Hawaiian Airlines Voluntary Early Out Program (VEOP) for Flight Attendants

Summary of the VEOP

1. ELIGIBILITY

- Must be at least at the 7th year pay step ($49.74) as of October 1, 2020

2. PAY

- Will be paid 38 hours at your rate of pay as of October 1, 2020 for the severance payment period

3. SEVERANCE PAYMENT PERIOD

- October 1, 2020 through September 30, 2021, after which time you will be considered “retired” or “separated” from the company

4. VACATION

- Any vacation that hasn’t been taken, including earned vacation will be paid out over 12 months beginning October 1, 2020

5. RATIFICATION PAYMENTS

- Any remaining balance from the 2020 Ratification bonus will be paid out on September 22, 2020
6. INSURANCE

- During the 12-month severance period, all premiums for Medical, Dental, Orthodontia, Life and any other elective company insurance (not including NGP) that the FA is currently participating in will be fully paid by the company with no cost-share by the FA for the 12-month separation period beginning October 1, 2020 through September 30, 2021: **Insurance will be 100% paid by the company for 12 months**


  **Section 33.K.1.**
  - if the FA is 60 yrs old or more and has any **sick leave balance,**
  - the number of sick leave hours in the bank will be multiplied by her/his hourly rate to determine the cash “credit” value. This “credit” amount can be used to continue to pay the premiums for insurance coverage for up to an additional 12 months (e.g. October 1, 2021 through September 31, 2022)

  **Section 33.K.4.a.:**
  - if the Flight Attendant is between ages **55 and 60 with 30 years of service on October 1, 2020**
  - the company will pay for 50% the cost of the medical insurance premium for the Flight Attendant and spouse until the Flight Attendant reaches age 65

  **Section 33.K.4.b.:**
  - if the Flight Attendant is between ages **60 and 64 with 30 years of service on October 1, 2020**
  - the company will pay all cost of medical insurance for the FA and spouse until the FA reaches age 65

- After the 12-month severance period
  - All FAs may elect to continue on the company medical plan for 18 months with the Flight Attendant paying the full cost of insurance under (COBRA).
7. RETIREE HRA: YOS = Years of Service

- FAs with 25 years of service on October 1, 2020 qualify for the Retiree HRA (Health Reimbursement Arrangement)
- HRA Funds available October 1, 2021, due to regulatory requirements
- **There are 2 enhancements to the Contract HRA in this VEOP:**
  1. **More Money into the HRA.** Flight Attendants with 25 YOS on October 1, 2020, will be eligible to participate in the HRA and receive an additional $50,000 HRA contribution from the company.
  2. **Acceleration of YOS to 4/2/2025.** At the end of the 12-month severance period, your HRA contribution will be determined as though you retired on April 2, 2025, the amendable date of our current AFA Contract.

<table>
<thead>
<tr>
<th>HRA Eligibility as of 10/1/20</th>
<th>Years of Service as of 4/2/25</th>
<th>Contract HRA Contribution</th>
<th>VEOP Additional 50K Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 YOS</td>
<td>29.5-29.9</td>
<td>0</td>
<td>$50,000</td>
</tr>
<tr>
<td>30-34</td>
<td></td>
<td>$10,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>34-39</td>
<td></td>
<td>$20,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>40 +</td>
<td></td>
<td>$30,000</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

8. PASS TRAVEL

- FAs with less than 30 years of service will continue to get pass travel benefits as if they were active for a period of 3 years
- FAs with 30 years or more of service will continue to get pass travel benefits as if they were active for a period of 4 years
- Company years of service will be used to determine your pass travel benefits (e.g. if you worked in a different department those years would count – for pass travel only)
- The 12-month severance period will count towards your retiree pass qualification (you will not go onto a retiree pass travel status until after your 3 or 4 years of active pass travel status listed above)
9. 401(K)

- Company will not make 401(k) contributions nor match on the 12 monthly severance payments. The FA, however, may continue to contribute on their own.
- Company contributions and match will be made on the vacation pay-outs

10. PARKING PASS

- During the 12-month severance period the company will continue to provide parking passes as it currently does

11. FAs CURRENTLY ON LEAVES

- FAs on Voluntary Furloughs/Leaves who are awarded a VEOP will end their Voluntary Furloughs/Leaves and begin their Early Out on October 1, 2020

12. UNEMPLOYMENT

- The company will not contest unemployment claims by Flight Attendants who take the VEOP

13. PUALANI PIN

- FAs awarded the VEOP will be given a Pualani Pin as recognition for their years of service

14. AFA DUES

- Dues will continue during the 12-month severance period
15. VEOP PROTECTION

- If any subsequent VEOP is offered within 6 months of this VEOP, FAs who have been awarded this VEOP will receive no less favorable provisions.
- The VEOP pass travel benefits will be no less favorable than those in any other employee group’s Early Out.
- The Bonus Scorecard and profit-sharing provisions will be no less favorable than those of any other employee group’s Early Out.

16. HAWAIIAN MILES

- On October 1, 2020, FAs who take the VEOP will get the below number of miles credited to their Hawaiian Miles Account based on company seniority.

<table>
<thead>
<tr>
<th>YEARS OF SERVICE</th>
<th>NUMBER OF HAWAIIAN MILES</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>150,000</td>
</tr>
<tr>
<td>14</td>
<td>300,000</td>
</tr>
<tr>
<td>21</td>
<td>450,000</td>
</tr>
<tr>
<td>28</td>
<td>600,000</td>
</tr>
</tbody>
</table>

17. BIDDING / AWARDING TIMELINE *

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidding begins</td>
<td>August 7(^{th}) 0900 HST</td>
</tr>
<tr>
<td>Bidding closes and awards posted</td>
<td>August 21(^{st}) 1700 HST</td>
</tr>
<tr>
<td>Deadline for Flight Attendants to reconsider and cancel award</td>
<td>August 21(^{st}) – August 25(^{th}) 1700 HST</td>
</tr>
<tr>
<td>Commencement of VEOP</td>
<td>October 1(^{st})</td>
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</tbody>
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*timeline will be extended if the CARES ACT is renewed and the company accepts $$