

PROPOSAL	OPTION A	OPTION B
Compensation	Date of Signing (DOS): 4% average increase (combination of rates and lump sum payments) - Structural increases incorporate elimination of intl and night premiums - See pay chart on page two for specific equipment type increases rates DOS + 15 mos = 3% raise DOS + 30 mos = 2% raise DOS + 45 mos = 2% raise	Date of Signing (DOS): 5% average increase (combination of rates and lump sum payments) - Structural increases incorporate elimination of intl and night premiums - See pay chart on page two for specific equipment type increases rates DOS + 12 mos = 4% raise DOS + 24 mos = 2% raise DOS + 36 mos = 3% raise
Profitability Lump Sum Paid out in 2014 and 2015 (in addition to first dollar profit sharing)	2% of prior 12 mos earnings based on achieving 5% pre-tax margin	2% of prior 12 mos earnings based on achieving 5% pre-tax margin
Productivity	Remove hard monthly maximum capping pilot flying and move to a monthly average range of 72-83 hours. Productivity gains are effective on date of signing. No furloughs as a result of productivity gains.	Remove hard monthly maximum capping pilot flying and move to a monthly average range of 72-83 hours. Productivity gains are phased in over time based on block hour and headcount growth. No furloughs as a result of productivity gains.
Pension A Plan	No change <u>OR</u> choice to freeze A Plan with option to create new C Plan (see below)	A Plan hard freeze for all pilots with an increase in contributions to B Plan (see below)
Pension B Plan	No change, continue to receive 11% company contribution	Company contribution DOS = 14% Company contribution DOS + 24 = 15% Company contribution DOS + 36 = 16%
Pension C Plan	For those opting out of A plan, age-based contributions from 11% 5%	None
Pension Plan New Hires	No A Plan Graduated scale of company contributions based on years of service up to 16%	No A Plan All contributions to B Plan as above
Active Medical Benefits	2 plans, 4 tiers - \$300 deductible - High-Deductible Health Plan - Employee cost share starts at 22% DOS, increases 1% per year to 25% - Capped at 12% annual inflation	2 plans, 4 tiers - \$300 deductible - High-Deductible Health Plan - Employee cost share starts and remains at 19% - Capped at 12% annual inflation

Pay Rate Summary

Option A

CA Max Rates	Green Book	Proposed Rates				Structural Increase				Lump Sum			
		DOS	DOS+15	DOS+30	DOS+45	DOS	DOS+15	DOS+30	DOS+45	DOS	DOS+15	DOS+30 *	DOS+45 *
Band VII	NA	\$ 223.52	\$ 230.23	\$ 234.83	\$ 239.53	NA	3.00%	2.00%	2.00%	NA	0.00%	2.00%	2.00%
777 (Band VI)	\$ 204.83	\$ 213.52	\$ 219.93	\$ 224.33	\$ 228.82	4.25%	3.00%	2.00%	2.00%	3.20%	0.00%	2.00%	2.00%
789 (Band VI)	\$ 204.83	\$ 213.52	\$ 219.93	\$ 224.33	\$ 228.82	4.25%	3.00%	2.00%	2.00%	3.20%	0.00%	2.00%	2.00%
763 (Band V)	\$ 179.39	\$ 186.59	\$ 192.19	\$ 196.03	\$ 199.95	4.01%	3.00%	2.00%	2.00%	3.24%	0.00%	2.00%	2.00%
762 (Band V)	\$ 177.41	\$ 186.59	\$ 192.19	\$ 196.03	\$ 199.95	5.17%	3.00%	2.00%	2.00%	2.11%	0.00%	2.00%	2.00%
757 (Band V)	\$ 173.81	\$ 186.59	\$ 192.19	\$ 196.04	\$ 199.96	7.36%	3.00%	2.00%	2.00%	0.00%	0.00%	2.00%	2.00%
737 (Band IV)	\$ 165.70	\$ 169.76	\$ 174.86	\$ 178.35	\$ 181.92	2.45%	3.00%	2.00%	2.00%	2.80%	0.00%	2.00%	2.00%
MD80 (Band IV)	\$ 161.23	\$ 169.76	\$ 174.85	\$ 178.35	\$ 181.92	5.29%	3.00%	2.00%	2.00%	0.00%	0.00%	2.00%	2.00%
SNB (Band III)	NA	\$ 139.28	\$ 139.28	\$ 142.07	\$ 144.91	NA	0.00%	2.00%	2.00%	NA	0.00%	2.00%	2.00%
Band II	NA	\$ 121.99	\$ 121.99	\$ 124.43	\$ 126.92	NA	0.00%	2.00%	2.00%	NA	0.00%	2.00%	2.00%
Band I	NA	\$ 112.68	\$ 112.68	\$ 114.93	\$ 117.23	NA	0.00%	2.00%	2.00%	NA	0.00%	2.00%	2.00%

* At 5% Pre-tax margin

Option B (Hard Freeze)

CA Max Rates	Green Book	Proposed Rates				Structural Increase				Lump Sum			
		DOS	DOS+12	DOS+24	DOS+36	DOS	DOS+12	DOS+24	DOS+36	DOS	DOS+12	DOS+24 *	DOS+36 *
Band VII	NA	\$ 225.64	\$ 234.67	\$ 239.36	\$ 246.54	NA	4.00%	2.00%	3.00%	NA	0.00%	2.00%	2.00%
777 (Band VII)	\$ 204.83	\$ 215.64	\$ 224.27	\$ 228.75	\$ 235.62	5.28%	4.00%	2.00%	3.00%	3.20%	0.00%	2.00%	2.00%
789 (Band VI)	\$ 204.83	\$ 215.64	\$ 224.27	\$ 228.75	\$ 235.62	5.28%	4.00%	2.00%	3.00%	3.20%	0.00%	2.00%	2.00%
763 (Band V)	\$ 179.39	\$ 188.39	\$ 195.92	\$ 199.84	\$ 205.83	5.01%	4.00%	2.00%	3.00%	3.17%	0.00%	2.00%	2.00%
762 (Band V)	\$ 177.41	\$ 188.39	\$ 195.93	\$ 199.85	\$ 205.84	6.19%	4.00%	2.00%	3.00%	2.07%	0.00%	2.00%	2.00%
757 (Band V)	\$ 173.81	\$ 188.39	\$ 195.92	\$ 199.84	\$ 205.84	8.39%	4.00%	2.00%	3.00%	0.00%	0.00%	2.00%	2.00%
737 (Band IV)	\$ 165.70	\$ 171.39	\$ 178.24	\$ 181.81	\$ 187.26	3.43%	4.00%	2.00%	3.00%	2.80%	0.00%	2.00%	2.00%
MD80 (Band IV)	\$ 161.23	\$ 171.39	\$ 178.25	\$ 181.82	\$ 187.27	6.30%	4.00%	2.00%	3.00%	0.00%	0.00%	2.00%	2.00%
SNB (Band III)	NA	\$ 139.28	\$ 139.28	\$ 142.07	\$ 146.33	NA	0.00%	2.00%	3.00%	NA	0.00%	2.00%	2.00%
Band II	NA	\$ 121.99	\$ 121.99	\$ 124.43	\$ 128.16	NA	0.00%	2.00%	3.00%	NA	0.00%	2.00%	2.00%
Band I	NA	\$ 112.68	\$ 112.68	\$ 114.93	\$ 118.38	NA	0.00%	2.00%	3.00%	NA	0.00%	2.00%	2.00%

* At 5% Pre-tax margin