

**SETTLEMENT AGREEMENT
AFA GRIEVANCE NO. 36-99-2-26-15
QUARTERLY PRODUCTIVITY PREMIUM**

In full and final settlement of Grievance No. 36-99-2-26-15 (Quarterly Productivity Premium), the Association of Flight Attendants and Alaska Airlines, Inc., hereby agree to the following:

1. Beginning in the August 2015 bid month going forward, the following language will be utilized to determine Quarterly Productivity Premium (QPP) eligibility for any flight attendant who is on a "no bid" status:

"For any full bid month in which a Flight Attendant is on a 'no bid' status, the TFP equivalent of her/his bid award will be seventy-five (75.0) TFP. The TFP value of any month-end overlap carry-in or pre-planned absences will be excluded in a 'no bid' month for the purposes of determining the TFP equivalent of her/his bid award."

Such language will be incorporated into the Collective Bargaining Agreement into Section 21.R. [Quarterly Productivity Premium (QPP)].

2. The Company agrees to utilize the following language to determine QPP eligibility for any Flight Attendant who was/is on a "no bid" status from January 2015 through July 2015 bid months:

"For any full bid month in which a Flight Attendant is on a 'no bid' status, the TFP equivalent of her/his bid award will be zero (0.0) TFP and being on such status will not preclude her/him from receiving the QPP for that quarter. The TFP value of any month-end overlap carry-in or pre-planned absences will be included (i.e. added to) in a 'no bid' month to the TFP equivalent of her/his bid award of zero (0.0) TFP."

3. A Flight Attendants who did not receive QPP in the first quarter (Q1) of 2015 (January-March) as a consequence of being on "no bid" status in one or more months during the quarter will have her/his eligibility for QPP recalculated using the language in paragraph 2 for each month on such status. For any Flight Attendant who is subsequently determined as eligible for Q1 2015 QPP, AFA agrees to waive the requirement of Section 21.O [Pay Shortage] for the narrow purposes of this provision and the Company agrees to make the Flight Attendant whole no later than September 30, 2015.
4. Eligibility for QPP in the second quarter (Q2) of 2015 (April-June) for a Flight Attendant on "no bid" status in one or more months during the quarter will be determined by utilizing the language in paragraph 2 for

each month on such status. Eligible Flight Attendants will receive QPP as scheduled on August 5, 2015.

5. Eligibility for QPP in the third quarter (Q3) of 2015 (July-September) for a Flight Attendant on "no bid" status in one or more months during the quarter will be determined by utilizing the language in paragraph 2 for July and the language in paragraph 1 for August and September for each month on such status. Eligible Flight Attendants will receive QPP as scheduled on November 5, 2015.
6. Eligibility for QPP in the fourth quarter (Q4) of 2015 and beyond for a Flight Attendant on "no bid" status in one or more months in the applicable quarter will be determined by utilizing the language in paragraph 1 for each month on such status.
7. AFA will withdraw the grievance.

ALASKA AIRLINES, INC.

BY: Elizabeth Ryan

Elizabeth Ryan
Managing Director, Labor Relations

7/23/2015
Date

ASSOCIATION OF FLIGHT ATTENDANTS-CWA

BY: Jeffrey Peterson

Jeffrey Peterson
MEC President

7/23/2015
Date