Letter of Agreement
between
HAWAIIAN AIRLINES, INC.
and
THE FLIGHT ATTENDANTS
in the service of
HAWAIIAN AIRLINES, INC.
as represented by
THE ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO

## INTERIM SCOPE LETTER OF AGREEMENT

THIS LETTER OF AGREEMENT is made and entered into in accordance with the Railway Labor Act, as amended, by and between Hawaiian Airlines, Inc., hereinafter referred to as the "Company," and the Flight Attendants in the Service of Hawaiian Airlines, Inc., as represented by the Association of Flight Attendants- CWA, AFL-CIO, hereinafter referred to as the "Association" or the "AFA," and jointly, hereinafter referred to as the "Parties."

WHEREAS, the Parties agreed to a Letter of Agreement (LOA) entitled "Codeshare and SECTION 1: Recognition, Scope and Job Security Agreement" on September 22, 2017 (the "September 22, 2017 Scope LOA") granting relief from Section 1.B of the Company-Association collective bargaining agreement ("CBA");

WHEREAS, the Parties agreed to attach an Interim Scope LOA to the September 22, 2017 Scope LOA to reflect the agreed relief;

NOW, THEREFORE, the Parties agree as follows:

- 1. This Interim Scope LOA represents the agreement reached by the Parties granting relief from Section 1.B. of the CBA in which the Association agreed to delete the provision(s) which required the Association's approval for code share.
- 2. Accordingly, the Parties agree to modify Section 1.B.3, 1.B.6, 1.B.7, 1.B.8 and 1.J of the CBA as set forth below to reflect such relief:

## B. Scope

3. Except as provided in paragraph B.6 and B.7 of this Section, all revenue flying by or for the Company or any Affiliate covered by this Agreement shall be performed by Flight Attendants whose names appear on the Hawaiian Airlines,

Inc. Flight Attendant System Seniority List under the terms and conditions of the Agreement.

- 6. Paragraph B.3 of this Section shall prohibit the Company or an Affiliate of the Company from entering into marketing and related arrangements that permit another air carrier to utilize the Company's designator code, name, logo or marks in commercial flight operations (any such agreement, a "Code Sharing Agreement") unless the requirements of either this paragraph B.6 or of paragraph B.7 of this Section are satisfied. Paragraph B.3 of this Section shall also prohibit the Company from partly or wholly acquiring, establishing, Controlling, or operating another carrier that does not operate under this Agreement, unless the Company ensures that the following applicable requirements of this paragraph B.6 are satisfied with respect to any such carrier and that it operates for Hawaiian as a Feeder Carrier:
  - a. This paragraph B.6 governs "Feeder Carriers" and paragraph B.7 of this Section I governs "Code Share Partners." The term "Feeder Carrier" refers to an air carrier, whether or not partly or wholly owned, Controlled, or operated by the Company or an Affiliate of the Company, that operates under a Code Sharing Agreement using its own operating certificate in lawfully operable commercial flight operations under the following conditions in this paragraph B.6. The term "Code Share Partner" refers to an air carrier that is not partly or wholly owned, controlled, or operated by the Company or an Affiliate of the Company and operates using such carrier's operating certificate, under the conditions in Paragraph B.7 of this Section.
  - b. A Feeder Carrier acquired, established or operated by the Company, or the portion of a Feeder Carrier operated under a Code Sharing Agreement with the Company, may operate only within the Hawaiian Islands (hereinafter, an "Inter-Island Feeder Carrier") but not to or from Hawaii.
  - c. A Feeder Carrier acquired, established or operated by the Company, and the portion of a Feeder Carrier operated under a Code Sharing Agreement with the Company, may operate only turboprop aircraft, and such aircraft must be lawfully operable in commercial flight operations with a maximum certificated seating capacity of sixty-nine (69) seats and a maximum certificated gross takeoff weight of no more than 69,000 pounds in passenger operations.
  - d. With respect to Inter-Island Feeder Carriers:
    - An Inter-Island Feeder Carrier will conduct no commercial passenger flight operations of any kind on the following city pairs: HNL-LIH, HNL-ITO, HNL-KOA, and HNL-OGG.

- ii. The Company will neither furlough any Hawaiian Flight Attendants nor reduce the number of block hours the Company operates in 717 or equivalent jet operations within the Hawaiian Islands as a result of initiation or expansion of flying by an Inter-Island Feeder Carrier. The existence of an Inter-Island Feeder Carrier will not by itself be sufficient to demonstrate causation.
- iii. During any consecutive twelve-month period of Inter-Island Feeder Carrier operation ending on the last day of any calendar month following the effective date of this Agreement, the Company will not operate fewer than twenty-nine thousand (29,000) hours of Inter-Island turbojet block hours measured over the same period.
- e. The Company shall not be required to apply this Agreement to Flight Attendants employed by a Feeder Carrier, and the Association shall make no argument to or in any forum that application of this Agreement to the Feeder Carrier is required by contract or law.
- f. If the Company establishes a Feeder Carrier, or if it acquires a Feeder Carrier whose Flight Attendants are not represented by a union, the Company agrees to recognize, or cause the Feeder Carrier to recognize, the Association as the representative of such Flight Attendants upon a lawful demonstration of majority support and will take a neutral position with respect to the Association's efforts to secure and provide that lawful demonstration.
- g. The Company will make commercially reasonable efforts to obtain the same jumpseat and pass privileges on the aircraft operated by the Feeder Carrier as Hawaiian Flight Attendants have on Hawaiian aircraft.
- h. If the Company chooses to acquire and operate turboprop aircraft on Hawaiian's certificate, then the Parties shall meet to negotiate the rates of pay, rules and working conditions for such aircraft pursuant to Section 27.C.
- i. The Company will require Feeder Carriers that it wholly owns and operates to provide a right of first interview and hire to furloughed Hawaiian Flight Attendants and will use its commercially reasonable best efforts to secure such rights from Feeder Carriers that it partly owns or which operate under a Code Sharing Agreement.
- 7. Except as expressly permitted in paragraph B.6 of this Section 1, or in this paragraph B.7, the Company shall not permit any other carrier to utilize the Company's designator code, name, trade name, brand, logo, trademarks, service

marks, aircraft livery or aircraft paint scheme without the express written consent of the Association in commercial flight operations. The following provisions of this paragraph B.7 apply to "Code Share Partners," defined as air carriers, other than Feeder Carriers, that are not partly or wholly owned, Controlled, or operated by the Company or an Affiliate of the Company, and that operate under a Code Sharing Agreement with the Company. The Company may not enter into a Code Sharing Agreement on terms that differ from those set forth herein unless (1) the Company and the Association agree upon such different terms; or (2) the Company and the Air Line Pilots Association (ALPA) agree upon different terms with which a Code Sharing Agreement must comply, in which case the Company may enter into the Code Sharing Agreement on those terms. In the event that pilots are provided any value as part of any agreement to modify the Code Sharing terms set forth herein, AFA shall be provided proportionally equivalent (determined as a percentage of payroll) value to be applied to the HA-AFA CBA in a manner agreed to by AFA and the Company.

- a. The Company may permit a passenger to book under the HA or HA\* code an itinerary that includes a nonstop flight operated by a Code Share Partner that is a Domestic Air Carrier subject to the following limitations:
  - if and only if the flight does not operate between an airport in Hawaii and an airport in the remainder of the United States or, if it is not a Feeder Carrier, between airports in Hawaii;
  - ii) if the flight operates between an airport in Hawaii and a country outside the United States, only if during each calendar quarter the available seat miles scheduled to be operated by the Domestic Air Carrier under the HA or HA\* code to or from Hawaii and the country outside the United States do not exceed one-third (1/3) of the available seat miles scheduled to be operated by the Company to or from Hawaii and such country.
- b. The Company may permit a passenger to book under the HA or HA\* code an itinerary that includes a nonstop flight operated by a Code Share Partner that is a Foreign Air Carrier only if either (i) the flight does not operate to or from Hawaii, or (ii) it operates between a point in that Code Share Partner's home country and Honolulu or another Company Connecting Airport subject to the limitations of subparagraph 7.c.
- c. For each Foreign Air Carrier that becomes a Code Share Partner after the effective date of this Agreement, and for each Foreign Air Carrier that is a Code Share Partner as of the effective date of this Agreement, for each calendar quarter the Current ASM Ratio for flights scheduled to be operated

between that Code Share Partner's home country and Hawaii will not exceed 110% of the Base ASM Ratio for that quarter for such flights.

- i) For purposes of this subparagraph 7.c., the "Base ASM Ratio" for a Foreign Air Carrier that is a Code Share Partner means the ratio in a Base Calendar Quarter between (i) a numerator equal to the greater of (a) available seat miles scheduled to be operated in the relevant period by the Foreign Air Carrier on nonstop flights to or from Hawaii and the relevant home country and (b) the number of scheduled available seat miles that would be generated if the Foreign Air Carrier scheduled four flights per week on an A330 aircraft in each direction between Hawaii and such country, and (ii) a denominator equal to the greater of (a) the available seat miles scheduled to be operated in the relevant quarter by the Company to or from Hawaii and such country or (b) the number of scheduled available seat miles that would be generated if the Company scheduled four flights per week on an A330 aircraft in each direction between Hawaii and such country.
- ii) For a carrier that is a Code Share Partner as of the effective date of this Agreement, a Base Calendar Quarter is a calendar quarter of the year July 1, 2015 to June 30, 2016. For a carrier that becomes a Code Share Partner after the effective date of this Agreement, a Base Calendar Quarter is a calendar quarter of the full year immediately prior to the quarter in which the carrier became a Code Share Partner.
- iii) For purposes of this subparagraph 7.c, the "Current ASM Ratio" means the ratio in a current calendar quarter between (i) a numerator equal to the available seat miles scheduled to be operated in that quarter by a Code Share Partner on nonstop flights bearing the HA or HA\* code to or from Hawaii and the relevant country and (ii) a denominator equal to the greater of (x) the available seat miles scheduled to be operated in that quarter by the Company to or from Hawaii and such country or (y) the number of available seat miles that would be generated if the Company operated four flights per week on an A330 aircraft in each direction between Hawaii and such country.
- iv) If in any calendar quarter it appears that a Current ASM Ratio for a Code Share Partner will exceed by more than 10% a Base ASM Ratio for that Partner for that quarter, the Company will promptly: (i) notify the President of the Hawaiian Flight Attendants' MEC; and (ii) (except as provided in the next sentence) remove from its schedule a sufficient number of nonstop flights scheduled to be operated by the Code Share Partner under the HA or HA\* code to or from an airport in Hawaii and the relevant country so that the limit is met for that quarter. If, however,

the Company is unable to remove from its schedule a sufficient number of flights scheduled to be operated under the HA or HA\* code to satisfy this obligation within the then-current calendar quarter because of either late substitution of larger equipment or late addition of flights scheduled to be operated by the Code Share Partner, then it shall, without exception, assure that the Current ASM Ratio for that Code Share Partner will not exceed by more than 10% the Base ASM Ratio for that Partner for the then-current calendar quarter and the following calendar quarter combined.

- d. The Company will not reduce the number of scheduled available seat miles on nonstop flights operated by the Company to or from such Foreign Air Carrier's home country as the result of any Code Sharing Agreement. The existence of a Code Share Partnership will not by itself be sufficient to demonstrate causation.
- e. For purposes of this Section, a "Code Share Market" is a pair of airports between which passengers may book itineraries entirely using the HA or HA\* code that include one or more segments operated by a Code Share Partner using the HA or HA\* code. For the same purposes, an "airport" includes not only itself (a "Reference Airport") but also all airports providing scheduled commercial air service whose ARP (Aerodrome Reference Point), per Jeppesen data, is located within fifty (50) nautical miles of the Reference Airport's ARP, except that each airport in the following airport groups should be counted separately: OAK/SFO, JFK/EWR, LAX/SNA/ONT, and NRT/HND.

## Examples of Code Share Markets:

- i) A passenger may book an itinerary under the Company designator code from BOS to HNL via SFO or OAK, from BOS to HNL via ORD to SFO or OAK, or from BOS to HNL via JFK, flying on an aircraft of one or more Domestic Air Carrier Code Share Partners for the segment or segments within the continental United States not served by the Company, and on Company aircraft for the segment to HNL. BOS-HNL is a Code Share Market.
- ii) A passenger may book an itinerary under the Company designator code from MSY via IAH and PHX to HNL, flying on an aircraft of a Domestic Air Carrier Code Share Partner for the segment between MSY and IAH, on an aircraft of the same or other Domestic Air Carrier Code Share Partner between IAH and PHX, and on a Company aircraft for the segment from PHX to HNL. MSY to HNL is a Code Share Market.

- iii) A passenger may book an itinerary under the Company designator code from CTU via PEK to HNL, flying on the aircraft of a Foreign Air Carrier Code Share Partner for the CTU-PEK segment and either a Company aircraft or the aircraft of the Code Share Partner for PEK-HNL. CTU-HNL and PEK-HNL are each a Code Share Market.
- iv) A passenger may book an itinerary under the Company designator code between ORD and MCO flying only the aircraft of a Domestic Air Carrier Code Share Partner. ORD-MCO is a Code Share Market.
- v) A passenger may book an itinerary under the Company designator code between FRA and HNL via JFK, flying on the aircraft of a Code Share Partner for the FRA-JFK segment and either a Company aircraft or the aircraft of the Code Share Partner for JFK-HNL. FRA-HNL is a Code Share Market.
- vi) A passenger may book an itinerary under the Company designator code between FRA and LHR, flying on the aircraft of a Code Share Partner for the FRA-LHR segment. FRA-LHR is a Code Share Market if the Company gains authority to operate in that Market.
- f. On a quarterly basis, the Company shall present to AFA an analysis of the profitability of using Company aircraft to fly in each Code Share Market identified by AFA, provided that each Code Share Market identified by AFA is one in which there is a per day average of passengers flying each way in that Market under HA or HA\* itineraries operated at least in part by a Code Share Partner, computed over the preceding quarter, of at least ninety (90) passengers. The Company will provide to AFA, on a confidential basis, information necessary to determine whether this passenger threshold has been met in any Code Share Market in any Quarter.
- g. "Profitability" under subparagraph f. above means that it can be predicted with reasonable certainty that the Company can begin or, if applicable, supplement flying with its own aircraft between two airports in a Code Share Market and, taking into account the revenues, if any, earned from passengers connecting to the Company's network, (i) operate such flight in the Code Share Market profitably on an annual basis for the fourth year of Company operation based on the Company's standard flight profitability measurement including standard allocation of corporate overhead expenses and investment capital and (ii) recover its cumulative investment including start-up losses on the Code Share Market within a period of seventy (70) months. The Company's analysis may also take into account the impact, if any, of initiating service in the Code Share Market on the Company's existing market (e.g., in evaluating MCO-HNL, the Company may consider

the impact of MCO-HNL service on the Company's LAX-HNL flight, and may reduce its projection of the profits for the MCO-HNL service by the extent to which such service is projected to reduce the profitability of the LAX-HNL service). AFA shall enter into a commercially standard confidentiality agreement covering any information provided in such analysis or provided under subparagraph f. above.

- h. If a dispute arises as to whether a Code Share Market satisfies the passenger threshold in subparagraph f. above, or the profitability test in subparagraph g. above, that dispute shall be subject to final and binding, expedited arbitration before the AFA-Hawaiian System Board of Adjustment sitting with a neutral member jointly selected by the Parties. If they are unable to agree on a neutral, then by alternate strikes from a list to be provided in accordance with Section 24.H. Notwithstanding the foregoing, if the dispute is the subject of an arbitration before the ALPA-Hawaiian System Board, the parties agree to abide by the resulting ALPA-Hawaiian System Board Award. If the arbitration Award provides any value to ALPA, AFA shall be provided proportionally equivalent (determined as a percentage of payroll) value to be applied to the HA-AFA CBA in a manner agreed to by AFA and the Company.
- i. If a Code Share Market satisfies the profitability test in subparagraph g. above, the Parties shall meet within ninety (90) days to discuss the following options: (i) that the Code Share Agreement continue without Company operation in the Code Share Market; (ii) that the Company should begin (or, if applicable, supplement) service in the Code Share Market with its own aircraft; or, (iii) that the Company should cease placing the HA or HA\* code on the segment or segments of the Code Share Market operated by a Code Share Partner (e.g. MCO-LAX).
- j. If there is no agreement on option (i) of subparagraph i above, then the Company must either: (i) at the next regularly scheduled meeting of the Board of Directors, seek and obtain Board approval to commence service in the Code Share Market with the Company's own aircraft within a further six (6) month period of time; or (ii) within the same period cease placing the HA or HA\* code on the segment of the Code Share Market operated by a Code Share Partner.
- k. If any other dispute arises under paragraph B.6 of this Section or under this paragraph B.7, that dispute shall be subject to final and binding expedited arbitration before the AFA-Hawaiian System Board of Adjustment sitting with a neutral member jointly selected by the Parties, in accordance with paragraph 7.h.

8. The Company and the Association shall establish a Scope Review Committee comprised of the Senior Vice-President of Global Sales and Alliances, the Vice-President of Revenue Management and Network Planning (or other comparable title) and another Company representative and three (3) Flight Attendants designated by the Association's Hawaiian Master Executive Council. The Scope Review Committee shall meet periodically, but no less than quarterly, to review the financial and operating results of any of the Company's code sharing agreements with other carriers and to ensure that the Company is in compliance with Section 1.B. of this Agreement. The Company shall provide the Scope Review committee and the Association's economic and legal advisors, under a commercially standard confidentiality agreement, if necessary, its best available financial and operating information concerning the Company's code sharing practices with other carriers.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on this day of November 2019.

FOR HAWAIIAN AIRLINES, INC.:	FOR THE
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ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO:

Jon Snook Sara Nelson

Executive Vice President, Chief AFA International President

Operating Officer

Robin Sparling Sharon Soper

Vice President, In-Flight 
MEC President

estin Doane Paula Mastrangelo

Vice President, Labor Relations AFA Sr. Staff Negotiator