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**LETTER OF AGREEMENT**  
**between**  
**ALASKA AIRLINES, INC.**  
**and the**  
**ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO**

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**L-VX PRODUCTIVITY PREMIUM PROGRAM (PPP) 2019**

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This LETTER OF AGREEMENT is made between ALASKA AIRLINES, INC. ("Company") and the ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO ("Association").

WHEREAS, the Legacy Virgin America (L-VX) Joint Collective Bargaining Agreement (JCBA) Implementation Timetable LOA indicates that the Productivity Premium Program (PPP) will be prorated during the year of implementation for L-VX Flight Attendants; and

WHEREAS, "Full Implementation" pursuant to the Merger Agreement is anticipated to occur in the February 2019 bid month; and

WHEREAS, the Company and AFA (collectively "the parties") recognize the significant challenges of programming and the administrative burden of manually processing the PPP so that it prorates the "block of eight" (January, February, March, April, May, September, October, November) to a "block of seven" (February, March, April, May, September, October, November) exclusively for L-VX Flight Attendants in 2019;

NOW, THEREFORE, the parties agree:

1. L-VX Flight Attendants will participate in the provisions of Section (S) 21.R [Productivity Premium Program] for all of 2019; the PPP will not be prorated.
2. For purposes of the PPP "block of eight" pursuant to §21.R.2, January 2019 credit hours will be converted to TFP at a rate of 1.13 TFP/block-hour (0:53 block-hour/TFP), and January 2019 vacation day and Guaranteed Days Off (GDOs) credit will be converted to TFP at a rate of 4.0 TFP per vacation day/GDO.
3. L-VX incentive pay for January 2019 will remain unaffected and will be administered pursuant to the Merger Agreement.
4. Any "week 53" 2019 vacation days and/or GDOs scheduled to fall in the first week of 2020 will be converted to TFP using the calculations in paragraph 2 above and attributed to January 2019 for the PPP "block of eight." Such vacation days will be paid out at the Flight Attendant's step rate in effect on January 3, 2020.
5. The provisions of this executed letter of agreement will become effective upon "Full Implementation" provided that it occurs in the February 2019 bid month.

All other provisions of the collective bargaining agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed this LETTER OF AGREEMENT this 7<sup>th</sup> day of February 2019.

FOR:  
ASSOCIATION OF FLIGHT  
ATTENDANTS-CWA, AFL-CIO

FOR:  
ALASKA AIRLINES, INC.

/s/ \_\_\_\_\_  
Jeffrey Peterson  
Master Executive Council President

/s/ \_\_\_\_\_  
Carmen Williams  
Managing Director, Labor Relations