

**Contractual Improvements**  
IAMAW Clerical Hawaiian Airlines, Inc.  
12/18/2009

Duration: 4 years

<u>Compensation:</u>	1/1/2010	1/1/2011	1/1/2012	1/1/2013
	5%	4%	3%	3%

Bonus Program:

- Performance Bonus
- Profit Sharing from first dollar of profit
- Balanced Business Scorecard.

Holidays Restored:

- 2010: Kamehameha Day
- 2011: Discovers' Day
- 2012: Birthday (paid day off for full-time).

Classifications of Work:

- Three new classifications (Weight & Balance, Claims, Reserve Part Time).

Qualifications & Job Descriptions:

- Changed testing requirements for Customer Service – computer skills test in place of typing test.

Retirement:

- Voluntary Separation Package for full-time active with age 50, 25 yrs service: Six months pay plus contractual retirement provisions.

Benefits:

- No premium increase for current medical plans
- New medical plan options with reduced premiums (\$5 Single; \$10 Couple; \$20 Family)
- Dental plan dependant coverage for full-time students up to age 25.

Health & Welfare:

- Updated Attendance Control Program.
- Vacation donation program.
- Increased Group Life and AD&D options.
- Emergency leave up to 80 hours.

Miscellaneous: All employees \$5 per month for Company provided parking.

Work Rules:

- Increased day/shift trade program.
- Overtime offered by seniority order for six month trial period.

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Specific Sections for WPT, MCSR, Reserve PT, Regular PT

Regular Part-Time Employees Section 22

- Pay progression (regular part-time)
- Hours of Service:
  - limited number of four (4) hour shifts at HNL & OGG
  - Two consecutive days off,
  - Shift starting times on hour, half-hour, or quarter hour
  - Breaks
    - 4 hr shift one 10 minute break
    - 5 hr shift two 10 minute breaks
    - 6 hr shift two 10 minute breaks
  - Seven day notice for any schedule changes
- Additional Holidays:
  - 2010 Kamehameha Day
  - 2011 Discovers' Day
- Date of Hire/Filling of Vacancies: Company must post all regular part-time vacancies, Specific procedures for awarding vacancies
- Leaves of Absence: Unpaid bereavement leave of similar duration as FT, option to use vacation pay, Unpaid emergency leave up to 40 hours, Personal leaves of absence.
- Vacation: Vacation bid and accrual procedure specified, awarded days off protected

New Hires

Applies to employees hired after 1/1/2010

- Entry level pay scale
- Union due/fee payment within 60 days of hire
- Benefits
  - 401k Company contribution starting at year 5
  - New medical plans with reduced premiums, eligible for existing plans after 5 years

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**Contract Language**  
(Underlined sections indicate added changes)

Duration: Article 28

*This Agreement, as amended, shall become effective date of ratification and shall continue in full force and effect through December 31, 2013, and shall renew itself without change unless written notice of intended change is served in accordance with Section 6, Title 1, of the Railway Labor Act, as amended, ninety (90) days prior to December 31, 2013, or in accordance with the provisions of Clause 3.2 of this Agreement, by either party hereto.*

Compensation: Current employees see Attachments A & B

Bonus Program: LOA #13

***Performance Bonus***

*Each year, the Company will establish performance goals for on-time performance, safety, etc. Based on the yearly goals, quarterly goals will be set. These performance goals will be discussed with all unions and brought to the attention of all employees. For each quarter that the performance goals are met, each active full-time employee will receive a bonus of \$150, a potential total of \$600 per year, and each active part-time employee will be eligible for a quarterly bonus of \$75 per quarter, a potential total of \$300 per year. Any bonus payments will be reduced by applicable taxes and pre-tax deferral deductions. If goals are not met, no performance bonus will be paid for that quarter. Performance bonus payments will be paid regardless of company profitability. Should the Performance Bonus payments be increased for any other group, such increase shall not result in a decrease to IAM-C's share of any Profit Bonus.*

***Profit Bonus***

*The total potential profit bonus will be 5% of annual pretax profits (excluding extraordinary items and charges) from the first dollar of profit. Before being allocated among employee groups, the total potential profit bonus will be reduced dollar-for-dollar by the performance bonuses and any special bonuses paid for the year. The Company may, at its discretion, pay the profit bonus on a quarterly, rather than an annual basis. Should any other group(s) be provided a different Profit Bonus formula, such group(s) will be separated into a different Profit Bonus plan so as not to negatively impact the IAM-C's share of the plan.*

*The net profit bonus will first be divided among all employee groups (ALPA, AFA, IAM, TWU, non-represented, etc.) on the basis of each group's pro rata share of W-2 wages for the year. The pro rata share of any non-participating employee group will not be paid out to any group. Within each participating group, the bonus will then be allocated based on regular W-2 wages (as defined below) of each eligible member of the group, or another basis if that is agreed upon. Profit bonuses paid will be less applicable taxes and pre-tax deferral deductions. The Company would have discretion to set a minimum amount payable to any individual.*

***Example***

*If Hawaiian's 2009 pre-tax profit were \$40 million the total potential bonus payment would be \$2 million. If the Performance Bonuses paid out for the year totaled \$600 thousand, then up to \$1.4 million would be allocated among employee groups and individual employees in the manner described above.*

***General Provisions***

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*Eligible employees are defined as active employees during the applicable period with accumulated W-2 wages in excess of \$500 per quarter unless, before the time of payout, they were involuntarily terminated or voluntarily resigned. The profit Performance Bonus and Profit Bonus plans would apply to all employees meeting these criteria, except corporate officers. The above criteria would also apply to all employees and corporate officers in the Incentive Compensation Program.*

*For purposes of the plans, W-2 wages shall mean regular earnings as reported in Box 5 including employee pre-tax deferrals (e.g. 401(k) employee contributions) on previous year's IRS Form W-2 and exclude bonuses, vacation payoffs, insurance, layoff severance and other similar non-regular earnings even if otherwise reported in Box 5 on Form W-2.*

*Payments described herein will not be treated as covered compensation for 401(k) or pension plan purposes.*

*Participation in the Profit Bonus and the Incentive Compensation programs shall start as of the effective date of the amended CBA and shall continue until the CBA becomes amendable. If the CBA starts or becomes amendable during a year, the amount of the Profit Bonus to the group using the formulas described above will be multiplied by a fraction, the numerator of which is the number of whole months in the year through the amendable dated and the denominator of which is 12. The resulting amount will then be distributed among members of the group based on the allocation rules described above.*

*Participation in the programs described herein shall continue through December 31, 2013 (i.e. final payouts in 2014). While any of these may be extended by mutual agreement of the parties, it is expressly agreed that notwithstanding the status quo provisions of the Railway Labor Act, this Agreement shall have no force or effect beyond the dates stated herein.*

**Holidays: Article 7**

7.14 The following shall be designated as Company holidays:

<i>New Year's Day</i>	<i>Labor Day</i>
<i>Presidents' Day</i>	<i><u>Discovers' Day (as of 1/1/2011)</u></i>
<i>Memorial Day</i>	<i>Thanksgiving Day</i>
<i>Independence Day</i>	<i>Christmas Day</i>
<i><u>Kamehameha Day (as of 1/1/2010)</u></i>	

- a. *If any of the above named holidays is by State or national proclamation observed on any day other than that on which it falls, the day observed shall be considered as the holiday.*
- b. *In addition, an employee's birthday and Company Anniversary Day will be observed as unpaid holidays. The employee will be given the actual day off for his birthday unless he requests otherwise. If requirements of the service permit, providing he makes his request at least fifteen (15) days in advance the Company Anniversary Day can be taken on the actual date. If the employee's*

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*birthday and Company Anniversary Day are not taken on the actual dates, they can be taken in conjunction with his days off. In any event they must be taken within thirty (30) days of the actual date. If either day falls on one of the holidays noted above or on his rest days he will be given an additional day off in accordance with the preceding procedures.*

- c. *As of 1/1/2012, the employee's birthday will be observed as a day off with pay, utilizing the same procedure noted above in 7.14.b.*

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Classifications of Work: Article 4

4.1 For the purpose of this Agreement, the following job classifications will apply: (See attachment chart, Classifications within Divisions, page 111.)

**CUSTOMER SERVICE**

Aircraft Scheduler 2  
Aircraft Scheduler 1  
Revenue Analyst 2  
Revenue Analyst 1  
Crew Scheduler  
Assistant Crew Scheduler  
Chief Agent - Customer Service  
Chief Agent - Reservation  
**Chief Agent – Claims**  
Chief Agent - Cargo  
**Weight & Balance Agent**  
Customer Service Agent  
**Claims Agent**  
Cargo Agent  
Reservation/CTO Agent  
Lead Ramp Agent  
Ramp Agent

**COMPUTER SERVICES**

Computer Operator 3  
Computer Operator 2  
Computer Operator 1

**ACCOUNTING**

Senior Accountant  
Junior Accountant  
Accounting Clerk 2  
Accounting Clerk 1

**MATERIAL MANAGEMENT**

**Chief Buyer**  
**Buyer**  
**Inventory Chief**  
**Inventory Agent**  
Lead Records Agent  
Aircraft Records Agent  
Material Support Lead  
Material Support Specialist  
Material Support Agent  
Material Support Courier

**ADMINISTRATIVE SUPPORT SERVICES**

Lead Printer  
Printer  
Secretary  
Clerk Typist

The classifications listed shall determine the sequences for the purpose of promotions and step backs within the basic work classification (e.g., Chief Agent – Agent – Ramp Agent)

Qualification & Job Descriptions: Article 5

5.2 Customer Service

-Computer skills test\*

(c) Customer Service Agent

NOTE: Requires passing computer skills test

5.3 MATERIAL MANAGEMENT

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- (g) INVENTORY AGENT – Responsible for maintaining inventory records and reconciliation with the General Ledger and Asset register. Must successfully pass the Inventory competency exam to qualify for the position.
- Creates and maintains the part number records in the current inventory system
  - Ensures proper approvals for all transactions per the current Company levels of approval authority
  - Performs conversions in to various units of purchase and units of issue
  - Utilizes various reference manuals and resources to qualify aircraft-related part numbers before entry into the inventory system
  - Supports system-wide inventory counting activities, daily price adjustments, inventory adjustments, and disposal of inventory
  - Creates and updates orders for repairs, warranty and contracts and ensures its timely return through follow up an communications with vendors
  - Reviews various logistics options and selects the appropriate shipping method for parts movement
  - Obtains QA approval of new repair vendors and creates/updates the vendor records.
  - Creates, tracks, and calculates charges for loans to airlines or vendors
  - Works with various departments and contract vendors in the performance of daily duties
  - Supports any surplus or excess material disposal activities, as directed by management
  - Provides general clerical support and performs any other activity as directed by the Chief and/or Manager of Inventory Control
- (h) INVENTORY CHIEF – Responsible for supervising, training and evaluating employees of a lower classification.
- Assigns duties and monitors work of employees of a lower classification
  - Creates and updates office procedures manual for reference and training
  - Ensures that the job requirements of the department are carried out in accordance with the manager's instructions and established guidelines and procedures
  - Must be able to perform all duties of a lower classification
- (i) BUYER – Responsible for the procurement of material and services for the Company. Must successfully pass the Buyer competency exam to qualify for the position.
- Creates and updates purchase orders for stock and non-stock items in the current computer system(s)
  - Ensures proper approvals for all transactions per the current Company levels of approval authority
  - Updates item records, obtains current pricing and creates/updates vendor records as required
  - Sources material and negotiates to obtain the best price and condition in order to meet deadlines or to maintain proper stock levels to support the daily company operations
  - Reviews various logistic options and selects the appropriate shipping method
  - Performs conversions into various units of purchase and units of issue
  - Complies with basic requirements for purchasing various classes of parts and products and ensures that all mandated requirements as stated in the HA General Maintenance Manuals (GMM) for the purchase of approved parts are followed

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- Follows up on all open orders and investigates reported discrepancies by communicating with vendors and/or internal departments as needed
  - Provides general clerical support and performs any other activity as directed by the Chief and/or Manager of Purchasing
- (j) CHIEF BUYER – Responsible for supervising, training and evaluating employees of a lower classification.
- Assigns duties and monitors work of employees for a lower classification
  - Creates and updates office procedures manual for reference and training
  - Ensures that the job requirements of the department are carried out in accordance with the manager's instructions and established guidelines and procedures
  - Must be able to perform all duties of a lower classification
- (n) WEIGHT & BALANCE AGENT – Should have prior knowledge/experience of ramp policy and procedure, as well as the loading and unloading of all aircraft, to include but not limited to:
- Works as a liaison between ramp, passenger service, line service, dispatch, SOCC, and maintenance to uphold a safe, on-time operation
  - Familiarity with all types of ULD and pallets used in transportation
  - Knowledge of all onboard aircraft locking systems
  - Pre-plan expected payload for aircraft
  - Must report loading of all ULDs and pallets onboard aircraft
  - Must send final load message to aircraft prior to departure
  - Must transmit offload messages to arrival station(s)
  - Successful completion of RH100, RH200, RH300, and LM certification.
- (o) CLAIMS AGENT
- Must have hands-on knowledge of WorldTracer tracing system, SABRE, station operations, accounting procedures, Domestic and International airline tariffs, good working knowledge of baggage service procedures
  - Handles irate passengers and their representative over the telephone through responsive and pro-active problem solving, to effectively service the customer. This is achieved by being a good listener
  - Composes professional written correspondences to customer (outside/inside), outside agencies, airline partners, etc., in order to provide information and a thorough response to their concerns
  - Establish an effective working relationship with other HA departments as well as outside vendors (replacement/repair) to bring closure to claims
  - Investigate and research claim cases thoroughly, compiles data to make decisions, updates customers of claims and/or resolution
  - Identifies and assigns specific fault and station codes to cases and logs in database
  - Communicate and work effectively with all levels, meet deadlines, and perform other work as assigned/ required
  - Able to work under pressure, possess excellent customer service and people skills to effectively diffuse, mediate and resolve difficult claim cases
  - Must be a self-starter, dependable, responsible, and demonstrate computer literacy

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- Must have the ability to lift 70lbs., obtain required proper restricted area clearances (AOA/Customs if applicable), possess a valid drivers license and be able to obtain the necessary airport ramp license

**Retirement:**

**Voluntary Separation Package**

Eligibility requirements: Age 50 with 25 years of service with the Company. Six months base pay. Not offered until Feb 2010.

**Benefits: Article 23**

23.2 MEDICAL

The Company will offer the following medical plan options as set forth below.

1) Pre-existing Plans

- A) HMSA Preferred Provider Plan (PPP)
- B) Kaiser Health Plan B (HMO)

2) New Plans

- A) HMSA COMPMED – A, or equivalent
- B) Kaiser Prevalent Plan, or equivalent

Employees hired after 1/1/2010 may elect to participate in either the HMSA COMPMED – A (or its equivalent) or the Kaiser Prevalent Plan (or its equivalent) listed above under New Plans during their first five (5) years of employment. Election of a plan other than HMSA COMPMED – A (or its equivalent) or the Kaiser Prevalent Plan (or its equivalent) may be made during the first open enrollment period following the completion of five (5) years of employment.

Employees will make the following monthly contributions by way of payroll reduction to the cost of their health care plan(s):

1) Pre-existing Plans:

The monthly contribution for each employee will be 20% of the premium, with such monthly contribution not to exceed the lesser of:

- (a) 1.5% (for single coverage) or 2% (for two-party or family coverage of his or her monthly compensation; or
- (b) "Dollar caps" to be applied as set forth in the chart below as of 1/1/2010:

	<u>Single</u>	<u>Two-Party</u>	<u>Family</u>
Pre-Existing Plans	\$60.00	\$150.00	\$180.00

2) New Plans:

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<u>New Plans</u>	<u>Single</u>	<u>Two-Party</u>	<u>Family</u>
	<u>\$5.00</u>	<u>\$10.00</u>	<u>\$20.00</u>

*Employee dependents are defined as spouse and unmarried, dependent children under age nineteen (19), or under age 25 while enrolled as a full-time student.*

23.3 DENTAL

*The Company will provide for all full-time employees who have been employed for one (1) year, dental coverage through Hawaii Dental Service or Delta Dental Plan of California for the employee and his eligible dependents at no cost to the employee. Eligible dependents are defined as spouse and unmarried dependent children under age nineteen (19), or under age twenty-five (25) while enrolled as a full-time student.*

23.5 GROUP LIFE INSURANCE & ADD

- (a) *The Company will provide all members covered by this Agreement, who have been employed in a full-time capacity for a period of six (6) continuous months, life insurance at no cost to the employee in an amount equaling to one (1) times his annual base earnings (rounded up to the next highest multiple of \$1,000 if it is not already a multiple of \$1,000) not to exceed \$120,000. The amount of insurance provided will be adjusted at the beginning of each calendar year to reflect any salary or wage increases which the employee may have received during the year just completed*
- (b) *Employees may also purchase, at their own expense, additional life insurance in the amount of two (2) times his annual base earnings (rounded up to the next higher multiple of \$1,000 if it is not already a multiple of \$1,000) to a maximum of \$240,000. The amount of insurance will be adjusted at the beginning of each calendar year to reflect any salary or wage increase.*
- (c) *After six (6) months of continuous full-time employment, full-time employees will be provided accidental death and dismemberment coverage at no cost to the employee in an amount equaling to one (1) times his annual base (rounded up to the next highest multiple of \$1,000 if it is not already a multiple of \$1,000), not to exceed \$120,000.*

*Employees may also purchase, at their own expense, additional accidental death and dismemberment coverage in the amount of two (2) times his annual base earnings (rounded up to the next highest multiple of \$1,000 if it is not already a multiple of \$1,000), not to exceed \$240,000.*

**Health and Welfare:**

Company Policy: Attendance Control Policy (Applies to FT, Regular PT, Contract Services) improvements

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- 12.15 *The Company shall establish and maintain a program to permit the voluntary and anonymous donation of accrued vacation by IAM Local 141 members who wish to assist other employees who, because of serious illness, injury or other exceptional circumstances, have exhausted their own sick leave and/or vacation banks but are unable to return to work, and consequently, are facing financial hardship. The parties will establish a joint committee to establish rules, limitations and eligibility qualifications and to accept and approve applications for assistance.*
- 11.9 *Upon providing satisfactory proof of bona fide hardship, employees may be granted up to eighty (80) hours emergency leave without pay if the needs of the service permit.*

**Miscellaneous:**

- 18.9 *There shall be no change during the life of this Agreement in Company policy of providing free parking where space is available. All employees will pay no more than \$5.00 per month for Company provided parking.*
- 14.1 *During the first anniversary year and after completion of his probationary period, each full-time employee covered hereunder shall be eligible for free unlimited travel on a space available basis. A part-time employee shall be eligible for such pass privileges after completion of six (6) months of employment. The free unlimited space available transportation privileges described above apply to all flights operated by Hawaiian, including charters when allowed by the charter customer, with the exception of military air charters, for both active and retired IAM-represented employees and their eligible dependents, as well as eligible survivors of deceased IAM-represented employees with ten (10) or more years of service, whether or not such employees died while in active service with the Company. An employee who retires from the Company on his normal retirement date shall be allowed unlimited inter-island travel at a boarding priority of SOA. It is agreed that the free and reduced rate transportation as established by Company policy on the date of signing of this Agreement will not be substantially changed or discontinued during the term of this Agreement without first advising the Union of the reason therefore and affording the Union an opportunity to confer with the Company. For purposes of travel an employee who resigns with 25 years of service will be considered a retiree.*
- 21.2 *Each employee shall, as a condition of continued employment, within sixty (60) days of employment within the bargaining unit, become a member of and thereafter maintain membership in good standing (as herein defined) in the union; provided that such condition shall not apply with respect to any employee to whom such membership is not available upon the same terms and conditions as are generally applicable to any other member of his classification and at his point on the Company's system, or with respect to any employee to whom membership is denied or terminated for any reason other than the failure of the employee to tender the initiation fees, assessments, and monthly dues uniformly required of other employees in his classification and at his point on the Company's system as a condition of acquiring or retaining membership. For the purpose of this Agreement, "membership in good standing in the Union" shall consist of the payment by the employee of initiation or reinstatement fees uniformly required of other employees of like status, plus the payment of dues, and the payment of such assessments within prescribed limits as may be levied in accordance with procedures set forth in the Union's "Constitution of the Grand Lodge, District and Local Lodges, Councils and Conferences." Such membership in the Union does not preclude the Company from applying the probationary provisions in Article 9.10 and/or 22.16 of the Agreement.*

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Filling of Vacancies

10.6 Postings shall state the number of vacancies, whether temporary or permanent, the classification, the location, qualifications for the job, duties to be performed, rate of pay plus premium, if any, shift and days off, place where bids are to be sent, and the last date on which bids will be received, such date to be at least seven (7) days after the date the bulletin has been posted. Within seven (7) days after the bid is closed, the Company will post the name of the successful bidder. All postings will be transmitted by email to all stations/departments and put on the bulletin boards within twenty-four (24) hours of the time of that email. Part time bids shall be considered only after full time IAM bids have been exhausted. If full time bids have been exhausted, part time bids may be considered in the following order: 1) Regular Part-time employees within the same job description by Date of Hire; 2) Weekend Part-time within the same job description by Date of Hire; 3) Reserve Part-time within the same job description by Date of Hire; 4) Regular Part-time by Date of Hire; 5) Weekend Part-time by date of hire; 6) Reserve Part-time by Date of Hire; 7) Mainland Customer Service Representative by Date of Hire; 8) Contract services employees by Date of Hire.

Example: A full-time CSA vacancy in OGG with F/S off is available. Per 10.3, the resulting vacancy is full-time CSA in OGG with T/W off. This resulting vacancy is posted for represented IAM-C employees. No full-time employees bid for the position, bids from the following part-time employees are received:

Bids Received:

LIH Regular PT Ramp (DOH 11/02/1995)  
HNL Regular PT CSA (DOH 10/03/1999)  
OGG Contract Service (DOH 04/09/2002)  
OGG Weekend PT CSA (DOH 07/02/2002)  
KOA Regular PT CSA (DOH 02/5/2005)

The bids maybe considered in the following order:

HNL Regular PT CSA  
KOA Regular PT CSA  
OGG Weekend PT CSA  
LIH Regular PT Ramp  
OGG Contract Service

Work Rules:

6.9 TRADE POLICY

- (a) Trading of shift(s) and day(s) off will be permitted only between employees in the same location and classification. Trades are permitted with the understanding that they will not result in any additional expense to the Company or cause interruption to the normal process of work and pay. Trades are not intended to allow regular exchanges to circumvent shift/days bid procedures. In such cases the Company reserves the right to deny such requests.
- i) Employees who trade become responsible to work the shift/day so agreed to as if it were part of their shift/day assignment.

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- ii) *Full-time employees may trade with full-time employees, part-time employees may trade with part-time employees, weekend part-time employees may trade with weekend part-time employees, and so forth.*
- iii) *Part-time employees may work more than 5 days a week but are still limited to the contractual maximum hours per day outlined in Article 22 of the Agreement.*
- iv) *Probationary/trial period employees and/or employees who have transferred into a location which is a new area and require training, will not be eligible to trade until after the probationary/trial period is satisfactorily completed. Exceptions may be made in extenuating circumstances where an employee requires time off (i.e. to attend a funeral) at the sole discretion of management.*
- v) *No "back-to-back" shift trades will be allowed for either full-time, part-time or weekend part-time employees. Employees are responsible for ensuring that they do not agree to a trade which will violate the "back-to-back" provision. "Back-to-back" trade is defined as a trade where an employee works two shifts one after the other. If a back-to-back trade occurs, the employee who works the back-to-back trade will be restricted from further trades for three (3) months.*
- vi) *Double trades will not be allowed, e.g. Employee A trades with Employee B who in turn trades with Employee C (days or shifts).*
- b) *Any employee who has agreed to take a trade, and who becomes ill, shall be responsible for contacting the Company.*
- c) *Any employee who has agreed to work a shift/day trade, and becomes ill, shall not receive sick leave pay for the shift/day he/she agreed to work. The person requesting the trade shall not be penalized. This would be considered as a day off for him/her.*
  - i) *The employee who fails to report on a day(s) and/or shift(s) trade accepted, due to personal illness, shall be required to submit a doctor's certificate to substantiate the illness.*
  - ii) *The employee who fails to do so shall be restricted from further day(s) off and/or shift(s) trade for three (3) months from the date of infraction and will be subject to other disciplinary action as the circumstances may justify. Any trades already approved at the time of trade restrictions will be honored.*
- d) *Any employee who fails to report on a day(s) and/or shift(s) trade for any reason other than personal illness shall be restricted from further day(s) off and/or shift(s) trade for three (3) months after completion of current approved trades and will be subject to other disciplinary action as the circumstances may justify. Any trades already approved at the time of trade restrictions will be honored.*
- e) *No overtime will be paid to employees involved in a trade for work during the regular hours of the day(s) or shift(s) traded or as a result of the trade; 6th and/or 7th day worked as a trade will be paid at straight time. In locations with 10-hour, 4-day schedules, the 5th day will also be straight time.*

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- i) *Once an employee has traded, he/she will be ineligible for overtime consideration on the day he/she works under the trade until all employees otherwise eligible for overtime have been exhausted.*
- ii) *An employee who has requested or who has agreed to an approved shift/day off trade and cancels the shift/day off trade after overtime is announced, will be ineligible for overtime on that day.*
- iii) *Employees who work a shift or day trade, who thereafter work overtime on their 7th day, will be paid on the 7th day as if it were their 6th day.*
- iv) *An employee who works on a holiday as a trade will be paid straight time. His/her next scheduled (non-trade) workday shall be observed as his/her holiday. The employee who trades to be off on a holiday will receive holiday pay (8 hours of ST pay) for that day and will not be eligible for holiday pay or premium pay (1.5x pay) on his next scheduled work day.*
- v) *For Part-Time employees, the employee who trades to work on the day of the observed holiday will receive double time for the hours worked in accordance with Article 22. The employee who trades to be off on the day of the observed holiday will not receive any pay for the day off and will not observe the holiday on his next work day.*
- f) *Employee working due to shift trades will use their own time cards for payroll purposes.*
- g) *An employee shall be permitted a maximum of eight (8) day trades and five (5) shift trades per calendar month. For day trades, the person who trades to be off shall be charged. For shift trades, both employees shall be charged.*
- h) *No employee may work more than 13 consecutive days without a regularly scheduled day off as a result of trades. For this purpose, vacation days will be considered as a day off; all other absences (sick leave, occupational injury, etc.) shall not be considered a day off.*

**PROCEDURES**

- (a) **Trade Form:**  
*A request for each day to be traded (day, hour, and assignment) must be executed and submitted by both employees involved. The trade must be approved by the Company.*
- (b) **Timing of Request:**  
*Except in an emergency, employees must submit requests at least 24-hours prior to the first day involved in the exchange.*  
  
*Trade requests can be submitted up to a maximum of 45 days in advance and shall be processed within seven (7) calendar days after receipt by the Supervisor. Requests received within seven (7) days of the commencement of the trade shall be processed as soon as possible.*
- (c) **Trade Approval/Disapproval:**  
*Once the Trade Form has been completed by both employees involved in the trade, it will be verified and approved or disapproved by the Company. Trades will be considered as approved only after the request has been approved by the Company, and both the*

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requestor and acceptor have received notification of such approval. Reason(s) for disapproval's by the Company will be stated on the Trade Form.

- (d) Trade Cancellation:  
Cancellation of trades must be executed and submitted by both employees involved. Trade cancellations must be made prior to the start time of the intended trade and will not be effective until verified and acknowledged by the Company.

7.8 (c) The provisions of Article 7.8 regarding overtime equalization will be superseded for a period of six (6) months following the date of implementation of the Letter of Agreement dated December 16, 2009 in order to review the merits of the procedures outlined in that Letter of Agreement. Prior to the end of the six (6) month period the parties will meet to discuss and review the Letter of Agreement to determine whether the Letter of Agreement will continue or be withdrawn.

**Overtime Offering by Classification Seniority LOA**

Overtime shall be offered in order of classification seniority among all qualified employees at the location where overtime is required using the following procedures:

- (a) Employees will notify management if they desire to be called for overtime on a monthly basis.
- (b) A monthly list of employees who wish to be called for overtime will be compiled by the 25<sup>th</sup> of the preceding month and posted for each respective location on the last day of the preceding month in classification seniority order. If an employee does not place himself on the list to be available for overtime, he will not be offered overtime or be eligible for bypass pay. Employees may advise management to be taken off the list at anytime during the month
- i. Whenever possible, four (4) hours notice of contemplated overtime shall be given affected employees.
  - ii. During his probationary period (new hire), an employee will not be considered for overtime work unless enough qualified employees on the overtime list are not available, except that at a location where more than twenty-five percent (25%) of the total employees in shop (or work unit) and classification are in their probationary period they may work overtime.
  - iii. Overtime anticipated to be four (4) hours or less, which is continuous following a scheduled shift, will be offered to employees on regular work days on that shift. Overtime anticipated to be four (4) hours or less, in advance of and continuous with a scheduled shift, will be offered to employees on regular work days on the oncoming shift.
  - iv. Overtime anticipated to be more than four (4) hours will be offered to employees on a regular day off with preference to employees on the shift on which the overtime is needed.
  - v. An employee who is bypassed for an overtime assignment when eligible will be paid at the overtime rate for the overtime hours missed.

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vi. Only one (1) overtime list will be maintained for each grouping at each work location. e.g.

a. Sr. Accountant, Jr. Accountant, Accounting Clerk 2, Accounting Clerk 1

b. Chief Agent, Agent

c. Lead Ramp Agent, Ramp Agent

In reference to the use of these lists, it is understood and agreed that where the overtime vacancy to be filled is for a higher position, e.g. Chief, Lead, the low Chief or Lead employee on the overtime list shall be called to fill the requirement. On the other hand, if the position to be filled is for e.g., an Agent, Assistant Crew Scheduler, Accounting Clerk and the low employee on the overtime list is Chief, Crew Scheduler or Accountant, he will be offered the overtime and if he accepts, he will be paid at his regular rate during such overtime period.

**Regular Part-time**

22.6 (b) The Company will make available a limited number of four (4) hour shifts at the Honolulu and Kahului stations.

(c) Employees covered by this Article will be scheduled for at least two consecutive days off.

(f) Employees covered by this Article scheduled for a four (4) hour shift will be granted a ten (10) minute rest period. Employees scheduled for a five (5) or six (6) hour shift will be granted two (2) ten (10) minute rest periods. Such rest periods will be regularly scheduled and posted by the Company at each work unit.

(a) Starting times of shifts will be on the hour, half-hour or quarter hour in accordance with the needs of the service. It is further understood that multiple starting times will not be used unless there are two (2) basic shifts established for that department.

(h) The regular starting and stopping time for work shifts will be scheduled and posted at each work unit and at the line stations and will not be changed without seven (7) calendar days notice to any employee affected by such change. Posting of shift change seven (7) calendar days in advance will be presumed to be actual notice five (5) work days in advance. Any change of more than one (1) hour in the starting time of a shift will call for a bulletin of all jobs affected for local bids.

**22.7**

(b) For all hours worked on any one of the following Company holidays a rate of double time will be paid:

New Year's Day

Labor Day

Presidents' Day

Discovers' Day (as of 1/1/2011)

Memorial Day

Thanksgiving Day

Independence Day

Christmas Day

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Kamehameha Day (as of 1/1/2010)

22.10

(a) The filling of part time vacancies may be considered in the following order: 1) Regular Part-time employees within the same job description, then by Date of Hire; 2) Contract services employees by Date of Hire; 3) Weekend Part-time by Date of Hire; 4) Mainland Customer Service Representative by Date of Hire; and 5) Reserve Part-time by Date of Hire.

22.11 Leaves of Absence

(a) Upon providing satisfactory proof of bona fide hardship, employees may be granted up to forty (40) hours emergency leave without pay if the needs of the service permit.

(b) Bereavement Leave

In the event of the death of a member of an employee's immediate family, he will be granted up to three (3) days funeral leave without pay. Should travel be required outside the state in which the employee works, in order to attend funeral services, the employee will be granted up to five (5) days funeral leave without pay. Immediate family is defined as an employee's spouse, parents, children, brothers, sisters and grandparents.

22.21

(c) If an employee, through no fault of their own (such as the use of FMLA), no longer has the vacation hours to cover an awarded vacation period that employee may either cancel the vacation or may take the entire awarded vacation except that they will only be paid up to the amount of vacation hours currently available with the remainder of the awarded time off unpaid.

New Hires

**23.8 401(K) SAVINGS PLAN**

The Company will make contributions and will match 100% of each employee's 401(k) contribution up to 4% of their compensation, as defined under the 401(k) Plan, based on the following schedule:

<b>Years of Service as Defined in the Plan</b>	<b>Company Contribution</b>	<b>Company Match</b>
<u>1 year but less than 10*</u>	5.04%	0 percent (0%)
10 years but less than 15	5.04%	one percent (1%)
15 years but less than 20	5.04%	two percent (2%)
20 years but less than 25	5.04%	three percent (3%)
25 years or more of service	5.04%	four percent (4%)

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\* Employees hired after 1/1/2010 will not receive the Company Contribution until they reach five (5) years of service with the Company.

**ARTICLE 26**  
**RESERVE PART-TIME**

Intent STATEMENT: It is the intent of this Reserve PT classification to cover any Regular PT and WPT employees' absences, and to cover extended hours that regular PT employees do not volunteer to work. Article 7.9 of the Agreement shall apply to Reserve Part-time employees.

Example: if PT/WPT employee A is absent for any reason, then a reserve may be called in to cover for that schedule

Example: if a delayed flight is coming in and on-shift PT/WPT employees do not volunteer to extend, reserves may be called in, in lieu of forcing on-shift PT employees to stay.

26.1 Hours of Service

(a) Reserve Part-time may be called in after voluntary extension of regular PT/WPT.

(b) There will be 2 basic reserve periods (AM and PM)  
00:00 to 11:59 hrs  
12:00 to 23:59 hrs

(c) Rotation of reserves call out order:

Example:

<u>Week 1 AM:</u>	<u>Week 2 AM:</u>
<u>EE 1</u>	<u>EE 2</u>
<u>EE 2</u>	<u>EE 3</u>
<u>EE 3</u>	<u>EE 4</u>
<u>EE 4</u>	<u>EE 1</u>

<u>Week 3 AM:</u>	<u>Week 4 AM:</u>
<u>EE 3</u>	<u>EE 4</u>
<u>EE 4</u>	<u>EE 1</u>
<u>EE 1</u>	<u>EE 2</u>
<u>EE 2</u>	<u>EE 3</u>

(d) Reserve PT Employees cannot refuse an assignment.

(e) When called to report, the employee must show within 2 hours.

(i) No call back/no show = AWOL.

(ii) Reserve Part-time employees are subject to the Company Reliability Policy.

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(f) When called to report, and if no answer, must return company's phone message within 15 minutes, else considered a no show and may be disciplined.

26.2 Reserve Part-Time will not be included in computation towards 45% ratio (same concept as WPT, 22.6.a)

26.3 Compensation

(a) There is no guaranteed pay for Reserve Part-time.

(b) Reserve Part-time employees shall be paid only straight time and will not be eligible for overtime except as required by law.

26.4 Benefits

Reserve Part-time employees are not eligible for medical, dental, 401k Company contribution or match (except by state law).

26.5 Uniform allowance will be 3 sets of uniforms, replenished every 18 months. Uniform pieces may be traded in on a 1 for 1 basis for normal wear and tear.

26.6 All employees will pay no more than \$5.00 per month for Company Provided parking.

26.7 Travel

Reserve Part-time employees will be eligible for the same flight benefits as regular PT.

26.8 The probationary period for Reserve Part-time employees will be 180-days.

26.9 Union and Company will jointly review concepts to adjust program as needed 6 months after implementation.

Letters of Agreement

Travel policy while Sick

**LOA # 14**

**Contractual Improvements**  
IAMAW Clerical Hawaiian Airlines, Inc.  
12/18/2009

May 15, 2008

Mr. Randy Kauhane  
Assistant General Chairman  
Honolulu, HI 96819

Dear Randy:

The Company has agreed to amend its travel policy for IAM employees while on sick leave, FMLA, HFLL, Military Leave or occupational injury.

When this employee is on such leave, their Eligible Family members and FTP passengers will be eligible for Pass Travel.

Pass travel as it pertains to the employee has the following changes:

1. When an employee is absent from work due to one's own illness (sick leave or FMLA), the employee will be granted Pass Travel on HA only when traveling to a specialist's office in connection with the employee's leave. Approval must be granted prior to the travel.
2. When an employee is absent from work due to care of a family member (FMLA or HFLL), that employee will continue to be eligible for travel privileges if that travel is necessary to care for that family member. It is the responsibility of the employee to maintain communications with his manager and/or human resources during these circumstances. Approval must be granted prior to the travel.
3. When the employee is absent from work due to an occupational injury, travel requests will be reviewed and granted on a case by case basis. The employee must present to the Company a doctors note that states that such travel will not aggravate the employee's condition.
4. When an employee is absent from work due to Military Leave, his/her travel privileges will continue as if s/he were actively employed. The employee will be required to continue to follow the company's policy of not sharing his password and access to ID90 with others. When s/he is unable to access ID90, he or the person traveling under his pass travel privileges is required to contact Hawaiian's Pass Bureau (Jody Borges for assistance).

If there are any questions, please contact me.

Sincerely,

/s/

Janis Bumgarner

**Contractual Improvements**  
IAMAW Clerical Hawaiian Airlines, Inc.  
12/18/2009

Sr. Director, Labor Relations

Cc: B. Miyasato/J. Borges/B. Winner

Paperless Environment:

**LOA #16**

LETTER OF AGREEMENT  
Between  
HAWAIIAN AIRLINES, INC.  
and the  
INTERNATIONAL ASSOCIATION OF  
MACHINIST & AEROSPACE WORKERS (AFL-CIO)  
Representing  
Clerical, Office, Stores, Fleet and Passenger Service Employees

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PAPERLESS ENVIRONMENT

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THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act by and between Hawaiian Airlines, Inc. (the "Company"), and the Clerical, Office, Stores, Fleet and Passenger Service employees of the Company as represented by the INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS (AFL-CIO) (the "I.A.M.").

WITNESSETH

It is understood by the parties that within the collective bargaining agreement, there are articles that establish procedures that have been fulfilled by papered forms, cards and physical postings.

It is recognized by the Company and the IAM that technology has provided new ways to accomplish these established procedures through online and paperless means.

NOW, THEREFORE, the Company and the IAM agree to amend the applicable articles of the Agreement as the technology becomes available to provide for procedures to be accomplished through a paperless means.

It is further agreed between the parties that prior to any procedural change to any of the Articles of this Agreement, the Company and the IAM will work together on implementation of the new procedure, will ensure that the employees are sufficiently trained to execute the new technology, and will test the technology to ensure that it accomplishes the task.

THIS LETTER OF AGREEMENT shall remain in full force and effect, concurrent with the basic Agreement.

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**Contractual Improvements**  
IAMAW Clerical Hawaiian Airlines, Inc.  
12/18/2009

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement as of this 11th day of September 2009.

**FOR THE INTERNATIONAL  
ASSOCIATION OF MACHINISTS  
& AEROSPACE WORKERS**

**FOR HAWAIIAN AIRLINES, INC.**

/s/  
**Randolph Kauhane**  
**Assistant General Chairperson**

/s/  
**Janis Bumgarner**  
**Sr. Director, Labor Relations**

OSIP:

LOA #15

LETTER OF AGREEMENT

Occupational Safety Improvement Process  
(OSIP)

A. Objectives

1. Policy (mission statement)
  - (a) OSIP is one of the tools developed to support HA mission of COMMITMENT to SAFETY through employee involvement, peer monitoring, and non-punitive coaching.
2. Program Goals
  - (a) Utilize cooperative efforts and ideas from the stations' work groups to ensure the highest success of a SAFE working environment for our Customers and our fellow employees
  - (b) HNL Ramp pilot project – first 3 months
  - (c) Other locations – TBD by Company and IAM Safety Coordinator
3. Program Responsibility & Authority
  - (a) IAM role
    - (i) Ground Safety Coordinator(s)
      - a. IAM is overall coordinator of the OSIP program, with management support from Customer Service, Maintenance & Engineering, and Safety
      - b. Determine and finalize employee (Observer) participation
      - c. Assist company in implementation of safety initiatives

## Contractual Improvements

IAMAW Clerical Hawaiian Airlines, Inc.

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- d. Make recommendations to correct repeated unsafe behavior
- e. Mentor and provide immediate guidance for observers
- f. Participate in Ground Safety Committee meetings, as required
- (ii) Observers
  - a. Report on observations
  - b. Coach and provide immediate guidance to coworkers
  - c. Approach employees and through coaching techniques, address unsafe behavior
  - d. Participates in department safety committee meetings
- (b) Department role
  - (i) Support the program
  - (ii) Assist in the scheduling of observers
  - (iii) Implement safety recommendations
  - (iv) Managers assist in providing incentives, program coordination, and safety intervention
- (c) Safety role
  - (i) Support the program
  - (ii) Collect data/conduct trends & analysis
  - (iii) Coordinate feedback/recommendations from observers
  - (iv) Make safety recommendations
  - (v) Provide outputs via bulletin board postings and other communication methods
- 4. Program documentation requirements
  - (a) Safety Policies and Procedures Manual Section I, Chapter 2 will be amended to include the OSIP program
- 5. Participants
  - (a) Recommended Observers for HNL
    - (i) Customer Service Agents - 3
    - (ii) Ramp Agents - 8
    - (iii) Line Servicemen - 3
    - (iv) Fleet Support - 2
    - (v) Maintenance - 2
    - (vi) Cargo Agents - 2
  - (b) HNL Customer Service management is Point of Contact for OSIP interaction. Applicable management points of contact for other departments to be determined.
- 6. Observer selection criteria
  - (a) IAM solicits and identifies rank & file candidates

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(b) Managers and Chief agents are excluded

**B. Training**

1. Observers

- (a) Two eight-hour blocks @ airport location
- (b) IAM provides training
- (c) IAM develops training curricula
- (d) IAM provides training on mentoring skills
- (e) Provided with lapel pins to differentiate from other employees

2. Other affected Employees and Managers

- (a) Program overview / what to expect
- (b) Handled through shift briefing, bulletins, initial & recurrent training

**C. Observation & Reporting Process**

1. Customer Service, Ramp, Line Service, Fleet Support, Cargo, & Maintenance observation criteria

2. Observation protocol / Length of observations

- (a) The goal is to acquire data from a broad range of the operations during each month
- (b) Within the shift – 15 minutes each as day as operation permits, recommended 5/week
  - (i) Split time to cover off-peak, shoulder time, and peak operations
- (c) Within the month – the goal is 30 total observations between departments
- (d) Other locations' number of observations to be determined
- (e) Observers shall not jeopardize personal safety or those of coworkers while conducting observations
- (f) Employee names are not taken except for commendable performance

3. Data collection tools/forms

- (a) Company provides forms using IAM template
- (b) Observation checklist items may be modified to include new issues or behaviors needing correction

4. Peer Counseling

- (a) Mentoring strategy
- (b) Coaching strategy

**D. Data Collection & Management**

1. Responsible organization

- (a) Observers maintain the collection schedule

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(b) Station Management reviews the entries daily, collects forms, and forwards weekly to the Safety Dept

2. Trends and Analysis

(a) IAM uses information from daily collection forms, creates real time charts and graphs for weekly department reviews, shift briefings

(b) Safety Department creates company reports for executive review (see paragraph E. Outputs)

E. Outputs

1. Monthly reports

(a) Measure specified safety-related actions (i.e., speeding, improper lifting, etc.)

(b) Provide successive trends

(c) Safety/Customer Service/IAM provides recommendations to mitigate trends

(d) Feedback to monthly departmental safety meetings

(e) Management utilizes data collected to determine opportunities for safety improvements

(f) Recap specific unsafe behavior

(g) Recap specific commendable performance

(h) Employee recognition during shift briefings

2. Executive reports

(a) Semi-annual review

(b) Highlight general safety trends, recommendations, and implementation

3. Incentives

(a) Safety/Departments provide incentive rewards (< \$15.00) for commendable performance

(b) Other Observer incentives may include Customer Service sponsored drawings

F. Resources

1. Budget

(a) Safety Department for observer incentive rewards

(b) Training costs are borne by departments

(c) Optional - observer incentives from Customer Service

G. Future Goals

1. Rollout to other work groups and stations TBD by IAM and Company

**Contractual Improvements**  
IAMAW Clerical Hawaiian Airlines, Inc.  
12/18/2009

H. Signatories

/s/ \_\_\_\_\_ 12/9/08  
Hawaiian Air IAM Safety Coordinator \_\_\_\_\_ Date

/s/ \_\_\_\_\_ 12/9/08  
VP Customer Services \_\_\_\_\_ Date

/s/ \_\_\_\_\_ 12/9/08  
VP Maintenance & Engineering \_\_\_\_\_ Date