

**HAWAIIAN AIRLINES  
FLIGHT ATTENDANT AGREEMENT**

**SECTION 33: RETIREMENT**

**A. Establishment of Retirement Board.**

1. There shall be established a Retirement Board (hereinafter referred to as the "Board") hereunder for the purpose of hearing and determining all disputes which may arise out of the application, interpretation or administration of the Retirement Plan (hereinafter referred to as the "Plan") provided by the Company or with respect to the Trustee, Trustees or Insuring Companies utilized in connection therewith or concerning participation in or benefits under the Plan, and the actuarial soundness and adequacy of funding such Plan with respect to the beneficiaries covered thereby. The Board may also recommend benefits and administrative procedures to the Company which the Company may wish to provide on a voluntary basis and shall review any benefits the Company wishes to provide on a voluntary basis to the individuals covered by this Retirement Board Letter of Agreement.
  
2. The Board shall consist of four (4) members, two (2) of whom shall be selected by the Company and two (2) of whom shall be selected by the Association (the latter shall hereafter be referred to as the Retirement Committee). The Company shall establish its own rules for the selection of the members of the Board to be selected by it and the Association shall likewise establish its own rules for the selection of the members of the Board to be selected by it. The Company shall also select one (1) alternate member who may act for either of the two (2) members of the Board appointed by the Company in the event of inability to act of one (1) of such members, and the Association shall likewise select one (1) alternate member who may act for either of the two (2) members of the Board appointed by the Association in the event of the absence or inability to act of one (1) of such members. Either the Company or the Association may, at any time, remove a member appointed by and may select a member to fill any vacancy among the members selected by it. Both the Company and Association shall, in writing, notify each other respectively concerning such selections which shall continue until further written notice.

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3. Three (3) members of the Board shall constitute a quorum for the transaction of business. At all Board meetings, Company members present shall be entitled to one (1) vote each. If at any such meeting two (2) Company members are not present, the Company member present may cast two (2) votes and if two (2) Association members are not present, the Association member present may cast two (2) votes.
4. The Board shall have the authority to appoint sub-committees from among the members of the Board to handle any problems within the jurisdiction of the Board. Such sub-committees shall report exclusively to the Board.
5. The compensation, travel and other reasonable living expenses, if any, of members of the Board selected by the Company which are incidental to the holding of such meetings and performing functions of the Board, shall be paid by the Company. The compensation, travel and other reasonable living expenses, if any, of members of the Board selected by the Association which are incidental to the holding of such meetings and performing functions of the Board shall be paid by the Association.
6. All decisions and actions taken by the Board shall be by the affirmative vote or agreement of not less than three (3) members. Such affirmative vote or agreement shall be set forth in writing and signed by the members of the Board. All decisions of the Board shall be final and binding upon the Company, the Association and any other person having an interest in, under or derived from the Plan.
7. If the Board shall fail to agree on any matter or dispute coming before it, it shall within ten (10) days from the date of such failure to agree, designate an Impartial Referee. If the Board does not agree upon the election of an Impartial Referee within such ten (10) day period, then either the Company or the Association may apply to the National Mediation Board for the designation by the National Mediation Board of an Impartial Referee. The matter or dispute shall be submitted to the Board sitting with the Impartial Referee, who shall act as chairman during the proceedings pertaining to such matter or dispute. Such

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Impartial Referee shall have one (1) vote. Three (3) affirmative votes shall be required to render a decision or determination on matters coming before the Board sitting together with the Impartial Referee.

8. The compensation and expenses of the Impartial Referee and expenses incidental to the conduct of proceedings coming before the Board shall be shared equally between the Company and the Association.
  9. The Board shall meet at least twice each year. Such meetings and other meetings of the Board may be called by mutual agreement of the members of the Board upon thirty (30) days notice to the other members of the Board. Such meetings shall be conducted at the Company's offices unless otherwise agreed to by the members of the Board.
- B. **Powers of the Board.** The powers of the Board shall include, but not necessarily be limited to, the following:
1. The Board shall have the power and obligation to determine all disputes which may arise out of the application, interpretation or administration of the Plan or with respect to the Trustee, Trustees, Insuring Companies or Investment Advisors utilized in connection therewith, or concerning participation in or benefits under the Plan, or the actuarial soundness and adequacy of funding the Plan with respect to the beneficiaries covered thereby.
  2. The Board shall have the power to affirm, reverse or otherwise modify any administrative system, form, or decision and affirm, reverse or otherwise modify any action or proposed action which gives rise to any dispute.
  3. The Board shall have no power to add to, subtract from, or modify any of the terms of the Plan.
  4. The Board shall have the power to establish rules of procedures for the conduct of its business and of hearings before it, which rules shall not be inconsistent with the provisions of the Plan or Trust.
- C. **Functions of the Board.** The rights and functions of the Board shall include, but not necessarily be limited to, the following:

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1. The Board shall have the right to approve, remove or change any Trustee or Insuring Company appointed by it or the Company used in connection with the Plan.
2. The Board shall have the right to approve, remove or change the Company's appointment of any persons or firms used to provide administrative services to the Plan (hereinafter referred to as the Administrator).
3. The Board shall have the right to approve, remove or change the Company's appointment of any persons or firms who have the power to direct investment of any funds held by the Trustee, Trustees or Insuring Company (hereinafter called the Investment Advisor) in connection with any of the Plan.
4. Should the Board notify the Company that any Trustee, Insuring Company, Actuary, Administrator or Investment Advisor is unsatisfactory, the Company shall immediately notify the Trustee or Insuring Company that the authority of such Trustee, Insuring Company, Actuary, Administrator or Investment Advisor shall terminate ninety (90) days from the date the Company was notified that such individual or organization was found unsatisfactory to the Board. If the Company is unable to select a replacement satisfactory to the Board within the ninety (90) day period referred to above, the Board shall select a replacement and the Company shall notify the appropriate individual or organization of such replacement forthwith.
5. The Board shall have the right to examine all books, records, reports, regulations, policies and procedures relative to the Plan including Trustee and Insuring Company instruments, amendments, actuarial, Trustees' and Insuring Company reports for the Plan, Trust Fund accounts or accounting and any other data relating to the Plan.
6. The Board shall have the right to review the status and administration of the Plan, Trust Fund, or Insurance Contract, and in the appropriate case, make recommendations to the Company, the Association, the Trustee, Insuring Company and/or Investment Advisor. The Board shall prepare periodic

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reports of its functions, actions and decisions and supply the source to the Company and the Association.

**D. Duties of the Company the Trustee and/or Insuring Company.**

1. The Company shall require the Trustee and/or Insuring Company to keep accurate and detailed records and accounts of all transactions affecting the funds which it holds in connection with the Plan. At least annually, a written report of the administration, operation and an accounting of such funds shall be prepared and submitted to the Board in a form satisfactory to the Board.
2. The Company shall require the Trustee and/or Insuring Company to issue a receipt to the Board for all contributions and deposits remitted by the Company pursuant to the Plan. Such receipt shall contain a description with respect to the purpose of each contribution received. Furthermore, if deposits or contributions are not received within thirty-one (31) days of the date such monies should have been remitted in accordance with the Plan or if remittances develop a pattern of recurring delinquency, the Company shall require the Trustee or Insuring Company to notify the Retirement Committee of such delinquencies automatically. The Company shall also require the Trustee or Insuring Company to report to the Retirement Committee automatically any remittance which is obviously inadequate under the provisions of the Plan. In this regard, the Trustee and/or Insuring Company shall only be responsible to detect inadequacies which would be obvious to a "reasonable man" unless the Trustee or Insuring Company has direct notice of inadequacy.
3. In order that the Board and Retirement Committee shall receive the information to which it is entitled, the Company shall deliver a copy of this Retirement Board Letter of Agreement to the Trustee and/or Insuring Company and any subsequent amendment or modification hereto.
4. The Company shall deliver a written financial report on the status of all Trusts, Trust Funds, or Insurance Policies to the

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Board not less than annually, in a form satisfactory to the Board.

5. The Company shall submit a description of any funding methods and actuarial assumptions used in or by the Plan to the Board for approval and no such method or assumption shall operate under the Plan unless approved by the Board in advance.
6. The Company shall deliver to the Board copies of any Internal Revenue Service determination letters initially qualifying the Plan and copies of all subsequent correspondence by and between the Internal Revenue Service, the Company and/or the Trustees relative to the tax status of the Plan or the benefits thereunder.
7. The Company shall deliver to the Board copies of fee schedules for all professional services rendered to the Plan, Trust or Insurance Policies, including, but not limited to, trustee fees, insurance commissions, actuarial fees, administrative fees, legal fees, investment counseling fees, etc.
8. The Company shall deliver to the Board and to the Association at its Home Office at 501 3rd Street, N.W., Washington, D.C. 20001, copies of all Plans and trust documents and any master annuity contracts used in providing and/or funding benefits of the Plan.
9. The Company shall deliver to the Board copies of all filings in compliance with any state or federal disclosure laws or similar or related legislation.
10. Thirty (30) days prior to the printing, distribution and/or use, the Company shall furnish the Board with a copy of any booklet describing the benefits of the Plan, employee statement or any other administrative form for approval. If the form or content of any such document should prove unsatisfactory to the Board, the Company shall proceed to modify the document in a manner which will satisfy the Board. If the Company cannot provide a form satisfactory to the Board within a reasonable time, the Board shall have the

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right to prepare such form on its own initiative at Company expense.

11. The Company shall furnish the Board with any other information reasonably related to the Trust, Plan or Insurance Policy (or their administration) which may be requested by the Board.
12. Fifteen (15) days prior to the giving of any direction to the Trustee and/or Insuring Company, the Company shall serve upon the Board a copy of the proposed direction. In the event that within said fifteen (15) day period the Board or any agent acting on its behalf shall serve notice of objection to such direction upon the Company, the giving of such proposed direction shall be deferred and the matter will be submitted to the Board. When the matter shall have been determined by the Board, the Company shall give a direction to the Trustee or Insuring Company effectuating such determination. At the time of each direction, the Company shall certify to the Trustee or Insuring Company that the proposed direction was so served upon the Board and either that no objection thereto was made within the fifteen (15) day period or that the direction given effectuates the determination of the Board, and the Trustee or Insuring Company may conclusively rely upon such certification.
13. The Company and the Trustee and/or Insuring Company shall furnish to the members of the Board all records and material set forth above within thirty (30) days from the date on which such material may have been prepared or compiled; and in any case, annual D-2s, actuarial reports, Trustees' and Insuring Companies' reports for the Plan shall be furnished to the Retirement Committee not less frequently than once each year. The Retirement Committee may request and shall be entitled to receive additional material and data relating to the foregoing.
14. The Company shall pay all the expenses of administration and operation of the Plan unless specifically indicated to the contrary.

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**E. Implied Powers of the Board.**

In addition to the above, the Board and Retirement Committee shall have any and all necessary powers to carry out their duties hereunder or which are reasonably implied by the provisions of the Plan, this Retirement Board Letter of Agreement, Trust Agreement or Insurance Policy.

**F. Retirement Plan (401(k))**

1. The Hawaiian Airlines, Inc. 401(k) Plan for Flight Attendants as identified by ID #9001a, 12/94 shall be annexed hereto.
2. If for any reason the Plan as amended does not meet the qualification requirements of the Internal Revenue Service, the parties hereto shall promptly meet and effect such changes as may be necessary to achieve such approval. If said agreements, nevertheless, fail to be approved by the Internal Revenue Service, or the parties are unable to agree upon changes designed to secure such approval, then and in any of such events, the matters covered by this agreement shall be the subject of further negotiations between the Company and the Association in accordance with the provisions of the Railway Labor Act, as amended.
3. Commencing with the first day of the month following a Flight Attendants completion of one (1) year of service the Company (as defined under the 401(k) plan) the Company will contribute each month five percent (5%) of the Flight Attendant's compensation to the Hawaiian Airlines, Inc. 401(k) Plan for Flight Attendants (hereinafter known as the "401(k) Plan"). The Company will also contribute to the 401(k) Plan an amount equal to the amount of salary deferral contributions of each eligible Flight Attendant, provided that such Matching Contribution shall not exceed two percent (2%) of the eligible Flight Attendant's compensation, unless the Flight Attendant has more than twenty (20) years of service (as defined under the 401(k) plan) in which case such Matching Contribution shall not exceed two-and-one-half percent (2.5%) of the eligible Flight Attendant's compensation.



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4. A Flight Attendant shall always be 100% vested in her/his Flight Attendant investment, salary reduction contribution, and Participating Employer Contribution accounts. A Flight Attendant shall be 100% vested in her/his Matching Contribution upon the earliest of (i) attaining age 55, (ii) incurring a disability, (iii) death, or (iv) completion of at least three years of Vesting Service.

**G. Retirement Age**

1. "Normal Retirement Age" shall mean the first day of the month coinciding with or immediately following a Participant's 60th birthday.
  2. "Early Retirement Age" shall mean the first day of any month prior to the Participant's Normal Retirement Age that coincides with or follows the Participant's 40th birthday and completion of five (5) years of Vesting Service.
  3. "Early Retirement for Passes" shall mean the first day of any month prior to the Flight Attendant's "Normal Retirement Age" that coincides with or follows the Flight Attendant's 40th birthday and completion of ten (10) years of service.
- H. A retired Flight Attendant (either early or normal), spouse and dependents of retired or deceased Flight Attendants, in accordance with Company policy, interline reciprocal agreements and federal regulations, shall be extended on-line and interline free and reduced rate transportation privileges.
- I. The Company shall furnish retiring Flight Attendants, or if deceased, their spouse and eligible dependents, a list of entitlements available under the terms and provisions of this Agreement, such as insurance, retirement benefits as well as travel privileges.
- J. A medically retired Flight Attendant, spouse and dependents shall be extended interline and on-line benefits in accordance with Company policy, interline reciprocal agreements and federal regulations.

**K. Retired Flight Attendant Benefits**

1. The Association and the Company agree that when a Flight Attendant retires at age sixty (60) or older, all unused sick

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leave hours that the Flight Attendant has accumulated shall be converted into extended medical premium coverage under the Company group plan(s), at no cost to the Flight Attendant, for the Flight Attendant, her/his spouse, and eligible dependents. The conversion of sick leave hours shall be as follows:

- a. All accumulated sick leave hours multiplied by the Flight Attendant's hourly rate, shall establish an account from which the cost of medical coverage (full monthly premium) shall be paid, for the retiring Flight Attendant, her/his spouse, and eligible dependents. This provision shall in no way reduce or diminish any benefit or right (i.e. COBRA, ERISA, etc.) to which the Flight Attendant may be entitled under the law.
  - b. The duration of medical insurance premium coverage shall be for no longer than twelve (12) months. At the end of the twelve (12) month period, the remainder of the account shall revert to the Company.
  - c. The Company shall use every means available to eliminate, if not minimize all or any taxes, for Flight Attendants participating in the program converting sick leave hours for extended medical insurance coverage, as provided above. However, should there be any Federal or State tax liability, the Flight Attendant shall incur such expense.
2. A Flight Attendant may purchase at her/his own expense health, dental, drug and vision coverage through the Company's group insurance programs for herself/himself and eligible dependents if she/he remains in service and retires on her/his normal retirement date. Upon reaching her/his 60th birthday, she/he may purchase, at rates then available to the Company, coverage available from Hawaii Medical Service Association or Kaiser Health Plan which, when coordinated with Medicare benefits, will provide her/him with a level of benefits approximating those available to active Flight Attendants.

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3. Flight Attendants who retire on or after their Normal Retirement Date may, at their expense, purchase from the Company \$25,000 of basic life insurance. Thereafter, once each year on the retirement anniversary date, the amount of life insurance shall be reduced by \$3,000. However, in no event will such retiree life insurance be less than \$10,000.
4.
  - a. Effective July 1, 2001, if a Flight Attendant retires between the ages of fifty-five (55) and sixty (60) with thirty (30) or more years of service, the Company will pay on-half (1/2) the cost of the medical insurance for the Flight Attendant and her/his spouse until the Flight Attendant reaches age sixty-five (65).
  - b. Further, if a Flight Attendant retires between the ages of sixty (60) and sixty-four (64) with thirty (30) or more years of service, the Company will pay all of the cost of the medical insurance for the Flight Attendant and her/his spouse until the Flight Attendant reaches age sixty-five (65).
5. Retiree Death Benefit

The Company will provide death benefit coverage of five thousand dollars (\$5,000) for Flight Attendants who remain in the service of the Company and on the Flight Attendants' System Seniority List until on or after their normal retirement age and retire.

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