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October 13, 2020

VIA U.S. MAIL & ELECTRONIC MAIL [dlir.director@hawaii.gov]

State of Hawai'i, Department of Labor & Industrial Relations
Attn: Director Anne Perreira-Eustaquio
830 Punchbowl Street, Room 321
Honolulu, Hawai'i 96813
E-mail: dlir.director@hawaii.gov

Re: Second Amended Notice of Mass Layoff at Hawaiian Airlines

Dear Director Perreira-Eustaquio:

This letter amends Hawaiian Airlines, Inc.'s ("Hawaiian's" or the "Company's") notices pursuant to the federal Worker Adjustment Retraining Notification Act ("WARN"), dated July 29, 2020, errata to the same, dated August 1, 2020, Amended WARN Notice, dated September 16, 2020, and errata to the same, dated September 18, 2020.

In our Amended WARN Notice, and errata thereto, we notified the DLIR that the election period for the voluntary furlough programs closed on September 7, 2020. As a result of the elections made to accept voluntary furloughs and retirements, the number of involuntary furloughs of union employees in the State of Hawai'i was reduced from 2037 to 428, 178 of whom were employees covered under the collective bargaining agreement between Hawaiian Airlines, Inc. and the International Association of Machinists and Aerospace Workers (AFL-CIO), representing Clerical, Office, Stores, Fleet and Passenger Service Employees, effective January 8, 2016 to December 31, 2020 (the "IAM-Clerical CBA"), and 14 of whom were employees covered under the collective bargaining agreement between Hawaiian Airlines, Inc. and the International Association of Machinists and Aerospace Workers (AFL-CIO) effective January 8, 2016 through December 31, 2020 (the "IAM-Machinists CBA").

Since March, the COVID-19 pandemic and the multiple state and county orders implemented since then, intended to curb the further spread of the novel coronavirus, have had devastating impact on travel, both for out-of-state and inter-island travel. Currently, there remains in place a mandatory 14-day quarantine for visitors arriving from the mainland to Hawai'i, as well as for inter-island travel from Oahu to the neighbor islands. While we are hopeful that the State's 72-hour testing program that will be launched on October 15 will lead to an increase in travel, it unfortunately comes too late for 'Ohana by Hawaiian, which will temporarily suspend its passenger flights between Honolulu (HNL) and Moloka'i (MKK) and Lāna'i (LNY), as well as cargo-only service within the Hawaiian Islands.¹

Hawaiian launched 'Ohana by Hawaiian flights with ATR-42 turboprop aircraft in spring 2014, followed by all-cargo service with ATR-72 aircraft in August 2018. Hawaiian has sought to preserve important air service to Moloka'i and Lāna'i. However, low travel demand caused by the pandemic and

¹ Service between HNL and Kapalua (JHM) in West Maui was suspended in March.

the State of Hawai'i's quarantine restrictions triggered a labor provision in Hawaiian's pilot and flight attendant contracts affecting the Company's ability to provide 'Ohana by Hawaiian service. The provision, which is common in the U.S. airline industry but rarely invoked, prevents Hawaiian from offering 'Ohana by Hawaiian flights – which are operated with turboprop aircraft by Empire Airlines as a third-party feeder carrier – when interisland Boeing 717 jet flights operated by unionized Hawaiian crewmembers are severely reduced.

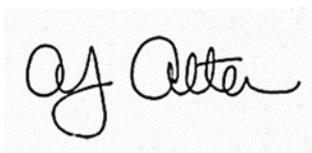
While Hawaiian would be able to resume 'Ohana by Hawaiian service with a significant recovery in interisland travel, that is unlikely to occur anytime soon. The Association of Flight Attendants and the Air Line Pilots Association have agreed to provide relief from the contractual provision if additional Payment Support Program (PSP) funding is approved by the federal government and allows Hawaiian to bring furloughed employees back to its payroll. Negotiations to extend the PSP continued in Washington, D.C, albeit at a halting pace, until October 6, when President Trump unexpectedly announced a halt to economic relief discussions until after the presidential election. While those discussions appear to have restarted, it is still unknown whether, or when, there will be an extension of the PSP or the related terms.

Although it is currently unknown when Hawaiian will resume its 'Ohana by Hawaiian flights, the suspension is currently expected to remain in place for at least six (6) months. As such, an additional 24 employees in positions covered by the IAM-Clerical CBA and an additional 23 employees in positions covered by the IAM-Mechanical CBA are now anticipated to be involuntarily furloughed effective November 1, 2020.

Exhibit A is a listing of the potentially affected 47 union job classifications and the number of potentially affected employees in each job classification.

Should you have any questions regarding this notice, please do not hesitate to contact me at (808) 564-7470 or Aaron.Alter@HawaiianAir.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "A. J. Alter", is centered on the page.

Aaron J. Alter
Executive Vice President & Chief Legal Officer

Exhibit A (Listing of Affected Job Classifications under the IAM-Clerical CBA and IAM-Mechanical CBA)

cc: The Honorable Mayor Kirk Caldwell (via facsimile)
The Honorable Mayor Harry Kim (via facsimile)
The Honorable Mayor Michael P. Victorino (via electronic mail)
The Honorable Mayor Derek S. K. Kawakami (via electronic mail)

EXHIBIT A

Job Classification Affected	No. of Employees in Affected Classification	Station (Union)
Contract Serviceman	19	HNL (IAM-Machinists)
Lead Contract Serviceman	4	HNL (IAM-Machinists)
Chief Cargo Agent	1	HNL (IAM-Clerical)
Chief Cargo Agent	1	ITO (IAM-Clerical)
Chief Cargo Agent	1	LIH (IAM-Clerical)
Cargo Agent	6	HNL (IAM-Clerical)
Cargo Agent	3	KOA (IAM-Clerical)
Cargo Agent	4	LIH (IAM-Clerical)
Cargo Agent	3	ITO (IAM-Clerical)
Cargo Agent	5	OGG (IAM-Clerical)