1 RAP's in Domicile, but is then Reassigned to a Trip Pairing with a only two (2) consecutive R1 RAP's and/or flight Segments, his original Trip Rig shall restart as if it never stopped.
- (10) When a Pilot is located at an Out-of-Domicile location and is performing or scheduled to perform an R2 RAP and is Reassigned to perform a future R3 Reserve Assignment(s), Crew Scheduling shall provide him with Deadhead Travel back to his Residence Airport.
- (11) When a Pilot **has not** been Deadheaded or he has not flown a Flight Segment to an Out-of-Domicile location to perform a scheduled R2 RAP(s) and Crew Scheduling then assigns him to a R3 Reserve Assignment(s), the Company **shall not** be responsible to provide any Deadhead Travel, paid Hotel accommodations, or Per Diem, while traveling to or performing his new Reserve Assignment.
- (12) When it involves a Reassignment of a R3 Reserve Assignment to a R1 RAP, the Reassignment shall be **at least** three (3) consecutive Days of R1 RAP's. In the event Crew Scheduling realizes that they do not need the Pilot for the entire three (3) Days, the Pilot may request to be Reassigned back to his originally scheduled R3 Reserve Assignment.

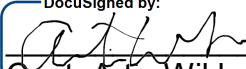
(13) When Crew Scheduling is intending to Reassign a Pilot, who is performing or is scheduled to perform a RAP or Reserve Assignment in his Line and there are more than two Pilots who may be Reassigned, they shall Reassign the Pilot utilizing the First-In/First-Out (FIFO) provisions, as provided in Section 15 (Reserve). When it is prior to the beginning of the Month and that Month's applicable FIFO List, they shall Reassign the more junior Pilot first.

Therefore, it is mutually understood and agreed that the Company may assign a Pilot to another type of Reserve Assignment when performing or scheduled to perform a different Reserve Assignment, as provided for in this MOU. It is further understood that such Reassignments shall be accomplished, as provided for in this Agreement.

Should the EXCO in the future determine that Crew Planning/Crew Scheduling has potentially violated the provisions of this Agreement when assigning Reserve Assignments to a Pilot who is performing or is scheduled to perform a Reserve Assignment, the Company shall schedule a meeting date with the EXCO Chairman, or his designee, within fourteen (14) Days of his initial contact to the Company, for the purpose of discussing their current practices for assigning such Trip Pairings and suggested improvements. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of potentially remedying a previously submitted grievance by a Pilot(s) or the EXCO.

Please indicate your acceptance by signing below.

DocuSigned by:
By: 
Capt. Dave Dyas
NAC EXCO Chairman

DocuSigned by:

Capt. Art Wikle
NAC EXCO Vice Chairman

DocuSigned by:
By: 
1FF644D76D804BB...
Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.

November 30, 2018

Mr. Richard Macri
 Chief Operating Officer
 Northern Air Cargo, Inc.
 4510 Old International Road Airport Road
 Anchorage, AK 99502

MOU #5: Pay Implications to Lines during the Monthly Bid Process.

Dear Mr. Macri:

This letter will confirm our mutual understanding and agreement regarding pay applications as it relates to a Pilot's Line PCH value and how any additional PCH he earns in the Month is applied to the MPG (65 PCH), as provided in subsection 3.D. Under Subsection 3.N. (Monthly Cumulative PCH), it assumes that each Line at the beginning of each Month has a PCH value at or above the MPG. As provided in 14.E.7., "All Lines shall be valued at no less than MPG, as provided in Section 3 (Compensation), and constructed to no more than ninety-five (95) PCH." Except as provided elsewhere in this Agreement, it is understood that all Regular, Composite and Reserve Lines that are constructed by the Company shall have a PCH value or above the MPG (65 PCH). Furthermore, if the Company constructs a Line that has an actual PCH value that is less than the MPG, that Line shall have a published Initial Line PCH value of 65 PCH and any PCH increases or decreases resulting from the Monthly Integration procedures, as provided in subsection 14.E., shall be applied to a Line's actual PCH value it is higher than the MPG and 65 PCH, when a Line has a PCH value that is equal to, or less than the MPG.

As understood in the paragraph above, a Regular Line may realize a decrease in its Initial Line PCH value during the Integration Procedures. As provided in 14.G., it also states that a Pilot who is awarded a Regular Line may participate in SAP. When a Regular Line's PCH value falls below the MPG, as a result of the application of one or more of the Monthly Integration Procedures, a Pilot shall initiate SAP with "super-seniority" status for the purpose of recovering his Line PCH back to the MPG. Once his Regular Line value has been recovered, he shall revert to his proper Seniority status in his Fleet Type and Domicile and may continue to participate in SAP. If after SAP, a Pilot does not participate to the extent necessary in order to recover his Regular Line PCH back to the MPG, subsection 14.G.4. directs the Company to assign available Trip Pairings from Open Time and/or Reserve Assignments (in Open Time or not) to any Days Off on his Regular Line that were original Workdays on his Initial Line award. Once the MPG has been reached, the Company shall cease to add additional Trip Pairings and/or Reserve Assignments. If, as provided in this paragraph, the Company is unable recover a Pilot's Regular Line PCH to the MPG, the parties agree that his individual MPG for the Month shall be adjusted to the PCH value on his Final Line Award and all additional PCH that is earned in the Month shall be in addition to that adjusted MPG value.

The parties agree that it is important to have an effective SAP process. Therefore, the Company agrees, prior to constructing the Initial Lines, to follow the Monthly PCH "hold-back" parameters in each Domicile for each Fleet Type:

- (1) Three hundred (300) PCH or less, the allowable maximum of fifteen percent (15%).
- (2) More than three hundred (300) and five hundred (500) PCH – holdback of at least twelve (12%) percent.
- (3) More than five hundred (500) PCH and six Hundred (600) PCH – at least nine percent (9%) holdback.

- (4) More than six hundred (600) PCH and seven hundred (700) PCH – at least seven percent (7%) holdback.
- (5) More than seven Hundred (700) PCH and nine hundred (900) PCH – at least six percent (6%) holdback.
- (6) More than eight hundred (800) PCH and one thousand (1000) PCH – at least five percent (5%) holdback.
- (7) More than one thousand (1000) and one thousand-two hundred (1200) PCH – at least 4 percent (4%).
- (8) Above one thousand-two hundred (1200) PCH – the minimum of three percent (3%)

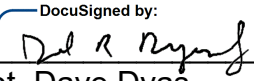
As provided in this Agreement, the parties agree that a Pilot who has been assigned or awarded a **Composite and Reserve Line** cannot participate in SAP. As a result of this restriction, all Composite and Reserve Lines after the Final Bid Award shall have a PCH value at or above the MPG and all additional PCH earned in the Month shall be paid in addition to the MPG, **except**, when a Pilot is awarded or assigned to a Reserve or Composite Line and he utilizes his awarded Vacation in a Month, but does not have the required number of PTO Days in his PTO Bank in order to cover the PCH requirements inside his Vacation Block, he shall utilize his remaining PTO Days from his PTO Bank and if his Line PCH falls below sixty-five PCH (MPG), his Line MPG shall be adjusted to his Final Bid Line PCH and all additional earned PCH in the Month shall be paid in addition to that adjusted MPG.

When the Scheduling Committee agrees to utilize the Secondary Bid Process in a Domicile, as provided in subsection 14.H.1., and after the Integration Process a Pilot's Line PCH falls below the MPG, the Company shall utilize the available provisions, as provided in subsection 14.H. to recover his PCH up to the MPG. In all cases under the Secondary Bid Process, since a Pilot is unable to utilize the SAP Process, his MPG shall be 65 PCH, as provided in subsection 3.D., and all additional PCH that is earned in the Month shall be in addition to his MPG.

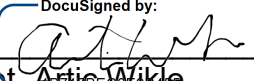
It is understood by the parties that such provisions in Section 14 is intended to give the Pilot and the Company the ability to recover a Pilot's Line PCH up to the MPG. It is also understood that the Company may elect to build Lines that are less than the MPG, but subsection 14.E.7. protects such Line value to the MPG. If, after the SAP Process or after the Secondary Bid Process, the Company elects not to utilize the available provisions in Section 14 to recover a Pilot's Line PCH to the MPG, this inaction by the Company shall not negatively affect the Pilot's Line value and the Line PCH shall begin the Month at the MPG, so long as no other further actions are taken by the Pilot that would increase or decrease his Line PCH, as provided for in this Agreement.

This MOU shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but is intended to be used for the purpose of potentially remedying any submitted grievance by a Pilot(s) or the EXCO.

Please indicate your acceptance by signing below.

DocuSigned by:
 By: 
 Capt. Dave Dyas
 NAC EXCO Chairman

DocuSigned by:
 By: 
 Mr. Richard Macri
 Chief Operating Officer
 Northern Air Cargo, Inc.

DocuSigned by:
 By: 
 Capt. Artie Wilde
 NAC EXCO Vice Chairman

November 30, 2018

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

MOU #6: Company Paid Move Entitlements.

Dear Mr. Macri:

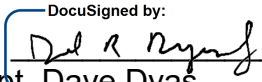
This letter will confirm our mutual understanding and agreement regarding the timeliness of a Company Paid Move. Once a Pilot is awarded a Vacancy, as provided in Subsection 6.F.2. and completes his Training for the awarded Vacancy and/or assumes his Vacancy in a different Domicile, he shall qualify for a Company Paid Move, when he meets the requirements in subsection 6.F.2.

Subsection 18.F. provides the Company to notify the Pilots with a minimum amount of information for each Vacancy or Displacement Bid. One requirement is to provide an Effective Date for each Vacancy or Displacement in each Bid. In the definition of an "Effective Date," as provided in Section 2, Definitions, it states: "(b) the date on which a Vacancy becomes an active Position within the Company and/or Domicile." Furthermore, in subsection 12.A.3., it defines what is a Training Event and OE is the final phase of each Training Event. Once his Training Event has been successfully completed and he assumes his new Vacancy on its Effective Date or afterwards, if a Pilot's Training has exceeded the published Effective Date, it now becomes an "Active Position" in that Domicile and at such time, he shall qualify for his Company Paid Move, including the start of his one (1) year clock.

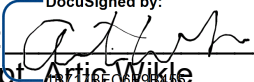
When Training is not required, if a Pilot is awarded a Position in a different Domicile, due to a Vacancy or Displacement Bid, he shall be entitled to a Company Paid Move, if he qualifies for such move, as provided in subsection 6.F.2. At the time he assumes his new Position from a new Vacancy or Displacement Award, i.e., the Effective Date of the Vacancy, he shall have one (1) Year to initiate his Company Paid Move.

For all Domiciles that were "New Domiciles" at the DOS of this Agreement, the Pilots who were awarded Vacancies in these New Vacancies shall have one (1) Year, beginning on October 1, 2018, to initiate his Company Paid Move.

Should a dispute arise regarding the applicability or definition of any of the provisions within this MOU, the EXCO and the Company shall convene a meeting within fourteen (14) Days. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of successfully resolving such dispute or to remedy a previously submitted grievance by a Pilot(s) or the EXCO.

DocuSigned by:
By: 
Capt. Dave Dyas
NAC EXCO Chairman

DocuSigned by:
By: 
Mr. Richard Macri
Chief operating Officer
Northern Air Cargo, Inc.

DocuSigned by:
By: 
Capt. Artie Wilde
NAC EXCO Vice Chairman

November 30, 2018

Mr. Richard Macri
Chief Operating Officer Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

MOU #7: Check Airman's Pay.

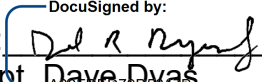
Dear Mr. Macri:

This letter will confirm our mutual understanding and agreement regarding the Pay provisions of a Check Airman, Instructors and Aircrew Program Designee Premiums.

As provided in subsection 3.S., Instructor Pilots, Check Airmen and Aircrew Program Designees shall receive all applicable overrides and premiums anytime they are scheduled or assigned by the Company to perform Training Duties, other Company-Directed Assignments that are deemed by the Company to be Training related, or for any Training Administrative Assignments.

As provided in subsection 12.A.13: "Training begins at the commencement of Deadhead to a Training/Checking Event or, when no Deadhead travel is required, at the scheduled start time of Training at the location where Training/Checking shall take place. Training ends upon completion of Deadhead from a Training/Checking Event or, when no Deadhead travel is required, upon completion of the Training/Checking Event." Therefore, when a Check Airman, Instructor Pilot or Aircrew Program Designee shall be paid their applicable overrides and premiums for all Deadhead that is scheduled or assigned by the Company for their Training Duties or other Company-Directed Assignments deemed to be Training Related, or for Training Administrative Assignments

Should a dispute arise regarding the applicability or definition of any of the provisions within this MOU, the EXCO and the Company shall convene a meeting within fourteen (14) Days. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of successfully resolving such dispute or to remedy a previously submitted grievance by a Pilot(s) or the EXCO.

DocuSigned by:
By: 
Capt. Dave Dyas
NAC EXCO Chairman

DocuSigned by:
By: 
Capt. Artie Wilke
NAC EXCO Vice Chairman

DocuSigned by:
By: 
1FF644D76D804BB...
Mr. Richard Macri
Chief Operating officer
Northern Air Cargo, Inc.

November 30, 2018

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

MOU #8: Pay When Changing Positions.

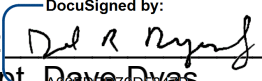
Dear Mr. Macri:

This letter will confirm our mutual understanding and agreement regarding the Pay when Changing Positions. Subsection 3.W. states: *“If the Company delays sending a Pilot to his Training for sixty (60) Days or less and a more junior Pilot who was awarded the same Position in the same or latter Displacement or Vacancy Bid begins receiving his higher Hourly Pay Rate for that Position, as provided in this Section 3, the delayed Pilot shall receive his higher Hourly Pay Rate for that Position, as provided in Section 18 (Filling of Vacancies). If any such Training delay exceeds sixty (60) Days, the more senior Pilot shall begin receiving the higher Hourly Pay Rate beginning on the sixty-first (61st) Day after his Assigned Training Date.”*

The parties understand there will be operational circumstances that would warrant the bypassing of a Senior Pilot for a more junior Pilot from the same Vacancy Bid Award or when the more junior Pilot is from a subsequent Bid and a more Senior Pilot has yet to start his Training and/or occupy his newly awarded Vacancy from a previous Bid.

The parties also agree to the intent of subsection 3.W: when the Company bypasses a senior Pilot(s) for a more junior Pilot(s), as soon as the more junior Pilot begins to be paid his higher pay rate for the Position, on a “man-for-man- basis,” the most senior Pilot who has been bypasses shall begin to be paid his higher Rate of Pay for the same Position.

Should a dispute arise regarding the intention or application of the provisions within this MOU, the EXCO and the Company shall convene a meeting within fourteen (14) Days. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of successfully resolving such dispute or to remedy a previously submitted grievance by a Pilot(s) or the EXCO.

DocuSigned by:
By: 
Capt. Dave Dyes
NAC EXCO Chairman

DocuSigned by:
By: 
Capt. Artie Winkle
NAC EXCO Vice Chairman

DocuSigned by:
By: 
1FF644D76D804BB...
Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.

November 30, 2018

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

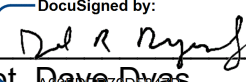
MOU #9: Check Airman's Line Integration Process and SAP Participation Restrictions.

Dear Mr. Macri:

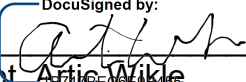
This letter will confirm our mutual understanding and agreement regarding how a Check Airman Trip Pairings are integrated for OE and his SAP participation capabilities.

The parties agree that prior to the start of SAP, Crew Scheduling shall notify all bidding Check Airmen when one or more of their Trip Pairings are to be used for OE Training. Once he is notified, A Check Airman shall not trade these designated Trip Pairings during SAP, nor shall he be able to Drop or Trade them after the close of the Monthly Bid Period. This limitation is to assure the proper use of the Training bidding process, as well as being able to integrate a First Officer's Line when the Trip Pairing's in his Initial Line Award conflict with the Check Airman's Trip Pairing's that are scheduled for OE.

Should a dispute arise regarding the intention or application of the provisions within this MOU, the EXCO and the Company shall convene a meeting within fourteen (14) Days. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of successfully resolving such dispute or to remedy a previously submitted grievance by a Pilot(s) or the EXCO.

DocuSigned by:
By: 
Capt. Dave Dyes
NAC EXCO Chairman

DocuSigned by:
By: 
1FF644D76D804BB...
Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.

DocuSigned by:
By: 
Capt. Artie Wike
NAC EXCO Vice Chairman

January 22, 2019

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.
4510 Old International Road Airport Road
Anchorage, AK 99502

MOU #10: Pilot and Crew Scheduling Positive Contact Responsibilities.

Dear Mr. Macri:

This letter shall confirm our mutual understanding and agreement regarding Positive Contact between a Pilot and Crew Scheduling ("the parties") and to provide direction as to the intent of the shared and individual responsibilities of the parties so Positive Contact is accomplished. Both parties shall make their best effort to initiate Positive Contact at the conclusion of the following Duty Assignments and prior to a Pilot's next scheduled Rest Period:

1. When the Pilot is Deadheading on an airline to an Out-of-Domicile Location to perform a future Assignment.
2. When the Pilot reaches an Out-of-Domicile location for a RON when performing a Trip Pairing.
3. After the Pilot performs a R2 RAP and not assigned to a Trip Pairing.
4. When the Pilot returns to his Domicile or Residence Airport after the final segment of a Trip Pairing or scheduled Deadhead and before he begins his next scheduled Rest Period.
5. After the Pilot completes a Flight Assignment and prior to beginning his next Scheduled Rest Period.

It is not necessary, but encouraged, that Positive Contact be made prior to a Pilot's next Rest Period after he completes a R1 RAP and has not been assigned to a Trip Pairing.

After the conclusion of a Duty Assignment, as provided in paragraph's 1-5 above, and after initial Positive Contact has been made by one or both of the parties, the Pilot shall confirm that he has completed his current Assignment, then Crew Scheduling shall either assign (if his next Assignment is a Reserve Assignment) or reassign (in accordance with Section 14, Scheduling) him to a new Trip Pairing after completing his Rest Period, confirm his next scheduled Assignment or provide him with the RAP Times for his next scheduled R2 RAP.

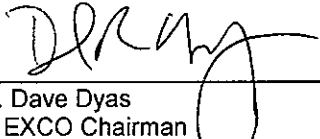
Prior to departing on an International Assignment, the parties shall jointly communicate and mutually agree on the type of Communication Device that is to be used throughout such Assignment to assure Positive Contact can be made.

When a Pilot's next Assignment is an R2 RAP and after making Positive Contact with Crew Scheduling, he is not assigned to a Trip Pairing or he does not receive his RAP Times for such R2 Assignment, he shall immediately begin his scheduled Rest Period and upon completing such Rest, he shall be in a Layover Period, as provided in Section 13, Hours of Service.

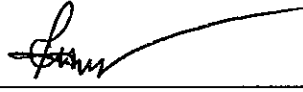
After the initial Positive Contact has been made, as provided in paragraph's 1-5 above, it shall be Crew Scheduling's responsibility to initiate all future Positive Contact with the Pilot when any changes are made to his Assignments.

If Positive Contact is not made between the parties after a Duty Assignment has been completed, as provided in paragraph's 1-5 above and the Pilot is already in Rest, he shall not be responsible to answer any communications from Crew Scheduling until completing such Rest Period.

Should a dispute arise regarding the intention or application of the provisions within this MOU, the EXCO and the Company shall convene a meeting within fourteen (14) Days. Any such discussions shall not circumvent or become an alternative to the Grievance or System Board of Adjustment processes, as provided in Sections 19 and 20, but may be used for the purpose of successfully resolving such dispute or to remedy a previously submitted grievance by a Pilot(s) or the EXCO.

By: 

Capt. Dave Dyas
NAC EXCO Chairman

By: 

Mr. Richard Macri
Chief Operating Officer
Northern Air Cargo, Inc.

By: 

Capt. Artie Wikle
NAC EXCO Vice Chairman