

**LETTER OF AGREEMENT**

**By and between**

**SILVER AIRWAYS**

**AND**

**THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AIRLINE DIVISION**

*2022 Pay And Retention LOA*

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This Letter of Agreement ("LOA") is made and entered into in accordance with the Railway Labor Act, as amended, by and between Silver Airways, LLC (the "Company" or "Silver") and the Airline Professionals Association Teamsters Local Union No. 1224, affiliated with the International Brotherhood of Teamsters, Airline Division (the "Union"). Collectively, the Union and the Company are referred to as the "Parties."

**WHEREAS**, the Company and the Union are parties to a collective bargaining agreement setting forth the rates of pay, rules and working conditions for the Company's Pilots which took effect on October 1, 2020 ("CBA");

**WHEREAS**, the Parties entered into an LOA regarding Cargo Flying dated April 13, 2021 to modify certain terms and conditions of the CBA as it related to cargo operations ("Cargo Flying LOA");

**WHEREAS**, the Parties have discussed amending the CBA and Cargo Flying LOA to better reflect the needs of the evolving cargo operation and our customer; and

**WHEREAS**, the Parties have discussed amending the CBA and Cargo Flying LOA to ensure that the Company attracts and retains the highest quality pilots for both cargo and passenger service.

**NOW, THEREFORE**, the Parties agree as follows:

**1. Application of Existing Agreements**

Except as otherwise stated in this "2022 Pay and Retention LOA" (hereinafter the "LOA") the CBA and Cargo Flying LOA shall apply.

**2. Changes to Cargo Flying and the AFW Base**

**a. Hours of Service**

- i.** The Company may choose to operate Cargo Flying in accordance with FAR 117 or FAR 121. The Company's determination of which FAR section to operate under shall apply uniformly to all Cargo Flying and shall not be changed without advance notice and discussion with the Union.

- ii. If the Company chooses to operate Cargo Flying in accordance with FAR 117, Cargo Flying shall be subject to the maximum flight and duty time limitations and rest requirements in FAR 117 or CBA Section 8 (Hours of Service), whichever is more restrictive.
- iii. If the Company chooses to operate Cargo Flying in accordance with FAR 121, Cargo Flying shall be subject to the maximum flight and duty time limitations and rest requirements in FAR 121.471 Subpart Q (Domestic Rules) or CBA Section 8 (Hours of Service), whichever is more restrictive.

b. Scheduling

- i. Except as otherwise modified by this LOA, Cargo Flying schedules shall continue to be built in accordance with the CBA as amended by the Cargo Flying LOA.
- ii. If the Company chooses to operate Cargo Flying in accordance with FAR 121, per Paragraphs 2.a.i and iii, above, Cargo Flying Lines shall be constructed to contain a consecutive Duty Days / Days Off pattern throughout each Bid Period as follows: four (4) Duty Days / four (4) Days Off, five (5) Duty Days / five (5) Days, or six (6) Duty Days / six (6) Days Off (or vice-versa). The Parties may mutually agree in writing to adjust this schedule.
- iii. After the publication of Bid Line Awards, a Pilot may ask Scheduling to swap a scheduled Duty Day(s) on his Bid Line with a scheduled Day(s) Off on his Bid Line. The Company shall have the discretion to approve or deny such requests. This provision shall only apply to Pilots assigned to Cargo Flying.

c. Monthly AFW Base Stipend

- i. Pilots based in the AFW Base shall receive a monthly stipend of three hundred dollars (\$300) in addition to all other compensation.
- ii. In order to be eligible to receive the stipend, the Pilot must be based and Active in the AFW Base during any portion of the applicable Bid Period. Additionally, the Pilot must be employed on the date the stipend is paid per Paragraph iii, below. The stipend shall not be paid to Pilots who perform Cargo Flying during a Bid Period but are not based in the AFW Base (e.g., a dual-qualified instructor Based in Florida). The stipend shall be prorated during Bid Periods in which the Pilot is not Active and/or based in the AFW Base for the full Bid Period.
- iii. The stipend shall be paid in the first paycheck of the month following completion of the previous Bid Period (i.e., the 15<sup>th</sup> of the following month). The stipend will begin the first full Bid Period following ratification of this LOA.

d. AFW Cargo Flying Override

- i. Pilots performing Cargo Flying in the AFW Base shall receive the following override to their hourly rate of pay:
  1. The override shall be in the amount of an additional thirty percent (30%) of the Pilot's hourly rate of pay. For example, a Pilot with an hourly rate of pay of \$100 shall be paid \$130 for 1 hour of Block Time.
  2. The override shall only apply to:
    - a. The greater of the scheduled or actual Block hours of Cargo Flying actually operated by the Pilot in the AFW Base.
    - b. All time actually spent on Airport/Standby Reserve in support of AFW Base Cargo Flying.
  3. The override shall not apply to credit hours that are subject to any other contractual override rate(s) of pay; and does not does not compound with other overrides offered in the CBA.
- ii. In order to be eligible to receive the AFW Cargo Flying Override, the Pilot must be Operationally Fully Qualified while performing the duties to which the override applies. Additionally, the Pilot must be employed on the date the override is paid per Paragraph 2.d.iii, below. The override shall be paid to Pilots not based in the AFW Base, but performing Cargo Flying during the Bid Period (e.g., a dual qualified instructor Based in TPA).
- iii. The AFW Cargo Flying Override will be paid in the first paycheck of the month following completion of the previous Bid Period (i.e., the 15<sup>th</sup> of the following month). The override will begin the first full Bid Period following ratification of this LOA.

3. **Changes for Pilots Not Based in AFW**

- a. Standard Flying Override. Pilots not engaged in Cargo Flying in the AFW Base shall receive the following override to their hourly rate of pay:
  - i. The override shall be in the amount of an additional ten percent (10%) of the Pilot's hourly rate of pay. For example, a Pilot with an hourly rate of pay of \$100 shall be paid \$110 for 1 hour of Block Time.
  - ii. The override shall only apply to:
    1. The greater of the scheduled or actual Block hours of flying actually operated by the Pilot.

2. All time actually spent on Airport/Standby Reserve.
- iii. The override shall not apply to credit hours that are subject to any other contractual override rate(s) of pay; and does not does not compound with other overrides offered in the CBA.
- b. In order to be eligible to receive the Standard Flying Override, the Pilot must be Operationally Fully Qualified while performing the duties to which the override applies. Additionally, the Pilot must be employed on the date the override is paid per Paragraph 3.c, below. The override shall apply to all flying other than Cargo Flying in the AFW Base, regardless of the Pilot's Base or Status.
- c. The Standard Flying Override will be paid in the first paycheck of the month following completion of the previous Bid Period (i.e., the 15<sup>th</sup> of the following month). The override will begin the first full Bid Period following ratification of this LOA.

#### 4. **Changes for All Pilots**

- a. Section 3.P – Amended Compensation Tables
  - i. The Compensation Tables in Section 3.P of the CBA are replaced by the new tables in Attachment A of this LOA.
  - ii. The new Compensation Tables apply to all aircraft with less than ninety (90) seats.
  - iii. The new Compensation Table DOS+2 rate shall be effective the first full Bid Period following ratification of this LOA. All other future rates shall be effective on the October 1 anniversary date of the ratification of the CBA.
  - iv. The Compensation Tables in Attachment A of this LOA shall remain in effect through the duration of the current CBA (regardless of whether other aspects of this LOA expire or continue).
- b. Quarterly Captain Retention Bonus
  - i. In addition to all other compensation, the Company shall pay a Quarterly Retention Bonus to each Pilot who meets the following eligibility requirements:
    1. The Pilot must hold a Captain Status during some portion of the applicable quarter.
    2. The Pilot must be in Active, eligible to bid (ETB) status (i.e., not on a leave of absence) for more than twenty-five percent (25%) of the calendar quarter, (unless waived by Flight Operations).

3. The Pilot must not have more than three (3) days of Personal and/or Sick day usage in the calendar quarter (unless waived by Flight Operations).
  4. The Pilot must be employed on the date the bonus is paid per Paragraph 3.b.iii, below.
- ii. The Quarterly Captain Retention Bonus shall be in the following amount:
1. **Four thousand dollars (\$4,000)** per calendar quarter for a Captain based in the AFW Base.
  2. **Three thousand dollars (\$3,000)** per calendar quarter for a Captain based in a non-AFW Base.
  3. An eligible Pilot who holds a Captain Status in both the AFW Base and a non-AFW Base during calendar quarter shall have the bonus prorated based on the number of days spent in each Base type during the quarter.
  4. An eligible Pilot who hold a Captain Status for less than the full calendar quarter (i.e., a new Captain) shall have the bonus prorated based on the number of days as a Captain.
- iii. The Quarterly Captain Retention Bonus shall be paid in a lump sum for each full calendar quarter on the 2nd paycheck of the month following completion of the calendar quarter (i.e., the 30<sup>th</sup> of the following month). The Quarterly Captain Retention Bonus will begin the first full month following ratification of this LOA (allowing for a proration in the first calendar quarter of ratification, if necessary).
- c. Captain Upgrade Incentive
- i. In addition to all other compensation, the Company shall pay a Captain Upgrade Incentive to each Pilot who meets the following eligibility requirements:
1. The Pilot must hold a First Officer Status and have more than seven hundred-fifty (750) qualifying FAR 121 flight hours on the first of any month following ratification of this LOA.
  2. The Pilot must notify the Chief Pilot via email of his intent to upgrade to Captain and seek this incentive (subject to meeting all minimum requirements and being awarded a Captain Vacancy).
  3. The Pilot must begin a Captain upgrade training class before December 31, 2023.

4. The Pilot must successfully complete Captain Upgrade training and OE.
  5. The Pilot must complete six (6) months of Active service as a Captain.
  6. The Pilot must be employed on the date the bonus is paid per Paragraph 4.c.ii, below.
- ii. The Captain Upgrade Incentive shall be in the amount of **ten thousand dollars (\$10,000)**, paid in a lump sum on the second paycheck of the month (i.e., the 30<sup>th</sup>) following completion of the six (6) months qualifying period for this Captain Upgrade Incentive.
  - iii. After completing six (6) months of Active service as a Captain, a Pilot who would have qualified for a Quarterly Captain Retention Bonus during the six (6) months (as described in Paragraph 4.b, above) shall be paid the Quarterly Captain Retention Bonus in one lump sum in the second paycheck of the month (i.e., the 30<sup>th</sup>) following completion of the Captain Upgrade Incentive six (6) month qualifying period.
- d. Career Captain Retention Bonus
- i. In addition to all other compensation, the Company shall pay a Career Captain Retention Bonus to each Pilot who meets the following eligibility requirements:
    1. Current Captain
      - a. The Pilot must hold a Captain Status on the first of the month following ratification of this LOA.
      - b. The Pilot must participate in the monthly bid (or check-airman/instructor equivalent) in twenty-four (24) out of thirty (30) months (unless waived by Flight Operations) as a Captain with the Company starting with the first monthly bid following the ratification of this LOA to be eligible for the first bonus.
      - c. The Pilot must participate in the monthly bid (or check-airman/instructor equivalent) in sixty (60) out of seventy (70) months (unless waived by Flight Operations) as a Captain with the Company starting with the first monthly bid following the ratification of this LOA to be eligible for the second bonus.

2. Future Captain

- a. The Pilot must become “Operationally Fully Qualified” as a Captain while the bonus remains in effect.
- b. The Pilot must participate in the monthly bid (or check-airman/instructor equivalent) in twenty-four (24) out of thirty (30) months (unless waived by Flight Operations) as a Captain with the Company starting with the first monthly bid after the Pilot becomes Operationally Fully Qualified as a Captain to be eligible for the first bonus.
- c. The Pilot must participate in the monthly bid (or check-airman/instructor equivalent) in sixty (60) out of seventy (70) months (unless waived by Flight Operations) as a Captain with the Company starting with the first monthly bid after the Pilot becomes operationally fully qualified as a Captain to be eligible for the second bonus.

3. All Captains

Unless the Pilot has retired per Paragraph 4.d.iii, below, the Pilot must be employed on the date the bonus is paid per Paragraph 4.d.iv, below.

- ii. The Career Captain Retention Bonus shall be in the following lump sum amount:
  1. **Thirty thousand dollars (\$30,000)** for a Pilot who completes the twenty-four (24) month service period described in subsection i, above.
  2. **Forty thousand dollars (\$40,000)** for a Pilot who completes the sixty (60) month service period described in subsection i, above. This five-year bonus is in addition to the two-year, \$30,000 bonus.
- iii. A Captain who begins qualification for the Career Captain Retention Bonus, as noted in subsection i, above, and who reaches age sixty-five (65) mandatory retirement age or retires due to loss of medical before fulfilling his full twenty-four (24) or sixty (60) month term will be paid a pro-rata bonus amount at time of retirement.
  1. If the Captain retires before fulfilling his twenty-four (24) months, the pilot will be paid the twenty-four (24) month pro-rate bonus but will not be paid the pro-rate sixty (60) month bonus.
  2. If the Captain retires after fulfilling his twenty-four (24) months (and therefore received the full twenty-four (24) bonus) but

before fulfilling his sixty (60) months , he will be paid the pro-rate sixty (60) month years bonus.

- iv. The career Captain Retention Bonus will be paid in a lump sum on the first paycheck of the month following completion of the qualifying period noted above (i.e., the 15<sup>th</sup> of the following month). The Career Captain Retention Bonus will begin the first full month following ratification of this LOA.
- e. Personal Day and Sick Day “Buy Back Program”
  - i. A Pilot who does not use more than one (1) personal day per calendar quarter and does not use any sick days in a calendar quarter (i.e., perfect attendance for all duty assignments), shall have the option to have up to two (2) personal days and three (3) sick days from the pilot’s bank paid out to the pilot at the Pilot’s current contractual rate of pay.
  - ii. The Personal days and/or Sick days that the Pilot chooses to have paid out will be paid to the Pilot at one hundred and twenty-five percent (125%) of the Pilot’s current rate of pay at the end of that quarter (i.e., days (up to 5) x 4 hours x 125% x rate of pay).
  - iii. Eligible Pilots shall advise the Chief Pilot, in writing, the days the Pilot requests to be paid out. Payment will be made in a lump sum for each full quarter (not prorated) on the second paycheck of the month following completion of the calendar quarter (i.e., 30<sup>th</sup> of the month). For example, a Pilot with perfect attendance during the Jan-Feb-Mar quarter who requests a personal/sick day payout, will receive the payout on April 30. The Pilot must continue to be Active and employed on the 30<sup>th</sup> of the following month to be paid. The Buy Back Program will begin the first full month following ratification of this LOA.

## 5. Term of the 2022 Pay and Retention LOA

- a. “Permanent” Provisions
  - i. The following provisions of this LOA are not subject to expiration and shall continue through the term of the CBA:
    - 2.a – Hours of Service
    - 2.b – Scheduling
    - 4.a – Amended Compensation Tables
- b. “Incentive Trial” Provisions
  - i. The following provisions of this LOA will be run on a “trial basis” and, except as otherwise mutually agreed in writing by the Parties, shall expire at midnight on December 31, 2023:



- 2.c – Monthly AFW Base Stipend
  - 2.d – AFW Cargo Flying Override
  - 3.a – Standard Flying Override
  - 4.b – Quarterly Captain Retention Bonus
  - 4.c – Captain Upgrade Incentive
  - 4.d – Career Captain Retention Bonus (see below)
  - 4.e – Personal Day and Sick Day Buy Back Program
- ii. The Career Captain Retention Bonus in Paragraph 4.d will survive any expiration of this LOA for any Pilot who is “Operationally Fully Qualified” as a Captain and has begun building time for either or both the twenty-four (24) month and/or sixty (60) month bonuses.
- iii. The Parties shall meet at least ninety (90) days before December 31, 2023 to attempt to reach mutual agreement on which, if any of the above provisions shall be continued and on what terms. Absent mutual agreement in writing, a provision shall expire at midnight on December 31, 2023.
- c. **Modification of Trial Provisions**
- i. With the exception of the Career Captain Retention Bonus, the Company may, at its discretion, modify, suspend and/or terminate the “trial” provisions listed in Paragraph 5.b.i, above, during the trial phase that ends at midnight on December 31, 2023. Any Company decisions are subject to the following terms:
1. Any suspension, termination and/or reduction in terms will not apply to Pilots already on the Seniority List on the effective date of such change, and will only apply to pilots hired after that date.
  2. Any change to provide additional or greater benefits as noted in this LOA, will apply to both Pilots on the Seniority List on the effective date of such change and Pilots hired after that date.
  3. If the Company intends to enact any such changes, better or lesser, it will meet and confer with the Union at least thirty (30) days in advance.
- d. **Retroactive AFW Cargo Flying Override**

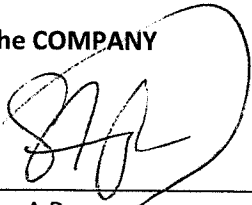
Section 2(d) of this LOA will be paid retroactively to all Pilots who operated flights during the May 2022 Bid Period in the AFW Base on or after May 15, 2022 upon ratification of this LOA. The Override for the above flights will be paid on the same paycheck as the initial AFW Cargo Flying Override (ex. July 15<sup>th</sup> for a May ratification).

6. **Definitions**

- a. Operationally Fully Qualified shall mean a Pilot who has satisfactorily completed ALL required training and checks including (a) required ground school subjects, (b) required flight training, (c) proficiency checks, (d) LOFT, (e) operating experience, and (f) line checks.
- b. Cargo Flying shall mean operations performed for the carriage of cargo, rather than the carriage of passengers.
- c. Cargo Flying Lines shall mean Regular Lines comprised of Cargo Flying and Reserve Lines in support of Cargo Flying.
- d. AFW Base shall mean the AFW Base, for as long as Cargo Flying Lines are offered in the AFW Base.

IN WITNESS WHEREOF, the Parties hereto execute this Letter of Agreement effective this 13th day of May 2022.


For the COMPANY



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Steven A Rossum  
CEO  
Silver Airways LLC

For the UNION



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Don Welch  
Silver Executive Council Chairman  
APA Teamsters Local 1224

**ATTACHMENT A**  
**New Compensation Tables**

**For all aircraft with less than 90 seats**

**Captains**

YOS	DOS	DOS+1	DOS+2**	DOS+3	DOS+4	DOS+5
1	\$ 70.77	\$ 71.83	\$ 92.01	\$ 93.39	\$ 94.79	\$ 96.21
2	\$ 74.66	\$ 75.78	\$ 97.07	\$ 98.52	\$ 100.00	\$ 101.50
3	\$ 78.02	\$ 79.19	\$ 101.44	\$ 102.96	\$ 104.50	\$ 106.07
4	\$ 81.33	\$ 82.55	\$ 105.74	\$ 107.33	\$ 108.95	\$ 110.57
5	\$ 84.54	\$ 85.81	\$ 109.92	\$ 111.57	\$ 113.25	\$ 114.95
6	\$ 86.99	\$ 88.29	\$ 113.08	\$ 114.78	\$ 116.49	\$ 118.23
7	\$ 89.13	\$ 90.47	\$ 115.89	\$ 117.63	\$ 119.39	\$ 121.19
8	\$ 91.31	\$ 92.68	\$ 118.71	\$ 120.49	\$ 122.30	\$ 124.13
9	\$ 93.14	\$ 94.54	\$ 121.10	\$ 122.92	\$ 124.76	\$ 126.63
10	\$ 95.00	\$ 96.43	\$ 123.52	\$ 125.38	\$ 127.26	\$ 129.16
11	\$ 96.66	\$ 98.11	\$ 125.67	\$ 127.55	\$ 129.47	\$ 131.41
12	\$ 98.36	\$ 99.84	\$ 127.89	\$ 129.81	\$ 131.75	\$ 133.73
13	\$ 100.08	\$ 101.58	\$ 130.11	\$ 132.06	\$ 134.05	\$ 136.05
14	\$ 101.83	\$ 103.36	\$ 132.39	\$ 134.37	\$ 136.39	\$ 138.44
15	\$ 103.57	\$ 105.12	\$ 134.65	\$ 136.67	\$ 138.72	\$ 140.80
16	\$ 105.21	\$ 106.79	\$ 136.78	\$ 138.84	\$ 140.92	\$ 143.04
17	\$ 106.85	\$ 108.45	\$ 138.92	\$ 141.00	\$ 143.12	\$ 145.26
18	\$ 108.55	\$ 110.18	\$ 141.13	\$ 143.25	\$ 145.39	\$ 147.57

**First Officers**

YOS	DOS	DOS+1	DOS+2**	DOS+3	DOS+4	DOS+5
1	\$ 42.86	\$ 43.50	\$ 52.03	\$ 52.81	\$ 53.60	\$ 54.40
2	\$ 44.58	\$ 45.25	\$ 54.13	\$ 54.94	\$ 55.77	\$ 56.60
3	\$ 45.92	\$ 46.61	\$ 55.75	\$ 56.59	\$ 57.44	\$ 58.30
4	\$ 46.83	\$ 47.53	\$ 56.85	\$ 57.70	\$ 58.56	\$ 59.44
5	\$ 47.54	\$ 48.25	\$ 57.71	\$ 58.57	\$ 59.45	\$ 60.35
6	\$ 48.01	\$ 48.73	\$ 58.29	\$ 59.16	\$ 60.04	\$ 60.94

**\*\* DOS+2 rates are effective the first of the month following ratification of the 2022 Pay and Retention LOA. NOTE – DOS+3, DOS+4 and DOS+5 rates continue to be effective on the October 1 anniversary date of the CBA effective date.**

**ATTACHMENT B**  
**Example Total Compensation Opportunities under the 2022 Pay and Retention LOA**

	New Rates		Old rates		Change versus old rates	
	AFW	FLL/TPA/SJU	AFW	FLL/TPA/SJU	AFW	FLL/TPA/SJU
<b>4 year captain</b>						
Credit hours	85	85	85	85		
Block hours*	65	65	65	65		
Payrate	\$ 105.54	\$ 105.54	\$ 82.55	\$ 82.55		
Block hour override rate	\$ 31.66	\$ 10.55				
Credit hours pay	\$ 8,971	\$ 8,971	\$ 7,017	\$ 7,017		
Override pay	\$ 2,058	\$ 686	\$ -	\$ -		
Stipend	\$ 300	\$ -	\$ -	\$ -		
<b>Monthly gross pay</b>	<b>\$ 11,329</b>	<b>\$ 9,657</b>	<b>\$ 7,017</b>	<b>\$ 7,017</b>	<b>61%</b>	<b>38%</b>
Annualized pay	\$ 135,947	\$ 115,883	\$ 84,201	\$ 84,201		
Plus Quarterly Captain Retention Bonus	\$ 16,000	\$ 12,000	\$ -	\$ -		
Plus High Season bonus	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000		
Plus 5 sick/personal days sold per quarter	\$ 10,554	\$ 10,554	\$ -	\$ -		
<b>Yearly comp**</b>	<b>\$ 166,501</b>	<b>\$ 142,437</b>	<b>\$ 88,201</b>	<b>\$ 88,201</b>	<b>89%</b>	<b>61%</b>
AFW premium		17%		0%		

	New Rates		Old rates		Change versus old rates	
	AFW	FLL/TPA/SJU	AFW	FLL/TPA/SJU	AFW	FLL/TPA/SJU
<b>1 year FO</b>						
Credit hours	85	85	85	85		
Block hours*	65	65	65	65		
Payrate	\$ 52.03	\$ 52.03	\$ 43.50	\$ 43.50		
Block hour override rate	\$ 15.61	\$ 5.20				
Credit hours pay	\$ 4,423	\$ 4,423	\$ 3,698	\$ 3,698		
Override pay	\$ 1,015	\$ 338	\$ -	\$ -		
Stipend	\$ 300	\$ -	\$ -	\$ -		
<b>Monthly gross pay</b>	<b>\$ 5,737</b>	<b>\$ 4,761</b>	<b>\$ 3,698</b>	<b>\$ 3,698</b>	<b>55%</b>	<b>29%</b>
Annualized pay	\$ 68,846	\$ 57,129	\$ 44,370	\$ 44,370		
Plus High Season bonus	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000		
Plus 5 sick/personal days sold per quarter	\$ 5,203	\$ 5,203	\$ -	\$ -		
<b>Yearly comp</b>	<b>\$78,048.62</b>	<b>\$66,331.94</b>	<b>\$48,370.00</b>	<b>\$48,370.00</b>	<b>61%</b>	<b>37%</b>
AFW premium		18%		0%		

\*The maximum of flown or scheduled

\*\* Excludes the 2 year and 5 year Career Captain Retention Bonus