

**HAWAIIAN AIRLINES  
2020 FLIGHT ATTENDANT AGREEMENT**

**SECTION 34-21: BONUS COMPENSATION PROVISIONS**

**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**

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**BONUS COMPENSATION PROVISIONS**

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THIS 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 Flight Attendants in the service of the Company, as represented by the ASSOCIATION OF FLIGHT ATTENDANTS- CWA, AFL-CIO (hereinafter referred to as the "Union").

**A. 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 court required 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 AFA's share of any Profit Bonus.

**B. Profit Bonus**

1. 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, excluding any payment under the Incentive Compensation Program. The Company may, at its discretion, pay the profit bonus on a quarterly, rather than an

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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 AFA share of this plan.

2. The net profit bonus will first be divided among all employee groups (ALPA, AFA, IAM, 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 2012 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.

**C. INCENTIVE COMPENSATION PROGRAM**

1. AFA will participate in the Incentive Compensation Program established by the Board of Directors for senior management, with a target payout bonus of one percent (1%) of W-2 wages. The same numerical calculations established by the Board that determines the Company's performance will be applied to the AFA, resulting in potential payment range of zero percent (0%) to two percent (2%) of the previous year's W-2 wages. Payment from the Incentive Compensation Program will be paid at the same time and in the same manner as applied to senior management.
2. Should there be any changes made to the terms of the Incentive Compensation Program during the term of this Agreement, the Company and Association agree to meet and review such changes to see what adjustments may be necessary to ensure the Flight Attendants are not disadvantaged.

**D. GENERAL PROVISIONS**

1. Eligible employees are defined as active employees during the applicable period with accumulated W-2 wages in excess of \$500 per quarter or \$2000 per year unless, before the time of payout, they were involuntarily terminated or voluntarily resigned. The Performance Bonus program and the Profit Bonus program 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.
2. 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

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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.

3. Payments described herein will not be treated as covered compensation for 401(k) or pension plan purposes.
4. Participation in the Performance Bonus, Profit Bonus and the Incentive Compensation Programs described in Sections A, B and C of LOA 34-9 of the CBA, shall continue beyond the amendable date unless and until terminated in a future Flight Attendant CBA.
5. The parties agree to explore a means to have the bonus compensation payments directed into the employee's 401k account.
6. This LOA reflects the parties' complete agreement on Flight Attendant participation in the Bonus Compensation Provisions, unless mutually agreed otherwise.

**IN WITNESS WHEREOF**, the parties hereto have signed this Bonus Compensation Provisions Letter of Agreement as of this 29<sup>th</sup> day of May, 2020.

**FOR HAWAIIAN AIRLINES, INC.:**

**FOR THE ASSOCIATION OF FLIGHT ATTENDANTS – CWA, AFL-CIO:**

/S/  
Peter Ingram  
President and Chief Executive Officer

/S/  
Sara Nelson  
International President

/S/  
Jon Snook  
Executive Vice President  
and Chief Operating Officer

/S/  
Paula Mastrangelo  
AFA Sr. Staff Negotiator

/S/  
Sharon Soper  
MEC President

/S/  
Diana Huihui  
Negotiating Committee Chairperson

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