

# **SUMMARY OF MATERIAL MODIFICATIONS FOR HEALTH AND WELFARE BENEFIT PLANS SPONSORED BY AMERICAN EAGLE, INC.**

**March 15, 2013**

This document serves as notice to employees of changes to the Company sponsored health and welfare benefit plans listed below. This Summary of Material Modifications describes the changes that affect your benefit plans and updates your summary plan descriptions. This Summary of Material Modifications, together with the Employee Benefits Guide, makes up the official plan documents and Summary Plan Descriptions. **Please read this notice carefully, and place this notice with your Summary Plan Description(s) (the Summary Plan Descriptions are contained in the Employee Benefit Guide (“EBG”)).**

These changes apply to the Group Health and Welfare Benefits Plan for Employees of American Eagle Airlines and Its Affiliates (Plan 501, EIN #38-2036404; referred to herein as the “Plan”).

**In “General Eligibility,” “Employee Eligibility,” “Active Employees,” on page 16, add the following sections:**

## **Hours Worked Requirement for Flight Attendants**

Effective with the Plan year beginning January 1, 2014, Flight Attendants must have worked 350 or more hours between July 1 and June 30 of the preceding year (the “Look Back Period”) to be eligible for coverage under the Plan. Flight Attendants who worked between 350 and 539 hours during the Look Back Period will be eligible for Company-subsidized health benefits at the part-time employee contribution rate. Flight Attendants who worked 540 or more hours during the Look Back Period will be eligible for Company-subsidized health benefits at the full-time employee contribution rate.

A New Hire will pay the rate according to their hire classification and the hours will be prorated for hours worked during the applicable look back period.

## **Hours Worked Requirement for Fleet Service Clerks and/or Agents**

Effective with the Plan year beginning January 1, 2014, Fleet Service Clerks and Agents must have worked 800 or more hours between July 1 and June 30 of the preceding year (the “Look Back Period”) to be eligible for coverage under the Plan. Fleet Service Clerks and Agents who worked between 800 and 1559 hours during the Look Back Period will be eligible for Company-subsidized health benefits at the part-time employee contribution rate. Fleet Service Clerks and Agents who worked 1,560 or more hours during the Look Back Period will be eligible for Company-subsidized health benefits at the full-time employee contribution rate.

A New Hire will pay the rate according to their hire classification and the hours will be prorated for hours worked during the applicable look back period.

**In “Additional Health Benefit Rules,” “Surviving Spouses of Active Employees,” on page 166, the following text replaces the asterisks:**

\* If you die while you and your Company-recognized Domestic Partner are covered under any Company-sponsored Medical Benefit Option, your surviving Company-recognized Domestic Partner receives medical coverage for 90 days from the date of your death. At the end of the 90-day period, your Company-recognized Domestic Partner may elect Continuation of Coverage under COBRA for up to 36 months. The 90 days of coverage are included in the 36 months.

**END OF SUMMARY OF MATERIAL MODIFICATIONS**

## **CLARIFICATIONS TO THE EMPLOYEE BENEFITS GUIDE FOR AMERICAN EAGLE AIRLINES EMPLOYEES**

This document serves as notice to American Eagle Airlines, Inc. active and Leave-of-Absence employees of clarifications to the summary plan description – the American Eagle Employee Benefits Guide (“EBG”). These clarifications, together with the EBG, make up the official plan documents and Summary Plan Descriptions. **Please read this notice carefully, and place this notice with your Summary Plan Description(s) (the Summary Plan Descriptions are contained in your EBG).**

These clarifications apply to:

Group Health and Welfare Benefits Plan for Employees of American Eagle Airlines and Its Affiliates. (Plan 501, EIN #38-2036404; referred to herein as the “Plan”).

**END OF CLARIFICATIONS TO THE EMPLOYEE BENEFITS GUIDE**