

SUMMARY OF THE VX TRANSITION AGREEMENT

v.2018.03.04.1500

Definitions

Full Implementation: The first day of the bid month in which Legacy AS and Legacy VX Flight Attendants fly together as integrated crew members and all provisions of the JCBA will apply to Legacy VX Flight Attendant unless otherwise stipulated. Also referred to as Full Integration. Targeted for March 2019.

DOR (Date of Ratification): The date of the ballot count of the AFA Alaska Airlines-Virgin America Merger Agreement (“Merger Agreement”) affirming that the Merger Agreement and related Agreements have been ratified.

L-AS (“Legacy” Alaska Airlines): Refers to all Flight Attendants who were Alaska Airlines Flight Attendants prior to January 11, 2018 or who were hired into the “AS Boeing partition”.

L-VX (“Legacy” Virgin America): Refers to all Flight Attendants who were either hired by Virgin America Airlines or hired into the “AS Airbus partition”.

JCBA (Joint Collective Bargaining Agreement): JCBA effective DOR through December 17, 2021

ITL (Inflight Team Leader): Inflight Team Leader

JCTE (Jeppesen Crew Tracking Enterprise): The date upon which all L-AS and L-VX Flight Attendants are integrated into the JCTE software platform and combined on all pay, scheduling, and crew tracking systems.

Work Rules: Virgin America Work Rules v.5, as amended.

Compensation

Immediate Increases to Pay Steps (Retro to 1.1.2018)

Pay Scale in Block Hours

Pay Step	Current VX	DOR VX	DOR VX \$ step increase	VX % increase DOR
Year 1	\$ 22.40	\$ 26.31	\$ 3.91	17%
Year 2	\$ 25.56	\$ 29.83	\$ 4.26	17%
Year 3	\$ 27.26	\$ 31.30	\$ 4.05	15%
Year 4	\$ 29.68	\$ 34.00	\$ 4.31	15%
Year 5	\$ 31.24	\$ 35.49	\$ 4.26	14%
Year 6	\$ 33.86	\$ 40.00	\$ 6.14	18%
Year 7	\$ 36.20	\$ 43.90	\$ 7.70	21%
Year 8	\$ 37.36	\$ 45.32	\$ 7.96	21%
Year 9	\$ 38.45	\$ 46.56	\$ 8.12	21%
Year 10	\$ 39.62	\$ 48.31	\$ 8.69	22%
Year 11	\$ 41.95	\$ 51.86	\$ 9.91	24%
Year 12	\$ 44.09	\$ 55.35	\$ 11.25	26%
Year 13	\$ 46.89	\$ 60.24	\$ 13.34	28%
Year 14	\$ 46.89	\$ 61.36	\$ 14.46	31%
Year 15	\$ 46.89	\$ 62.47	\$ 15.58	33%
Year 16	\$ 46.89	\$ 63.59	\$ 16.70	36%

L-VX FAs will continue to be paid in block hours until Full Implementation

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Compensation (continued)

Red Circle Letter of Agreement: Flight Attendants whose Company seniority is greater than their FA InFlight seniority (Occupational Seniority) will be frozen at current pay step (but will receive downline % increases to scale) until their FA seniority exceeds their pay step at which they are frozen.

Block or Better by Segment: Pay based on greater of scheduled or actual on segment-by segment basis. *Retro to 1.1.2018*

Show No Go: Increased to two hours and thirty-nine minutes (2:39) pay

Per Diem: Rate increases to \$2.50 per hour away from base

Premium Open Time: 1.5x pay for trips picked up – Co will designate time periods

Operational Assignment Premium: Premium increases to 1.5x pay from the current \$10/ block hour

Deadhead Pay: 100 % pay (50% credit) for all time spent in deadhead – greater of scheduled or actual.

Holiday Provisions:

- Holiday Premium: 2x pay
- New July 4th Holiday
- New Holiday Premium will be retroactive to 1.1.2018 to capture New Year's Day: Additional .5x pay

International Pay: \$1.13/block hour

Incentive Pay: Retain 25% premium over 80 hours flown until Full Integration. Transition to AS PPP (Productivity Premium Program) after Full Integration.

Charter Pay: 2x pay

Sit Pay: A FA who has a “sit” in excess of 2:00 (scheduled or actual) between flights will be paid 1 TFP equivalent (fifty-three block minutes (0:53)) of pay (above the guarantee for reserves). In addition, “first flight of day” sit pay will also apply to first flight of day if there is an actual delay in excess of 2:00. This pay is in addition to ground holding pay.

Scheduling

Ability to Trade Trips Below 70 Hours: Effective DOR, FAs may trade trips with other FAs such that projected credit does not go below 50 hours. At Full Integration, FAs may trade down to -0-.

ITL Program Change: ITL program will transition to AS “A” Pay (\$2.26 /block hour) system. Seniority-based bid award for ITL position by month. Implementation will be DOR + two full bid months.

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Scheduling (continued)

AS Scheduling/Operational Work Rules: Most AS work rules will apply at Full Implementation unless otherwise carved out. Until that time, VX Teammate InFlight Work Rules will apply, as amended.

Reserve

Reserve Minimum Day: 4.3 credit hours per day of reserve based on number of days in the bid month (i.e. 30-day month guarantee = 77.4 credit hours; 31-day month guarantee = 81.7 credit hours).

Reserve Premium: Any reserves paid the greater of \$2.83/block hour flown while on reserve or \$100 monthly reserve stipend. *Retro to month of 1.1.2018.*

Vacation

Transition to AS Vacation: FAs will remain on current VX provisions (pay and bidding separate from AS) for 2018 and 2019. In 2019, FAs will bid for 2020 vacation in a combined vacation bid with AS.

Sick Leave

Transition to AS Sick Leave: FAs will continue on current sick leave policy and transition to AS sick leave provisions at Full Integration. At Full Integration, each FA's individual work and sick leave history will be used to create a sick bank under the AS provisions.

Benefits

Maternity Extension at DOR: Flight Attendants may avail themselves of the AS Maternity Extension Leave (up to 8 months)

Medical Insurance Continuation: For Maternity, Maternity Extension, and Medial leaves, FAs will maintain medical insurance at the active employee rate for the duration of the leave. At Full Implementation, FAs will transition to the AS policy.

480 AS Provisions: All 480 (minimum annual TFP thresholds for benefits) provisions will NOT affect L-VX FAs until the calendar year 2021. The qualification year will be 2020.

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Attendance Policy

2 Additional Bank Points: At Full Integration, FAs will receive 2 bank points/credits when they transition onto AS Attendance Policy. May bank up to two bank points.

Retirement: 401(k)

Company Match: Effective DOR + 3 months, company match will change from 125% at 6% max contribution to 100% at 7.5% max contribution.