USERRA Pilot 401(k) Contribution Methodology

This document describes the methodology used by Sun Country Airlines ("Sun Country") to calculate employer contributions to pilots' 401(k) plan accounts following periods of military leave, as implemented on and after October 1, 2025. Sun Country provides this disclosure in connection with the settlement of *Smith v. Sun Country, Inc*., No. 24-cv-619 (D. Minn.), which resolves claims arising through December 31, 2025. This disclosure will be distributed along with the settlement class notice and will also be made accessible to class members through Sun Country's intranet where other information about the 401(k) plan is posted. It does not replace, amend, or modify the Sun Country, Inc. 401(k) Profit Sharing Plan, any summary plan description, or any employment agreement or collective bargaining agreement, nor does it require Sun Country or any successor or affiliated entity to adopt or maintain any particular methodology on a going-forward basis.

Following the acquisition of Sun Country by Allegiant Travel Company on May 13, 2026, the integration of payroll, benefits, and plan administration functions is ongoing. The methodology described below reflects Sun Country's practice from October 1, 2025 until the Sun Country, Inc. 401(k) Profit Sharing Plan merges with The Allegiant 401(k) Retirement Plan; it may not apply to periods following the acquisition or to any successor or affiliated entity, and this document does not describe any methodology or practice that may apply going forward.

USERRA Protections. Pursuant to the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), Sun Country pilots who are absent due to service in the uniformed services are eligible for continued 401(k) contributions upon return from qualifying military leave. The uniformed services consist of:

- Army, Navy, Marine Corps, Air Force and Coast Guard
- Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve and Coast Guard Reserve
- Army National Guard and Air National Guard
- Commissioned Corps of the Public Health Service
- Any other category of persons designated by the President in time of war or emergency

Pilots' Monthly 401(k) Contribution - CBA Benefit. Per Section 28 of the Pilot Collective Bargaining Agreement (the "CBA"), eligible Sun Country pilots receive employer 401(k) contributions regardless of whether they make elective deferrals to the Plan. The amount to be contributed each month by Sun Country into each pilot's account shall be an amount equal to 15% of the pilot's gross earnings for the previous month. Gross earnings shall be determined as the number of pay and credit hours earned during the previous month, multiplied by the applicable hourly rate. Gross earnings include all amounts earned as a pilot, such as earnings from training activities and any other pilot duties, but do not include untaxed per diem provided by Section 5 of the CBA.

Timing of Contribution. Sun Country will generally make the applicable contribution between the first and second payroll cycles during the month following a pilot's return to work after military leave, and in any event no later than 90 days after the pilot's return to work. Contributions will be reflected in the pilot's payroll records and Fidelity 401(k) account.

Contribution Calculations Policy. When the compensation that the pilot would have received but for the military service is reasonably certain, the contribution to the 401(k) plan will be based on the pay the pilot would have received but for the military leave. When the compensation the pilot would have received but for the military leave is not reasonably certain, the 401(k) contribution is computed on the basis of the pilot's average rate of compensation during the 12-month period immediately preceding the military leave (or, if shorter, the period of employment immediately preceding such period).

Three Hour Virtual Credit. As of October 1, 2025, Sun Country's pilot scheduling system changed to the "preferential bidding system" (PBS), which was memorialized in a letter of agreement (LOA) modifying the CBA. The LOA provides that "[a] Pilot on an unpaid Leave of Absence (e.g., Military, Personal, FMLA, etc.) and who is eligible to bid for a partial Month will have a Virtual Credit of three (3) hours applied to each Day of the leave. Virtual Credit has no pay value." In other words, pilots receive a 3-hour "virtual credit" for each day of a partial-month military leave if the leave was known to Sun Country before schedules were finalized. Because no schedule exists to reference when leave is known in advance of scheduling, the PBS system applies the Virtual Credit rate established in the LOA as the basis for the contribution calculation in these circumstances.

Contribution Calculation Methodology. The following describes the methodology Sun Country uses to calculate the contribution amount:

- **Partial Month Military Leave**: When a pilot is on military leave for less than a full month, the contribution is calculated as follows:
    - **After Schedule Finalized**: If Sun Country learns about the military leave after the pilot's monthly schedule has been finalized, contributions will be based upon the value of the trip(s) or assignment(s) the pilot would have flown but for the military leave. For example, assume a pilot whose hourly pay rate is $200 was scheduled to fly trips worth 60 credit hours during the period of military leave. The pilot's gross earnings would be 60 credit hours × $200 = $12,000, and the 401(k) contribution would be 15% × $12,000 = $1,800.
    - **Before Schedule Finalized**: If Sun Country learns about the military leave before the pilot's monthly schedule has been finalized, the pilot will receive 3 hours of credit for each day of military leave. For example, if a pilot is on military leave from the first through the tenth of a month, the contribution will be based on 30 hours of credited time (3 hours × 10 days).

- **Full Month Military Leave**: When a pilot is on military leave for a full month or longer, the earnings for the 401(k) contribution is calculated as follows:
  - **Lookback**: Sun Country conducts a historical lookback, averaging the pilot's monthly earnings over the previous 12 months (or, if shorter, the period of employment immediately preceding the period of leave) applying the following exceptions:
    - **Skip Prior Military Months**: If a pilot was on military leave for an entire month during the preceding 12-month period, Sun Country skips that month and goes further back until i12 months of active service are included in the lookback. If a pilot was on military leave for only part of a month, that month is still included in the lookback. Pay rates are applied based on what was in effect during each respective month, including any months beyond the standard 12-month window.
    - **Guarantee Floor**: If the lookback results in a number that is lower than the applicable monthly minimum guarantee under the CBA for a particular month, Sun Country trues up to the guarantee for that month.

Example: Assume a pilot is on military leave for a full calendar month and has an hourly pay rate of $200. Over the preceding 12 months, the pilot's credit hours total 900 hours (as illustrated below), which averages to 75 hours per month. The pilot's average monthly gross earnings are 75 hours × $200 = $15,000, and the 401(k) contribution is 15% × $15,000 = $2,250. The pilot's monthly credited hours over the lookback period are illustrated below:

Month	Military Credit Hours	Earned Credit Hours	Total Credited Hours
Month 1	80	—	80
Month 2	—	75	75
Month 3	25	50	75
Month 4	85	—	85
Month 5	10	60	70
Month 6	75	0	75
Month 7	—	70	70
Month 8	70	—	70
Month 9	60	15	75
Month 10	80	—	80
Month 11	20	45	65
Month 12	—	80	80
12-Month Total (Months 1–12)	**—**	**—**	**900**
Monthly Average (900 ÷ 12)	**—**	**—**	**75**

Month 13 — Full-Month Leave (credited at 12-month average)	**75**	**—**	**75**

Explanation of Calculations: From January 1, 2026 until Sun Country, Inc. 401(k) Profit Sharing Plan merges with The Allegiant 401(k) Retirement Plan, each Sun County pilot who returns from military leave will receive an explanation of how the specific contribution to the 401k plan for that particular military leave was calculated, to enable that pilot to understand how the contribution amount was calculated including by identifying any applicable lookback period, credited value used, applicable pay rates, guarantee floor applied and any adjustments or exclusions applied. The calculation explanation will be provided to the pilot within 7 days of the date when the contribution is made.

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This document is provided as part of the class-wide settlement in Smith v. Sun Country, Inc., No. 24-cv-619 (D. Minn.) to accurately describe how Sun Country has calculated contributions for the 401(k) plan since October 1, 2025. It is not a plan document, summary plan description, or amendment to the Sun Country 401(k) plan. The Plan documents govern in the event of any inconsistency between this disclosure and the Plan, and nothing in this disclosure modifies pilots' rights or Sun Country's obligations under the Plan, USERRA, ERISA, or the CBA. Nothing herein requires Sun Country to adopt or maintain any particular methodology or policy on a going-forward basis. This document is provided solely in connection with the settlement described above, describes Sun Country's policies and contribution methodology as implemented on and after October 1, 2025, and does not make any representation regarding the practices of any successor or affiliated entity. Nothing in this document is or should be construed as an endorsement by Plaintiffs, the Class or Class Counsel of the policy adopted by Sun Country or any concession by Plaintiffs, the Class or Class Counsel that the policy adopted by Sun Country (or any successor in interest) complies with any law including USERRA or ERISA. This statement does not limit or modify the release set forth in the Settlement Agreement.