

IMPLEMENTATION AGREEMENT
between
HORIZON AIR INDUSTRIES INC.
and
ASSOCIATION OF FLIGHT ATTENDANTS-CWA

This Agreement is made and entered into accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between Horizon Air Industries, Inc. (the "Company") and the Association of Flight Attendants-CWA (the "Association").

WHEREAS, The Company and the Association have negotiated amendments to the 2017-2019 collective-bargaining agreement covering the Company's Flight Attendants, (the "Tentative Agreement"); and

WHEREAS, the Covid-19 pandemic has caused an unprecedented collapse in demand for air travel; and

WHEREAS, the Company immediately needs to limit cash expenditures to the extent possible and the Association wishes to retain the benefit of the bargain struck in the Tentative Agreement;

NOW, THEREFORE: The Company and the Association agree as follows:

- I. The parties hereby adopt the attached schedule for implementing new items in the Tentative Agreement. The date of signing ("DOS") of this Agreement is May 1, 2020. Any economic item in Article 3, 4 or 7 that is not otherwise specified in the schedule will be effective January 1, 2021. Any other item not specifically addressed in the schedule will be effective on the DOS.
- II. Per Diem
Per Diem rates described in Article 4.E of the Tentative Agreement will be effective May 1, 2020, and payment of increased per diem will be administered per normal process.
- III. Pay Scale
The Pay Scale set forth in Article 3.A. of the Tentative Agreement ("TA Pay Scale") will become effective on September 1, 2020, but payment of the increased amount will be deferred in accordance with Paragraph IV, below.
- IV. Retroactive Compensation
A deferred payment equal to the difference between the hourly rate for credit hour pay Flight Attendants were paid and the hourly rate they would have received under the TA Pay Scale (the "Hourly Rate Difference") earned between September 1, 2020, and December 31, 2020, will be paid to Flight Attendants on their May 20, 2021, paycheck. Any Flight Attendant who leaves Company employment between September 1, 2020, and May 20, 2021, will receive her/his deferred payment on her/his final paycheck, regardless of the reason for the separation.
- V. Flight Attendants will be co-paired with the Company's pilots at least through the December 2020 bid month. The parties further agree to defer the arbitration of Grievance No. (Aircraft Swaps) until such time as the retroactive payments provided for in Paragraph IV are paid. This co-pairing agreement will not be referred to by either party at the arbitration, and any reference to it will be inadmissible for substantive and/or impeachment purposes.
- VI. No later than July 1, 2020, the parties will meet and confer in good faith over issues impacting flight attendant vacation slots.
- VII. The parties acknowledge that several items in the Tentative Agreement will require computer programming prior to implementation and that the time required to program an individual item may vary depending on the nature of the item and the extent of any necessary work. The parties will jointly review a programming schedule.

VIII. The parties will form a Joint Contract Programming Oversight Committee to ensure that these deadlines are met, with the goal of achieving programming prior to the stated deadlines. Crew Pay will generate a schedule showing the items involved and the days required to complete the individual tasks (i.e. Critical Path). The schedule will be provided and explained to the JCPOC. Any variances from the schedule during the course of programming will be explained to the satisfaction of the JCPOC. If any deadline affecting Flight Attendant compensation is not met, the Flight Attendant will be retroactively compensated in the paycheck following the completion of programming, provided that she/he submits her/his claim as a Crew Pay Question within two weeks of receiving her/his adjustment check for the applicable bid period.

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

FOR:
HORIZON AIR INDUSTRIES, INC.

Sara Nelson
AFA-CWA International President

R. Mattioli

Rachael Mattioli,
Horizon Air, Managing Director, Inflight Service

Lisa Davis-Warren
Horizon Air MEC President

Dee Dee Caldwell

Dee Dee Caldwell
Horizon Air, Director Inflight Operations & Labor Relations

Kimberley Chaput
AFA Senior Staff Negotiator

Implementation Schedule

The date of signing (“DOS”) is May 1, 2020

Article 1: Recognition and Scope DOS

- Card Check: If Horizon acquires a new airline and does not merge it with QX, AFA will represent the F/As if a majority sign AFA authorization cards

Article 2: Definitions DOS

- Added definitions for part-time F/A, permanent residence, registered commuter and registered commuter city

Article 3: Compensation

- Pay Scale **Effective 9/1/2020, but increase over current amounts through 12/31/2020, not paid until 5/20/2021.**

| | September 1, 2020 (as noted in SL "deferral of wages" | May 1, 2021 | May 1, 2022 | May 1, 2023 |
|-----------------|---|-------------|-------------|-------------|
| First year | +1% | N/A | +0.25% | +0.5% |
| All other steps | +4.75% | N/A | +2% | +1.75% |

Longevity premium of \$1 per credit hour for F/As with 25 or more years of service **effective 9/1/2020, but increase over current amounts through 12/31/2020 not paid until 5/20/2021 per terms of implementation side letter.**

- Reserve guarantee: 75 hours (current is 71.6) **When new Article 7 is implemented**
- Reserve show/no-go pay: 3 credits (current cancelled reserve credit is 2 credits) **When new Article 7 is implemented**
- Instructor annual override changed to with daily override of \$16 per block hour or \$60 per day **1/1/2021**
- F/A who picks up OT at straight time will get premium pay if premium pay is later offered on trips covering exact same days **4/1/2021**
- 2 new holidays: Memorial Day and Veteran’s Day **1/1/2021**
- 1 hour paid and credited for drug/alcohol testing **1/1/2021**
- Ground holding pay: \$15 per hour (above trip value and above guarantee) for time over 30 minutes **1/1/2021—will be manual until automated by 4/1/2021**
- Pay for pre-boarding flights: Lineholder may be requested (not required) to preboard a flight s/he is not working/deadheading on. Will be paid and credited 0.5 hours **1/1/2021**

Article 4: Duty-Time Expenses

- Day rooms after 4 hours (currently 5) - **DOS**
- New sideletter governing hotel selection; includes minimum standards **1/1/2021**
- Hotel transportation within 25 minutes (currently 30) - **DOS**
- Option to forego Company-paid parking and be paid \$36 monthly - **1/1/2021**
- Vending machines and catering ordering eliminated (can still consume fresh food on E175 and snacks on all a/c) -**DOS**

- Per Diem - **DOS**
 - \$2.10 on May 1, 2020
 - \$2.25 on May 1, 2021

Article 5: Hours of Service

- 12-hour maximum scheduled duty period (includes any rescheduling prior to start of duty period) - **1/1/2021**
- Duty table eliminated - **1/1/2021**
- Maximum 6 legs, 5 working, per duty period (currently 8 legs, 7 working) - **1/1/2021**
- Reserve days off increased to 12 in 30 day month, 13 in 31 day month (same as lineholders) - **When new Article 7 Implemented**
- Golden days
 - 8 per year (currently 6) - **DOS**
 - Can be used in 2, 3 or 4 day blocks (currently 2 or 3 days) - **DOS**
 - Blackout days now only day of, day before, and day after paid holidays (currently any SAP holiday) - **DOS**
- Reschedule to 14 hours, 16 only to DH to place of rest; F/A can agree to work to 16 for 200% pay (hours 14-16) – **1/1/2021**
- F/A must call in sick at least 1 hour prior to check-in – **9/1/2020**

Article 6: Crew Scheduling

- PBS maximum and minimum credit windows increased - **DOS (for June bid month)**
- **SAP 4/1/2021**
 - SAP within 5 hours of original line value (currently 4)
 - Eliminate blackout days on first 3 days of bid
 - Only paid holidays are SAP blackout days
- Rescheduled Trips: Must be within footprint of original trip (currently same calendar days) except can go 2 hours later than original release time - **DOS**
- Trip cancellations prior to check-in: - **DOS**
 - Under 24 hours: F/A will be rescheduled under same rules as after check-in
 - More than 24 hours: If F/A is not immediately rescheduled, s/he will be given AV days on days of trip
 - Flying can be added on AV days up to 24 hours before the day
 - If F/A flies, paid greater of new or original trip
 - If no flying added, F/A pay protected for original trip
 - F/A can drop AV day, but will not be pay protected—day is not a day off but s/he can pick up from OT or another F/A
- F/As who pick up OT, volunteer for, or are drafted into a trip will not be extended - **4/1/2021**
- Crew Scheduling may assign to reserves trips F/As have posted for give-away; trips will be removed in seniority order – **DOS**
- Jet bridge trades: Can trade under 3 hours if both F/As are in the metro area; trades under 1 hours will be processed if Crew Scheduling can handle - **4/1/2021**
- Trades with OT will be based on number of duty periods, not number of calendar days - **4/1/2021**

Article 7: Reserve - 4/1/2021 or the first bid after successful testing by QX and AFA, except as noted

- Entirely new reserve system, similar to Alaska's
- Blocks must be separated by 48 hours (waiveable)
- Reserves cannot be drafted
- Three classifications of reserves
 - AM/PM—14 hours
 - ER—24 hours
 - Lines are AM or PM
 - C/S can convert a reserve day to ER days twice per month
 - Reserves can preference days for conversion
 - If converted and not used, F/A paid and credited 1 hour above guarantee
 - Assignments must commence with reserve period (currently start and finish)
 - Time spent on reserve does not count toward maximum duty period

- Two-hour call out in all domiciles **DOS**
- AM/PM Reserves may self-assign from Open Time from 1000-1400 the day prior
 - 1-4 days of availability: Must select trip with number of days that matches days of availability
 - No splitting of trips
 - ER reserve may not self-assign
 - 5+ days of availability: may only self-assign to airport standby
 - May not self-assign to a trip that would break reserve's guarantee
- Crew Scheduling can assign trips to reserves starting at 1400 the day before
 - Trips not assigned by 1800 will be returned to Open Time
- Airport Standby (now Airport Reserve)
 - No airport lines; APSB is now an assignment, like a trip
 - Maximum 5 hour shift; paid and credited at 0.1 credit for every 6 minutes
 - Maximum scheduled duty day of 12 hours, starting from time F/A checks-in for APSB
 - Maximum 4 APSB shifts per month; any over that paid at 150% for duty period that includes APSB (premium paid above guarantee)
- Reserve premium of \$2.50 per block hour actually flown from reserve

Article 8: Training

- Instruction time will not exceed 8 hours per day; Company will identify optional portions - **DOS**
- Training Pay - **1/1/2021**
 - More than 4 hours (includes all training and travel days): 4.5 credit hours
 - 1-4 hours: 2 credit hours
 - Under 1 hour: 1 credit hour
 - Videos attached to FAIFs **DOS**
 - Under 5 minutes—no pay
 - 5+ minutes—Actual time, rounded to nearest quarter hour
- Computer-Based Training (includes videos not attached to FAIF) - **DOS**
 - Recurrent/Re-qual Homestudy: 1 credit for each 2 hours; minimum of 1 credit and 50% of time in excess of one hour; maximum of 8 hours of training
 - Other CBT: once per calendar quarter or maximum 4 times/year; total maximum of no more than 10 hours
 - Paid at 1 credit for each 2 hours; minimum of 1 credit and 50% of time in excess of one hour
- F/A who attends training or does CBT while on LOA will receive same pay as though active but will not be considered to be in active working status - **DOS**

Article 9: Sick Leave

- Current attendance policy incorporated into contract; cannot be unilaterally changed - **DOS**

Article 10: Medical Examinations

- System for challenging Company medical examination - **DOS**

Article 11: Vacation

- Incorporated sideletter on 2-round vacation bidding **DOS**
- Crew scheduling will make every effort to avoid flying F/A into vacation; if that happens, F/A will be paid and credited 3 additional hours for each affected day - **1/1/2021**

Article 12: Uniforms - DOS

- Made list of required items less specific
- Increased uniform replacement back to \$300 per year
- F/As may use up to \$50 of their bank to be reimbursed for uniform-compliant shoes

Article 13: Seniority - DOS

- F/A who transfer to supervisor at AS or QX accrue seniority for 6 months (currently only at QX)

Article 14: Leaves of Absence

- 6 months of insurance for MLOA and W/C re-starts if F/A returns to work for at least 30 days and then needs additional leave for same condition (currently limited to 6 months for entire condition) - **1/1/2021**
- New provision for parental leave - **DOS**
 - For birth mother—up to one year after birth, including Mat LOA and recuperative leave (time after recuperative leave is considered personal leave)
 - For adoptive/foster parents and partners of birth parents—up to 12 months personal leave after birth/adoption/placement of foster child
- Provisions for court appearances - **1/1/2021**
 - Job-related
 - Pay protected if subpoenaed; if on day off, 4.5 credit hours
 - Not job-related
 - Will be released, but will be considered an attendance event and will not be pay protected, unless required by law
- Light duty rules - 1/1/2021

Article 15: Furlough and Recall - DOS

- No changes

Article 16: Transfers between Domicile -DOS

- Company may post vacancies of up to 3 bid months
 - Awarded in seniority order among those not assigned to that domicile
 - Bid for lines at system seniority
Company provides hotel and 24/7 per diem (no double dipping with trip assignments)
 - Positive-space travel to temporary domicile at start and end of vacancy, plus one round trip home per bid month

Article 17: Moving Expenses - 1/1/2021

- Short-haul move mileage now greater of 22.5 cents per mile or IRS moving rate (currently just 22.5 cent) per mile

Article 18: Hostage Benefits - DOS

- No changes

Article 19: Benefits - Language will be used for open enrollment since new policy begins on 1/1/2021

- Caps on increases to premiums and deductibles (per year)
- New short-term disability plan, with 40% income replacement; F/As can purchase additional coverage (same as Alaska)- **Enrollment open for new plan year to begin on 1/1/2021**

Article 20: Management Rights - DOS

- No changes

Article 21: Association Activities – 1/1/2021

- 4 company-paid days for union business per bid month, selected at MEC discretion for MEC or LEC-level work

Article 22: Association Security and Dues Collection - DOS

- Provision for payroll deduction of past-due union dues
- Company must provide information to AFA to assist in dues collection

Article 23: Grievance Procedure and System Board of Adjustment - DOS

- Elimination of grievance worksheet (go straight to grievance)
- Updated procedures for grievance mediation
- Created process for annual selection of panel of arbitrators

Article 24: No Strikes or Lockouts - DOS

- Adopted Alaska language (which allows informational picketing)

Article 25: General

- Adoption of Flight Attendant Addiction Support program (FAAS) - **DOS**
- Commuter Policy - **DOS**
 - Must register as a commuter and designate commuter city served by AAG (including OO on AAG flights) nearest permanent residence
 - May list 72 hours our (currently 48)
 - Commuter boarding priority
 - Valid only on QX metal
 - Up to 15% of F/As on seniority list may hold W-5 status
 - ✓ Must be registered commuter
 - ✓ Will be awarded by seniority
 - ✓ Number calculated annually, but F/A may come within that number mid-year, through attrition
 - ✓ If domicile closes, or F/A displaced, and F/A does not move to new domicile, F/A will have W-5 status for remainder of year, regardless of 15% cap, if would have been senior enough to be in the 15%
 - ❖ If closure/displacement occurs in Oct/Nov/Dec, W-5 goes for remainder of year plus following calendar year
- List of minimum crew-lounge amenities - **1/1/2021**
- Incorporated instructor sideletter **DOS**

Article 26: Safety, Health and Security - DOS

- F/A removed from rest of trip, with no loss of pay or attendance consequence, if involved in certain events
 - Same provision for any trips within the following 7 days
 - At F/A request, AFA may send EAP rep to scene

Article 27: Duration - DOS

- 4 years
- 6 month early reopener

New Sideletters

- Implementation Agreement - **DOS**
- Ratification Bonus -
- Flight attendants must be on active working status to receive payment. Those not then on the payroll (leave of absence or furlough) shall be paid when they return to active working status, if they return to active working status with retained seniority.
 - \$1,500 on **1/5/2021**, paycheck
 - \$750 on **5/5/2021**, paycheck
- Hotel Selection and Complaint Resolution – **1/1/21**
 - Hotels must meet minimum standards (specified)
 - Compliant procedure
 - Expedited arbitration for hotel issues