



June 14, 2022

Mr. Robert Barrow
AFA-CWA, AFL-CIO
610 S. Industrial Blvd., Suite 230
Euless TX, 76040

Re: Flex Pay and Bonuses

Dear Robert,

The purpose of this letter is to memorialize the conversation we had on May 27, 2022, concerning the need to increase new hire pay in order to attract and retain Flight Attendants based on current market conditions.

Through this Letter, the Company is notifying AFA of its intent to exercise its rights pursuant to Section 4.K of the CBA effective June 15, 2022, to increase the hourly compensation paid to Flight Attendants who are currently on Pay Steps 0-1 to step 3-4 to Pay Step 4-5 (\$27.54). On a one-time non-precedent setting basis, the Company agrees to provide for Flex-and-Progress for these Flight Attendants, such that they receive an increase on their anniversary each year. In the event the Company elects to remove this flex increase, such decision will only apply to new hires added to the seniority list following the effective date of such change.

For Flight Attendants who are either on or above Pay Step 4-5 as of June 1, 2022, the Company will pay qualifying Flight Attendants two Retention Bonuses of \$1,500 (less any applicable taxes and deductions) with each retention bonus paid at the end of its respective eligibility period. The first eligibility period will be from June 1, 2022 through September 30, 2022. The second eligibility period will be from October 1, 2022 through January 30, 2023. To be eligible, a Flight Attendant must be on active payroll status for the entire eligibility period (i.e., must not be on a Leave of Absence that removes him/her from payroll). The bonus payments will be made on the second paycheck of September for the first eligibility period and the second paycheck of January for the second eligibility period.

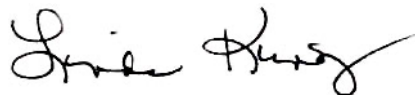
For Flight Attendants who are below Pay Step 4-5 and do not receive an annual compensation adjustment of at least \$3,000 as a result of the Company's decision to increase the Compensation rate to Pay Step 4-5 of the Pay Scale (measured by subtracting the Flight Attendant's hourly pay rate prior to the date of this letter from the increased pay rate (as a result of this letter) and multiplying that amount by 900 hours – hereafter the "Estimated Annualized Increase") the Retention Bonus available for each

of the two eligibility periods will be one half of the total of \$3,000 minus such Flight Attendant's Estimated Annualized Increase. These amounts are shown in the table below.

Step	CBA Rate	Flex Rate	Annual Increase @900 hours	Retention Bonus*	Total Increased Compensation
Step 0-1	\$19.89	\$27.54	\$6,885		\$6,885
Step 1-2	\$23.21	\$27.54	\$3,897		\$3,897
Step 2-3	\$24.74	\$27.54	\$2,520	\$480	\$3,000
Step 3-4	\$26.01	\$27.54	\$1,377	\$1,623	\$3,000
Steps 4-5 and higher				\$3,000	\$3,000
*Retention Bonus to be paid over two eligibility periods, with first half in September and second half in January • 900 hours is calculated based on 75-hour guarantee X 12 months					

If this letter is consistent with your understanding of the matter, please indicate so by signing below.

Sincerely,



06/14/22

Linda Kunz
Vice President—Inflight Services

Agreed to:



06/14/22

Robert Barrow
President



06/14/22

Paula Mastrangelo
Senior Staff Negotiator