

LETTER OF AGREEMENT

Between

HAWAIIAN AIRLINES, INC.

And the

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

Representing

Aircraft Inspectors, Mechanics, Line Servicemen, Cleaners and Contract Servicemen

In the service of

HAWAIIAN AIRLINES, INC.

PPG AIRCRAFT MECHANICS

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between HAWAIIAN AIRLINES, INC. (hereinafter referred to as the "Company" and the Aircraft Inspectors, Mechanics, Line Servicemen, Cleaners, and Contract Servicemen craft and class of the Company as represented by the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (AFL-CIO) (hereinafter referred to as the "Union")

WITNESSETH:

Article 2.1 of the Collective Bargaining Agreement ("Agreement") states that "The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all employees of the Company in the United States, its Territories and Possessions, in the classifications of work enumerated in Article 4 of this Agreement."

The above language has been a part of the IAM-M Collective Bargaining Agreement for over fifty (50) years. Hawaiian Airlines has serviced Pago Pago, American Samoa ("PPG") for over 30 years and during all relevant times, the employees working in PPG were Hawaiian Airlines employees operating in non-contract roles.

The Union in May of 2017 approached the Company and indicated their legal team determined that those employees working in PPG should be members of the craft and class covered under the Mechanics Agreement

The Union and Company met in March of 2019 to discuss the parameters under which to move the existing PPG Aircraft Mechanics from non-contract positions to IAM contract employees covered by the IAM Mechanics Agreement. The following represents the Company's and Union's agreement as to integrating current and future PPG employees into IAM-M covered positions.

IT IS AGREED THAT:

The following provisions of the IAM-M Collective Bargaining Agreement will apply in full to Aircraft Mechanics working in PPG: Articles 1, 2, 3, 8, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 22, 24, 25 and 26. The Letters of Agreement in the Collective Bargaining Agreement will apply as applicable. Articles 4, 5, 6, 7, 9, 12, 19, 23 and LOA #12 will apply with the following exceptions:

ARTICLE 4 CLASSIFICATIONS OF WORK

The Union understands that there may be rare instances in which unscheduled aircraft mechanic work will be performed while the aircraft is at PPG station. In the event the work performed requires work normally performed by an Aircraft Inspector, that work may be performed by the Aircraft Mechanics stationed in PPG provided said work is in accordance with Company policies and applicable Federal Aviation Regulations (FARs). The Company will ensure the PPG mechanics are properly trained to perform Inspection type of work.

In the event aircraft maintenance work performed in PPG requires the dispatch of additional aircraft mechanics to PPG, the Company will also dispatch an employee classified as an Aircraft Inspector if the need for Aircraft Inspector work is anticipated. If an Aircraft Inspector is not available for dispatch, the PPG mechanics may perform the required work.

It is also understood that PPG Mechanics shall perform GSE and facilities Mechanic work as part of their regular work responsibilities in addition to their normal duties as Aircraft Mechanics.

ARTICLE 5 TRAINING AND LICENSE REQUIREMENTS

The Union agrees that there will be no requirement to staff a lead mechanic at the PPG Station. Additionally, the language as stated in Article 5.1 is inapplicable and any PPG Mechanic working alone is not entitled to lead pay.

ARTICLE 6 HOURS OF SERVICE

The Union recognizes the Company's need for flexibility in scheduling aircraft mechanics in PPG and therefore Article 6 will not apply to PPG Mechanics. Instead, PPG Mechanics will be scheduled in accordance with the following provisions:

1. Eight (8) consecutive hours of service exclusive of a thirty (30) minute meal period will constitute a regular work day. A standard work week will consist of five (5) consecutive worked days within seven (7) consecutive days. Notwithstanding the above, the Company may schedule employees up to a maximum of ten (10) hours a day so long as the total hours per week do not exceed forty (40), exclusive of a meal break. Employees on such ten (10) hour days shall observe a standard work week of four (4) consecutive days worked within seven (7) consecutive days.
2. Each employee shall be scheduled two (2) consecutive days off within each work week. A ten (10) hour day, four (4) day week may be established by the Company. If utilized the 3 days off shall be scheduled consecutively.
3. Notwithstanding the eight (8) or ten (10) consecutive hours of service as noted above, the Company can schedule the mechanics to work a split shift instead. It shall consist of eight

(8) or ten (10) hours worked in a day and the mechanic shall have at least eight (8) hours off from work after the end of the split shift before being scheduled to commence work on his next scheduled work day. If scheduled a split shift, an unpaid 30-minute meal period shall not be scheduled. It is understood the employee's scheduled work week may consist of any combination of split shifts and regular eight (8) or ten (10) hour shifts.

4. The regular start and stop times of the mechanics' scheduled shifts can be changed to accommodate the needs of service without providing seven (7) calendar days' notice of a change in schedule.

ARTICLE 7 OVERTIME AND HOLIDAYS

The Company and Union agree that Article 7.12 will be amended for PPG Mechanics to replace the IAM's observance of Kamehameha Day with Samoan Flag day for PPG Mechanics. Kamehameha Day will then be recognized as a regular work day in PPG and Samoan Flag day will be observed as a Company Holiday in PPG for scheduling and pay purposes.

ARTICLE 9 SENIORITY

The Union agrees that the current mechanics working in PPG will be placed on the Mechanics Seniority list and shall be given a classification seniority date equal to the date of signing of this agreement. The Mechanic with the earlier Company Hire Date will be given the higher ranking. These Mechanics will be protected from being displaced out of PPG by any senior mechanic exercising their bumping rights in accordance with the terms of the collective bargaining agreement-so long as they remain at the PPG station. Should anyone voluntarily leave the PPG station, their protection shall no longer be applicable.

ARTICLE 12 VACATIONS

PPG Mechanics shall adopt the system currently used by the IAM of earning vacation credits in the current year to be applied and utilized for the following year. As of the date of signing of this agreement, any vacation credits not used by the employee in 2019 shall be applied toward the 2020 calendar year. It is understood that employee(s) shall be granted a leave of absence without pay for any vacation bids already made for the rest of the 2019 calendar year. Additional vacation requests can still be made, pending management approval based upon the needs of service.

ARTICLE 19 WAGE RULES

The mechanics listed herein at the PPG station shall have their current yearly salary converted to an hourly rate and will maintain that rate of pay for the 2019 calendar year. Beginning in January of 2020, PPG Mechanics shall be placed on the first step of the current Mechanics pay scale and progress normally on a going forward basis.

License Premiums, shift premiums and skill pay shall not apply to PPG Mechanics until January 8, 2020.

ARTICLE 23 HEALTH INSURANCE AND RETIREMENT BENEFITS

PPG Mechanics shall maintain their current medical plans as non-contract employees as of the date of signing of this agreement. Starting with the 2019 Open Enrollment period, PPG Mechanics shall be allowed to select any plan offered to the IAM for the 2020 calendar year. Any increases or decreases in the employee contribution rate applicable under the CBA shall be effective as of January 1, 2020.

LETTER OF AGREEMENT #12 PROFIT SHARING, STOCK & PERFORMANCE BONUSES

Should the Company payout any profit sharing for the 2019 calendar year in 2020, the time prior to the date of signing of this agreement shall be compensated at the applicable non-contract rates for those PPG Mechanics working as non-contract mechanics in PPG in 2019. The remaining portion of the 2019 calendar year following the signing of this agreement shall result in PPG Mechanics being paid profit sharing in accordance with the IAM-M Collective Bargaining Agreement for the applicable time period.

The parties acknowledge that with the mechanics working in PPG moving to IAM contract positions, certain matters may have been unforeseen or overlooked. Therefore, for the term of this Agreement the parties agree to meet and resolve such matters using the intent of this letter as a guide.

The parties hereby enter this agreement on the 20th day of June 2019.

FOR HAWAIIAN AIRLINES, INC.:



Beau Tatsumura
Vice President, Maintenance and Engineering
Hawaiian Airlines, Inc.

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



Dave Supplee
President District General Chairman,
IAM District 142