NEGOTIATIONS

between

SOUTHWEST AIRLINES, INC

and

AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

AMFA Term / Highlight Sheet

Southwest Airlines and the Aircraft Mechanics Fraternal Association tentatively agree to modifications to the existing Agreement ending August 16, 2012, the following is what has been accomplished:

Many of the minor grammatical changes where changing the word shall to will with no change to long standing intent of the language. These changes are not marked in green in the TA.

Article 1, Purpose of Agreement

• Minor Grammatical changes

Article 2, Scope

• Paragraph 5, Language deleted for the implementation of fourth line.

Article 3, Status of Agreement

- Minor Grammatical changes
- New paragraph 2.b; Notification of mergers/acquisitions

Article 4, Classification of Work

- Minor Grammatical changes
- Change of nomenclature from mechanic to aircraft maintenance technician throughout article
- New paragraph 10; Addition of Aircraft Technical Support Technician

Article 5, Hours of Service

- Minor Grammatical changes
- New paragraph 5.a.4; Option to discuss additional starts times.

Article 6, Overtime and Holidays

- Minor Grammatical changes
- Additional language in 7.a; January 1 for January 2 for call out after zero timing hours
- New paragraph 7.h; Allowing leads to report one hour early to prepare
- Union Ask for Additional language to paragraph 8.i; Union to be provided access to OTCS to monitor overtime
- Language add to Paragraph 11.d; Requiring Trades to be submitted more than twenty-four hours in advance to be eligible for paid rest.
- Additional language added to paragraph 12; Clarifies when a temporary supervisor is eligible for overtime when returning to original position within agreement.

Article 7, Training

- Minor Grammatical changes
- Additional language added to paragraph 2, Schedule option for employee
- New paragraph 7; Employee lodging and transportation per Crew Hotel List at no cost to employee.

Article 8, Field Service

- Minor Grammatical changes
- Additional language added to paragraph 1; Definition for International Field Service, anything outside the 48 continues states.
- New Language added, paragraph 2.c; ETOP's launches with in continuous forty-eight states will be done by Southwest Technicians and allows for vendors to do ETOP's launched outside the continuous forth eight states.
- New Language added, paragraph 2.d; Defines when it is required that Southwest Technicians are required to be sent for International field service.
- Language from old 2.d modified as new paragraph 2.f, clarifies options after 24 hours worked on a field service trip. Can be sent back to home station or sent for rest in both cases technician will be paid for all time.
- New paragraph 5.b; Additional hourly allowance for International Field Service.

Article 9, Seniority

- Minor Grammatical changes
- Additional language added to sub-paragraph 2, Maintenance Controller, Technical Training Instructor, and Technical Support Technician
- New paragraphs 5.a, 5.b, 5.c, and 5.d; Furlough process
- Additional Language added to paragraph 6, Reduction in time employee accrues seniority if on layoff to five years.
- Additional Language added to paragraph 9.d, 9.e and 9.f; Clarifies when seniority can be removed. Reduces the number of years an individual's name remains on the seniority list if on layoff or furlough.
- Moved paragraph 12 to Article 24; Temporary Supervisor Language.

Article 10, Vacancies

- Minor Grammatical changes
- Change in language paragraph 2; Increase number of days a position must be bulletined and time the company has to wait before abolishing a position, both from 7 to 14 days
- Reformatted paragraph 3.a, 3.b, 3.c, and 3.d; No change to language
- Language added to paragraph 4; Filling of vacancies of more than 30 days within station in all lead, technical support technician and technician classifications
- Language added to paragraph 6; clarifies how lead vacancies are filled on a daily basis
- New paragraph 7; Defines when and how a technical support technician is fill on a daily basis.
- Old paragraph 7 now paragraph 8; Language added to allow for when Company has the option to fill temporary vacancies of less than 30 days for inspectors.
- New language added paragraph 15, Selection process for filling a Technical Support Technician position.
- New language added paragraph 16; Defines how a technician is upgraded and paid to perform the work of a technical support technician when working with a field tech supervisor.

Article 11, Vacation

- Minor Grammatical changes
- Language added and modified to paragraph 4; Allowing for the carry over to the following year of forty hours of vacation and an increase to the option to sell vacation to eighty hour a year.
- Change to language in paragraph 11; Me too clause for a more favorable vacation carry over or bank.

Article 12, Leave of Absence

- Minor Grammatical changes
- Additional language added to paragraph 1; Clarification to who approves leaves of absence and ability to apply for personal leave of absence for longer than thirty (30) days.
- Added new paragraph 4; Military leave of absence language
- Reformatted and additional language added to paragraph 5, new sub-paragraph b; Union notice to Company for full time positions.

Article 13, Sick Leave and On-The-Job Injuries

- Minor Grammatical changes
- New language added to paragraph 11; Clarification on workers compensation pay
- New language added to paragraph 12; Clarification on examination to medical examination
- New paragraph 13.a and 13.b; Parameters for Transitional Duty for Occupational Injury

Article 14, Wage Rules – Shift Premiums - Longevity

- Minor Grammatical changes
- Paragraph 10; Increase in shift differential, swing shift from fifty-six cents (\$0.56) to sixth three cents (\$0.63), Grave shift and relief technician from sixty-three cents (\$0.63) to seventy-one cents (\$0.71).
- Paragraph 11; Increase in longevity for years 13 through 15 and additional fifteen cents (\$0.15) with maximum paid after 15 years to one dollar seventy-five cents (\$1.75)
- Paragraph 13; Addition of Technical Instructor, Technical Support Technician, both will be paid top of scale plus six percent.
- Paragraph 14; Increase in skill premium from fifty cents (\$0.50) to sixty-three cents (\$0.63)
- Paragraph 15; Deleted Language no longer in effect.

Article 15, Wages

- Minor Grammatical changes
- Base rate pay scale increase as of April 1, 2019 to each step of 20.00%
- Pay scale increases to each step in the scale of 3% on August 16, of each year starting in 2019, 2020, 2021, 2022, and 2023.
- New pay scale for Lead Maintenance Controller and Maintenance Controller
- Language added to sub-paragraph, adding Technical Instructors and Technical Support Technicians eligible for license premium. Added Lead Maintenance Controller and Maintenance Controller not eligible for license premium, Controllers pay scale is inclusive of the license premium.
- License premium increase from two dollars (\$2.00) for licenses one and two to two dollars fifty cents (\$2.50) for licenses one and two for a maximum of five dollars (\$5.00)

Article 16, Profit Sharing

- Minor Grammatical changes
- Me Too Clause for 401k plan. This me too clause would give the Union the option to accept any increase to percent of match, change in contribution (non-elective) or any other enhancements given to any other group on propriety (except the pilot group) at the same terms and conditions.

Article 17, Safety and Health

- Minor Grammatical changes
- New language added to paragraph 4; Requirement for Company to provide employee information on state law for on the job injuries.
- Change in language paragraph 5; Increases in Death and disability benefits

Article 18, Severance Allowance

• Minor Grammatical changes

Article 19, Moving Expenses

- Minor Grammatical changes
- New language added to paragraph 6; Clarification of reimbursement for moving expenses at IRS rates.

Article 20, Insurance Benefits

- Minor Grammatical changes
- Me Too Clause for Insurance Benefits and costs

Article 21, Grievance Procedure

- Minor Grammatical changes
- Re-Formatted paragraph 1 to have three steps which is current.
- Language Changed in paragraph 1.a; Allows for any AMFA Representative to sit in with employee in the step 1 grievance process
- Language Changed in paragraph 1.b; Provides that in second step of grievance it will have all facts, provision violated and remedy sought. Also a provision if those actions are not complete.
- Language Changed in paragraph 1.c; Clarifies who hears the grievance at VP of Division, sets up time an agenda needs to be presented for system board, provides the ability to withdraw grievances after dead locked in system board.
- Language Changed in paragraph 2.d; Added time line for submitting data and names for system board, provides the ability to have a system board hearing by teleconference.
- Language Changed in paragraph 4; Union to provide identify who is impacted.
- New Language added as paragraph 7; A new process to resolve a grievance by mediation

Article 22, Arbitration

- Minor Grammatical changes
- New Paragraph 2; Language for selecting Arbitrators and scheduling Arbitrations.
- New Paragraph 4; Data and Documentation disclosure before or during Arbitration and how it is handled.

Article 23, No Strike - No Lock Out

No changes

Article 24, General and Miscellaneous Savings Clause

- Minor Grammatical changes
- New Language paragraph 6; Jumpseat access language
- Paragraphs moved down with the addition of new paragraph 6
- New Language added to paragraph 11; Addition of immediate family member's bereavement can be used for. Additional language to allow the use of floating holiday and up to four days of sick after use of vacation and floaters.
- New Language added to paragraph 15; Uniform ordering clarification.
- New Language added to paragraph 17.L; Clarification of what premium pay is.
- New Language added to paragraph 17.m; allow the use of vacation or floater when on a shift/day trade.
- New Language paragraph 22; Process if insufficient employee's hold qualifications at a particular location.
- Paragraphs moved down with the addition of new paragraph 22

- New Language added to paragraph 23; Language to provide for overtime back fill for employee temporarily upgraded to supervisor. Deletion of 75 day limit.
- New Language added as paragraph 24; Language for a process for an employee transferring to a new station to get a SIDA badge at the new station.

Article 25, Union Representation

• Minor Grammatical changes

Article 26, Union Security

• Minor Grammatical changes

Article 27, Saving Clause

• Minor Grammatical changes

Article 28, Apprentice Aircraft Mechanic Program

- Minor Grammatical changes
- A rewrite of much of the article to reflect current practice.
- New language added to paragraph 3.a; Gives preference to the program to AMFA members from another contract (Facility Maintenance and Appearance Technicians).
- Pay scale increase as of April 1, 2019 of 20.00% and an increase of 3% on August 16, of each year starting in 2019, 2020, 2021, 2022, and 2023.r.

Article 29, Duration of Agreement

- Five Year contract April 1, 2019 through August 16, 2024.
- *Up to one year re-opener in Section 6 of Railway Labor Act.*

Current Letter of Agreements

#1 – Modified Language to allow up to eight lines of international outsourcing of Heavy Maintenance Checks to vendors of Company choosing. Intermediate Maintenance Crew (C Check, Cabin Visit and Hangar RON) crew protections at current locations, Small station protection, outsource liaison position, Aircraft to Technician ratio remained at 2.75, and furlough protections through the duration of agreement.

#2 – No Changes

#3 – Deleted

Letter of Agreement for Profitability Bonus and Stock Options – Deleted

Exhibit 1 for Stock Option Plan – Deleted

New Letter of Agreement #3 – Parameters for opening and closing of new stations

New Letter of Agreement #4 – Ratification Bonus payout of one hundred and sixty (160).

New Language – Appendix A

• Spells out differences language for main body of agreement for Maintenance Controllers.

New Language – Appendix B

• Spells out differences language for main body of agreement for Technical Training Instructors