

- X = Taken Away
- ✓ = Restored
- > = New Program

A TRAIL OF BROKEN PROMISES (DELTA'S REAL TRACK RECORD)

Just Prior To First Representation Election in 2002

Management pledges to implement evaluation process for salary/benefit increases and keep flight attendants at top of industry.

February 1, 2002:

DELTA FLIGHT ATTENDANTS FAIL TO GAIN REPRESENTATION.

Management's promised evaluation finally performed. Although management determines flight attendants are not at top of industry, final decision—no pay raise warranted. Promises made prior to election abandoned.

2002 - 2003

- > Executive compensation increases and Special Executive Pension Program (SERP) (*see reverse side for detailed information).

July 1, 2002:

- X Changes made to "availability" procedures which result in longer waits to protect pay when trips cancel.

August 2, 2002:

- X Notice! Medical, sick leave, vacation benefits to change.

August 15, 2002:

- X Doctor's note now required for all sick calls before/after holidays, vacation, leaves—some FAs exempt from new policy.

January 1, 2003:

- X **Medical benefit changes: higher deductibles and out-of-pocket expenses. Employees start to pay portion of benefits, previously offered for free.**

March 2, 2003:

- X IAH, MSY, ORD, PDX, SEA bases closed.

July 1, 2003:

- X Defined Benefit Pension Plan changed to Cash Balance Plan.

January 1, 2004:

- X Traditional sick leave changed to "Certified Sick Leave Bank". 5 uncertified days paid at 5:30/day. Total = 27:30 hours/year.

February - March 2004:

- X **30 in 7 Credit Rig: eliminated.**
- X **1 for 4 Credit Rig: eliminated.**
- X **1 for 2 Credit Rig: eliminated**
- X **Minutes Under by Segment Credit Rig: eliminated.**
- X **6th week of vacation eliminated.**

July 1, 2004:

- X **New "Blended Pay" system results in less pay for most flight attendants.**
- X **Auxiliary flight attendants: earn \$2 less/hour on all pay levels.**
- X **Line bidding system replaced by new Preferential Bidding System—negates seniority.**

- > Traditional Reserve System replaced by new Ready Reserve A-Day System—increases flight attendants on reserve to over 50% in some bases.

January 2005:

OPERATION CLOCKWORK goes into effect: non-contract employees will receive \$25 "Good4All" payouts if certain benchmarks met. Executives receive 20% of pay in bonuses if same benchmarks met.

- X **10% pay cut.**
- X **DFW base closed.**
- X **Medical premiums increase.**

January 31, 2005:

- X Training pay for travel days changed from 2:45/day to flat \$50.
- X Required training and meeting pay changed to flat \$12/hour.
- X Per diem reduced by 20 cents/hour.

- X **On-board staffing reduced.**

- X **Load factor position eliminated domestically.**

September 30, 2005:

- X Accident Leave eliminated.

November 1, 2005:

- X **More pay cuts: 10% for top-scale flight attendants, 9% for others.**

- X Eliminated: Longevity Pay, International Pay (returned 01JAN08 at a lower rate), Night Pay, Delay Pay.

- X Holding Pay reduced by 9%.

- X Per Diem pay reduced to \$1.85/hour, \$2.40/hour transoceanic.

November 15, 2005:

- X Trips Missed Pay for Vacations eliminated.

- X **Fewer vacation weeks available in May, July, August and December.**

December 31, 2005:

- X Pension Plan for non-contract employees frozen (plan underfunded by \$10.6 billion).

2006

Pension Protection Act passes in Congress: Delta allowed to reduce yearly funding to non-contract employee pension plans.

January 1, 2006:

- X Auxiliary Program eliminated.
- X Enhanced Medical Option eliminated.

March 31, 2006:

- X Fifth week of vacation eliminated for a majority of flight attendants (some will continue to receive fifth week because they met the seniority-based cut-off date established by Delta).

- X Future vacation accrual capped at four weeks.

April 1, 2006:

- X Authorized Leave: eliminated and replaced by more restrictive program for company-designated holidays only.

- X Uniform Cleaning Allowance: eliminated except in BOS and LAX.

- X Short-Term Disability: employees are now required to purchase it.

Broken Promises continued on back.



April 1, 2006, continued

✗ **Long-Term Disability: Delta lowers coverage from 60% of earnings to 50%.**

✗ Flight attendants have option to purchase additional coverage to 60% (employees previously could purchase coverage to 70%).

✗ Certified Sick Banks: no longer accrue time.

➢ Paid Personal Time (PPT): non-certified time is replaced with 27.5 hours/year for illness, injury, personal time.

April 30, 2006:

✗ **MIA closed.**

May 1, 2006:

➢ Alternate Flying Program (AFP): first AFP bases open with participants subjected to more stringent criteria/rules than other Delta bases.

2007

✗ **Pension Change: all employees who have not reached age 52 on March 31, 2007 now subjected to a different formula, resulting in greater Social Security Offset when they retire.**

➢ Non-Contract Employee Compensation Bonus Plan: 39,000 employees receive 3.5% of stock after Delta exits bankruptcy.

➢ Executive Bonus Stock Plan: 1,200 management employees receive 2.4% of stock after Delta exits bankruptcy (valued at approximately \$109 million).

July 1, 2007:

✓ 4% base pay raise.

➢ **Former Northwest and UnitedHealthcare CEO Richard Anderson becomes Delta CEO September 1, 2007.**

2008

UnitedHealthcare becomes provider for all healthcare plans.

January 1, 2008:

✗ Sick Leave: now paid at trips missed until non-certified bank depleted.

✓ Non-certified Days: increase to 7 days/year (from 27:30 hours/year to 42:00 hours/year).

✓ 1 for 2 Duty Rig: returned (but not applicable to short layovers).

✓ 1 for 3.5 Duty Rig: returned.

✗ **Rest: 8:00 hours behind doors, 10:00 hours rest after 16-hour duty.**

✓ Pre-plotted PPT Day: pay increased from 5:30/day to 6:00/day.

✓ A-Day Guarantee: 3-day block = 14:15.

February 7, 2008:

Executive Compensation Increases:

➢ Management Incentive Program created—cash incentives granted to executive/management employees.

➢ Long-term Incentive Program created —additional stock options granted to executive/management employees.

May 28, 2008:

DELTA FLIGHT ATTENDANTS FAIL TO GAIN REPRESENTATION.

June 12, 2008:

✗ Administrative Action Guidelines changed. ALL disciplinary actions now maintained in personnel file for the duration of employment at Delta.

✓ Minutes Under By Segment Credit Rig: returned.

October 29, 2008:

Department of Justice officially approves merger between Delta Air Lines and Northwest Airlines.

January 1, 2009:

✓ 3% increase to flight pay only.

March 2, 2009:

✓ Jury duty pay increased to 6 hours per day.

March 31, 2010:

✓ Certified Time Bank: previously frozen, it can now increase to maximum of 1,200 hours. Prior approval from Sedgwick necessary before Certified Time can be used.

July 19, 2010:

✓ Profit Sharing: Delta announces \$90 million in profit sharing will be set aside for employees and paid out "early next year".

**DELTA AFA REPRESENTATION ELECTION UNDERWAY:
SEPTEMBER 29, 2010 - NOVEMBER 3, 2:00 PM ET**

October 1, 2010:

✓ 2% or 5% increases for flight pay only.

Always Keep Your Deals ^{with executives} _^

EXECUTIVE COMPENSATION INCREASES AND SERP:

In 2002, at the same time that employees started to lose benefits and compensation, Delta reworked its executive bonus criteria to shift the focus to measures other than profits. This made it possible for executives to receive bonuses even if the company lost money. Company documents showed the top five executives got \$4.8 million in cash and 55 second-tier executives got \$12.5 million in cash under the plan.

Also in 2002, the Retention Program for executives was created which allowed for executives to receive a contingent cash retention award of 125%-300% of their base salary if they continued to stay at Delta in 2003 and 2004, respectively.

- 33% of the award was given in January, 2004
- 67% of the award was given in January, 2005

In 2002, Delta set up a Special Executive Pension Program (SERP) for the 35 top executives. The initial payment into the SERP was \$25 million. Another payment of \$20 million was made in 2003. The third installment of \$20 million was scheduled for early 2004, but was not made due to government and employee outcry.

- This program allowed these executives to leave Delta with sizable pensions.
- To date, 30 of these executives have left Delta with their SERP pensions in hand.

NOTE: at the time of the creation of the SERP, non-contract employee pension plans at Delta were underfunded by as much as \$4.9 Billion.

VOTE DeltaAFA Representation
Opportunity. Unity. Respect.