

LKE Compensation & Benefit Overview

Contract Options	OPTION I	OPTION II	OPTION III	OPTION IV
Working Patterns	46 Days OFF	4 Weeks ON & 2 Weeks OFF	6Weeks ON & 3Weeks OFF	1 Month ON & 1 Month OFF
Monthly Service Fee	\$18,600	\$16,500	\$15,500	\$12,500
Yearly Living Allowance	\$9,600	\$9,600	\$9,600	\$9,600
Yearly Transport Allowance	\$3,600	\$3,600	\$3,600	\$3,600
Annual Bonus	\$15,000	\$15,000	\$15,000	\$15,000
Yearly Travel Allowance	\$6,000	\$6,000	\$6,000	\$6,000
Yearly Faminly Fund	\$12,000	n/a	n/a	n/a
Overtime Pay	\$232/h >80h.mth	\$220/H > 75H/Month	\$220/H > 70H/Month	\$215/H > 700H/Year
Yearly Instructor Allowance	\$18,000	\$18,000	\$18,000	\$18,000
Loyal Bonus	5% inrease on monthly service fee upon renewing the contract, i.e. 4th year, $\$18600 * 1 * 5\% * 12 = \11160 ; 5th year, $\$18600 * 2 * 5\% * 12 = \22320 ; 6th year.	5% inrease on monthly service fee upon renewing the contract, i.e. 4th year, $\$16500 * 1 * 5\% * 12 = \9900 ; 5th year, $\$16500 * 2 * 5\% * 12 = \19800 ; 6th year, $\$16500 * 3 * 5\% * 12 = \29700 .	5% inrease on monthly service fee upon renewing the contract, i.e. 4th year, $\$15500 * 1 * 5\% * 12 = \9300 ; 5th year, $\$15500 * 2 * 5\% * 12 = \18600 ; 6th year, $\$15500 * 3 * 5\% * 12 = \27900 .	5% inrease on monthly service fee upon renewing the contract, i.e. 4th year, $\$18600 * 1 * 5\% * 12 = \7500 ; 5th year, $\$18600 * 2 * 5\% * 12 = \15000 ; 6th year, $\$18600 * 3 * 5\% * 12 = \22500 .
Oil Saving Bonus	According to company policy	According to company policy	According to company policy	According to company policy

New Employee Bonus	\$15000 to the pilots if joins LKE within 3 months after the CAAC simulator check; \$20000 to the pilot if joins LKE withhold of a CAAC License.	\$15000 to the pilots if joins LKE within 3 months after the CAAC simulator check; \$20000 to the pilot if joins LKE withhold of a CAAC License.	\$15000 to the pilots if joins LKE within 3 months after the CAAC simulator check; \$20000 to the pilot if joins LKE withhold of a CAAC License.	\$15000 to the pilots if joins LKE within 3 months after the CAAC simulator check; \$20000 to the pilot if joins LKE withhold of a CAAC License.
Total income in 1st 3 year contract	Captain, \$823200 Instructor, \$859200	Captain, \$711600 Instructor, \$747600	Captain, \$693600 Instructor, \$729600	Captain, \$567600 Instructor, \$603600
Total income in 2nd 3 year contract	Captain, \$875160 Instructor, \$929160	Captain, \$756000 Instructor, \$81000	Captain, \$734400 Instructor, \$788400	Captain, \$597600 Instructor, \$651600
Ticket Benefit	4 demostic tickets & 30 ID75 tickets per year to the pilot & immediate family members; 1 extra int'l ticket since the 3rd year; 2 extra int'l tickets since the 7th year.	4 demostic tickets & 30 ID75 tickets per year to the pilot & immediate family members; 1 extra int'l ticket since the 3rd year; 2 extra int'l tickets since the 7th year.	4 demostic tickets & 30 ID75 tickets per year to the pilot & immediate family members; 1 extra int'l ticket since the 3rd year; 2 extra int'l tickets since the 7th year.	4 demostic tickets & 30 ID75 tickets per year to the pilot & immediate family members; 1 extra int'l ticket since the 3rd year; 2 extra int'l tickets since the 7th year.
Service Fee during training period	60% during Ground School, & 80% during Line Training; If holding a CAAC Licence, 80% during Ground Schoold & Line Training.	60% during Ground School, & 80% during Line Training; If holding a CAAC Licence, 80% during Ground Schoold & Line Training.	60% during Ground School, & 80% during Line Training; If holding a CAAC Licence, 80% during Ground Schoold & Line Training.	60% during Ground School, & 80% during Line Training; If holding a CAAC Licence, 80% during Ground Schoold & Line Training.

Notes:

- 1. Instructor Allowance:** pilots who have been working in LKE for over a year can apply for promotion to INSTRUCTOR. LKE provides an allowance of \$18000 per year to the pilot once completing relevant training and 3 month probation.
- 2. Tickets:** round trip.
- 3. Overtime Pay,** Option 1-3 are paid by month, Option 4 is paid by year.
- 4. Holder of CAAC License,** ONLY refers to those who have been working in China before and the CAAC License is still valid.
- 5.** The validity period for New Employee Bonus is until Dec. 31th, 2016