INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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September 23, 2024

VIA EMAIL
Mr. Greg Anderson
CEO and President
Allegiant Travel Company

Dear Mr. Anderson,

I am writing to seek clarification regarding the Company's position on the timing of payments under the Retention Bonus MOU and the handling of the retention bonus funds.

The Interim Agreement from July 2023 (a/k/a/ "Retention Bonus MOU") provides a mechanism for retaining pilots through deferred retention bonuses (hereinafter, "Interim Agreement"). Paragraph 4 of the Interim Agreement states that *"... following the ratification of the Parties' amended CBA, the Company will payout the actual calculated retention bonus amount due to each Pilot."* The Interim Agreement is explicit that such compensation will occur following, and not before, the ratification of an amended CBA. The Company agreed explicitly to the conditionality of retention bonus payments within the Interim Agreement itself; the Company also publicly confirmed its understanding of the conditionality of retention bonus payments in SEC documents. For example, the Company's 10-Q filing with the SEC for Q2 of 2024 states that *"...the bonus will be paid to all pilots remaining employed with us upon ratification of a new collective bargaining agreement"* and further that *"...the accrued pilot retention bonus is payable after completion of a new collective bargaining agreement with this work group."*

In contrast to the clear terms of the Interim Agreement and the statements provided to investors within SEC filings, Local 2118 has received reports that one or more managers have told pilots in recurrent ground school that Allegiant would disburse the retention bonus before ratification of an amended CBA **if only** the Union agreed to do so. The reports also indicate pilots were told in recurrent and initial training that the Union had prohibited early disbursement of the retention bonuses. I would like to remind you that the terms and timing of such retention bonus payments were mutually agreed upon by **both** the Company and the Union as set forth in the Interim Agreement. If the Company is serious about disbursing the retention bonus to pilots prior to ratification of a new CBA, I am available to meet with you and have that conversation.

Further, I have received many questions from pilots regarding the custody of, and accounting for, these retention bonus funds. The Company stated in the second quarter 10-Q SEC filing that *"...for the three months ended June 30, 2024, we recorded estimated pilot retention bonus accruals of $23.7 million bringing the total accrual to $100.6 million at period end, including the related payroll taxes."* I would like further explanation of how these funds are treated within the Company's financial disclosures and whether they are segregated in an escrow account or comingled with unrestricted Company funds. To facilitate this discussion and provide clarity to the ultimate recipients and beneficiaries of these funds (e.g., the pilots), both myself and the Union's financial and economic consultants are available for discussion. Please let me know when you are available to meet for this purpose.

Sincerely,

Greg Unterseher
Trustee, APA Local 2118