

MERGER TRANSITION PROTOCOL LETTER OF AGREEMENT

BETWEEN

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (AFL-CIO,)

and

ALASKA AIRLINES, INC., ALASKA AIR GROUP, INC.

HAWAIIAN AIRLINES, INC., AND HAWAIIAN HOLDINGS, INC.

This Merger Transition Protocol Agreement ("MTP") is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Alaska Airlines, Inc. ("Alaska Airlines") and its parent company Alaska Air Group ("AAG"), Hawaiian Airlines, Inc. ("Hawaiian Airlines") and its parent company Hawaiian Holdings, Inc. ("Hawaiian Holdings"), and the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO ("IAM"), (collectively, "the Parties").

WHEREAS, AAG, parent of Alaska Airlines, Marlin Acquisition Corp. (a wholly owned subsidiary of AAG) and Hawaiian Holdings, the corporate parent of Hawaiian Airlines, have entered into an Agreement and Plan of Merger, dated as of December 2, 2023 ("Corporate Merger Agreement"), to merge Alaska Airlines and Hawaiian Airlines with the goal of merging operations and becoming one sole air carrier;

WHEREAS: The IAM is the legal representative at Alaska Airlines of the Clerical, Office and Passenger Service, Ramp and Stores Employees and at Hawaiian Airlines of the Clerical, Office, Stores, Fleet and Passenger Service employees (collectively, "employees covered under this agreement") and

WHEREAS: The Parties wish to provide orderly procedures for the combination of employees covered under this agreement; and

NOW THEREFORE: The following provisions have been agreed to and shall be effective with the signing of this Merger Transition Protocol Agreement (MTP).

Definitions Used in this MTP:

Air carrier. An "air carrier" as defined in the Federal Aviation Act, as amended, 49 U.S.C. § 40102(a)(2).

Airline. Either Alaska or Hawaiian, jointly, the "Airlines."

Airline Party. Either Alaska or Hawaiian; jointly, the "Airline Parties."

Alaska. Alaska Airlines, Inc.

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34 **Alaska CBA.** The Two (2) collective bargaining agreements between IAM and Alaska Airlines
35 covering Office and Passenger Service (“COPS”) and Ramp and Stores (“RSSA”)
36 employees.

37 **Alaska IAM.** The IAM International, District Officers or Representatives.

38 **Complete Operational Merger.** The operation of Alaska and Hawaiian, or their corporate survivor,
39 upon completion of all the following:
40 1) Federal Aviation Administration (“FAA”) issuance of a single operating certificate.
41 2) National Mediation Board (“NMB”) determination that Alaska and Hawaiian are a
42 single transportation system for employees covered under this agreement for
43 representation purposes under the Railway Labor Act (“RLA”).
44 3) Execution of JCBA’s, as negotiated and defined in the JCBA’s; and
45 4) The seniority lists of employees covered under this agreement are merged and
46 certified in accordance with the IAM Seniority Merger Policy and the IAM has provided
47 the integrated seniority lists (ISLs) to the surviving Airline Party for implementation,
48 subject to the provisions in Section B of this MTP.
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50 **Corporate Merger Agreement.** The Agreement and Plan of Merger, dated as of December 2, 2023,
51 between and among AAG, Marlin Acquisition Corp., and Hawaiian Holdings.

52 **Corporate Merger Closing.** The Closing as defined in Article 1.2 of the Corporate Merger
53 Agreement.

54 **Corporate Merger Closing Date.** September 18, 2024.

55 **FAA.** Federal Aviation Administration.

56 **Hawaiian.** Hawaiian Airlines, Inc.

57 **Hawaiian CBA.** The collective bargaining agreement between IAM and Hawaiian Airlines covering
58 Clerical, Office, Passenger Service, Fleet and Stores (“COPFS”) employees.

59 **Hawaiian Holdings.** Hawaiian Holdings, Inc.

60 **Hawaiian IAM.** The IAM International, District Officers or Representatives.

61 **Integrated Seniority Lists.** The Integrated Seniority Lists (ISLs) of Alaska employees covered under
62 this agreement and the Hawaiian employees covered under this agreement resulting from
63 the Seniority Lists Integration.

64 **Joint Collective Bargaining Agreements; JCBA’s.** The comprehensive collective bargaining
65 agreements for the Alaska and Hawaiian employees covered under this agreement
66 between the Airline Parties and the IAM.

67 **MTP.** The Merger Transition Protocol Agreement.

68 **MTP Effective Date.** The date on which the MTP has received its final signature for execution.



69 **NMB.** National Mediation Board.

70 **Operational Merger Date.** The date of the Complete Operational Merger.

71 **RLA.** The Railway Labor Act, as amended, 45 U.S.C. §§ 151 *et seq.*

72 **Single Operating Certificate.** An air carrier certificate issued by the FAA, under which Alaska and
73 Hawaiian, or their air-carrier successor or survivor, will operate as a single certificated air
74 carrier.

75 **Single Transportation System.** The operation of Alaska and Hawaiian, or their air carrier
76 successor or survivor, as a single transportation system for employees covered under this
77 agreement for representation purposes as determined by the NMB under Section 2 (Ninth)
78 of the RLA.

79 **A. Separation of Employees covered under this agreement**

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81 1. Employees covered under this agreement will remain separate and covered by their
82 respective Collective Bargaining Agreements (CBAs) ("the Period of Separate Operations")
83 until the Complete Operational Merger, which includes ratified JCBA's, except as described
84 in paragraph H-8 below.

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86 2. The IAM will file an application to the NMB for recognition of a Single Transportation System
87 for employees covered under this agreement of the combined airline ("Single Carrier"), no
88 later than 180 days after the MTP Effective Date or 180 days after the Corporate Merger
89 Closing Date, whichever comes later.

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91 3. The Airline Parties will take all necessary steps to secure a Single Operating Certificate
92 (SOC) from the FAA. The IAM will provide reasonable support as requested by the Airline
93 Parties to support their efforts to secure approval from the FAA for operation under a SOC.

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95 4. The Airline Parties will provide the Union with a list of all aircraft, by tail number, that
96 existed in the service of, stored by, or on order or option by, Hawaiian Airlines as of June 1,
97 2024.

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99 5. The Airline Parties will provide the Union with a list of all aircraft, by tail number, that
100 existed in the service of, stored by, or on order or option by, Alaska Airlines as of June 1,
101 2024.

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103 6. Any individual hired into a position covered under this agreement by either Airline Party will
104 be placed on the seniority list of the respective hiring carrier in accordance with the
105 requirements of the applicable CBA.

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109 **B. Seniority Integration Lists:**

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- 111 1. Seniority lists of Hawaiian Airlines and Alaska Airlines employees covered under this
112 agreement will be integrated by The IAM pursuant to the IAM Seniority merger policy
113 resulting in Integrated Seniority Lists (ISLs).
114
- 115 2. The surviving Airline Party will accept the ISLs subject to the following conditions and
116 restrictions:
117 a. No "system flush" whereby an active employee covered under this agreement may
118 displace any other active employee covered under this agreement from the latter's
119 station or bid location; and
120 b. Furloughed employees (currently on the street) covered under this agreement may
121 not bump/displace active employees covered under this agreement.
122
- 123 3. The IAM shall provide the ISLs to the Airline Parties on the effective date of the JCBA's.
124
- 125 4. The Airline Parties will cooperate and respond to any requests by the IAM for employment,
126 training, or other data necessary for the seniority integration. Data will include the date
127 from which each employee covered under this agreement accrues classification seniority,
128 date of hire, Pay Date seniority or any other information related to placement on seniority
129 lists currently being utilized.
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131 **C. Negotiations of Joint Collective Bargaining Agreements:**

132 The IAM and the Airline Parties will negotiate JCBA's which will govern the operations of the
133 surviving Airline Party. The following protocol will apply:

- 134 1. The Airline Parties and the IAM will start JCBA negotiations no later than 180 days after the
135 MTP Effective Date. If the Parties are still engaged in JCBA negotiations on July 27, 2025 the
136 parties agree to forgo Section 6 separate negotiations under the Alaska CBAs, and if the
137 parties are still engaged in JCBA negotiations on February 16, 2026 the parties agree to
138 forgo Section 6 separate negotiations under the Hawaiian CBA.
139
- 140 2. The Airline Parties and the IAM will have the goal, where feasible, of using a process for
141 reaching tentative JCBA's via an "adopt-and-go" method (that is, selecting specific entire
142 sections to the extent possible) or a "modify and adopt" method (that is, modifying an
143 entire section from one CBA and selecting and incorporating that altered section) in an
144 attempt to conduct efficient JCBA negotiations.
145
- 146 3. Negotiating Dates – Mutually acceptable negotiating dates will be established as far in
147 advance as possible. The Airline Parties and the IAM will typically meet for negotiations for
148 one (1) session per month unless mutually agreed otherwise. Negotiations will be
149 conducted in increments of no fewer than three (3) days with travel the Day before and the
150 Day after. Should the Airline Parties or the IAM need to change an agreed-upon negotiating



- 151 date(s), it will notify the other party as far in advance as possible and attempt to establish
152 an alternative date(s) in which to make up the missed negotiating date(s).
153
- 154 4. In addition to travel already provided by the Airline Parties to the IAM, the Airline Parties will
155 provide Business Positive Space ("Non-Bumpable") travel on both company's aircraft
156 (Hawaiian and Alaska) for 15 total members, excluding current representatives who already
157 have travel authority, of the IAM Seniority Merger Integration Committees, Negotiating
158 Committee, and IAM officers in connection with JCBA negotiations and seniority integration
159 duties. These members will be determined by the IAM.
160
- 161 5. Negotiations will occur at The IAM District 142 office or the Seattle Alaska Labor Room,
162 unless otherwise agreed to by the IAM and the Airline Parties. If the parties agree to
163 negotiate in a different location, the facilities will include, at a minimum, an adequately
164 sized negotiating room plus one (1) caucus room. Adequate printing, photocopying, and Wi-
165 Fi will be available at no charge to the IAM.
166
- 167 6. Distraction Minimization – The members of each team will endeavor to "clear their
168 schedules" for the period of the negotiations session so that full focus may be applied to
169 the task of discussing and generating proposals at the bargaining table.
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- 171 7. No party to the negotiations will audio/or video record any of the negotiation discussions.
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- 173 8. The Airline Parties will provide a mutually agreed qualified person to document and
174 preserve completed Tentative Agreements and appropriately integrate them into final
175 JCBA's tentative agreement. Both parties will maintain document control and access to all
176 documents.
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178 **D. Administration and Expenses**
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- 180 1. Alaska will reimburse actual and reasonable expenses, not later than thirty (30) days after
181 the date on which the reimbursement request has been submitted in writing accompanied
182 by appropriate summary invoices, incurred by the IAM members of the Seniority Merger
183 Integration Committee, Negotiating Committee, and IAM officers engaged in activities
184 surrounding the integration of the seniority lists and the negotiations of the JCBA's up to
185 Two and a half million dollars (\$2,500,000).
186
- 187 2. Any expenses not billed directly to the Airlines will be processed through the IAM,
188 International, District or Local which will in turn invoice Alaska monthly. Employees on
189 active payroll with Alaska or Hawaiian, working for the IAM as described in one (1) above,
190 will code time for work to IAM business (e.g., AB for Alaska and UBP for Hawaiian) and will
191 not lose any benefit accruals, pension credit, 401-K contributions, seniority, or any other
192 benefits provided to an active employee because of working on behalf of the IAM. This
193 paragraph does not change any CBA provisions or side letter that currently apply to
194 employees on Union Business Leave of Absence.

195 **E. IAM Board of Directors Member:**

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197 1. The Airline Parties agree that if the IAM single Board Seat currently on the Hawaiian
198 Holdings Board is retained in the JCBA, the seat will be on the Alaska Air Group, Inc.'s Board
199 of Directors.

200

201 2. Board of Directors Member: Corporate Merger Closing Date until the effective date of the
202 JCBA.

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204 a. Hawaiian Holdings, Inc. shall remain a corporation from the Corporate Merger
205 Closing Date until, at least, the effective date of the JCBA and, during that same
206 time period, shall remain the sole shareholder of Hawaiian Airlines, Inc.

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208 b. Notwithstanding any provisions in the Corporate Merger Agreement (including
209 Article 1, Paragraph 1.1(c) of the Corporate Merger Agreement), from the Corporate
210 Merger Closing Date until the effective date of the JCBA, the Board of Directors of
211 Hawaiian Holdings, Inc. shall continue to include one (1) person currently held by
212 the IAM in accordance with Hawaiian CBA Section 3.9.

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214 c. The IAM agrees that, from the Corporate Merger Closing Date until the effective date
215 of the JCBA, the above provisions shall satisfy the Airline Parties' obligations under
216 the Hawaiian CBA with respect to Section 3.9.

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218 **F. Expedited Arbitration**

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220 The Airline Parties and the IAM will resolve disputes between them concerning the
221 interpretation or application of this MTP by final and binding arbitration. Any arbitration will be
222 on an expedited basis directly before the Alaska or Hawaiian System Board of Adjustment, as
223 mutually agreed upon, sitting with a neutral member, as the arbitration forum. The dispute will
224 be heard expeditiously no later than thirty (30) days following the submission to the System
225 Board and decided expeditiously no later than sixty (60) days after submission, unless the
226 parties agree otherwise in writing. The parties agree to abide by any arbitration award that is
227 issued. The fees and expenses of the arbitration will be paid one-half (1/2) by the IAM and one-
228 half (1/2) by the Airline Parties.

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231 **G. Effective Date, Modification, Status, and Term of MTP**

232 This MTP:

233 1. Will take effect on the date on which the MTP has received its final signature for execution
234 and may be modified by written mutual agreement between the IAM and the Airline Parties.

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- 236 2. Does not alter or modify any term of any agreement between the IAM and either Airline
237 Party, which remain in full force and effect in accordance with their terms, except as
238 expressly set forth herein; and
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240 3. Will remain in effect in accordance with its terms until each of the provisions herein has
241 been fulfilled, unless terminated sooner by mutual written agreement of the IAM and the
242 Airline Parties.
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245 **H. Merger related MTP agreements:**
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- 247 1. The Airline Parties and the IAM commit that it is their intent to negotiate in good faith with
248 respect to JCBA provisions, to provide for job protections, and potentially additional work
249 where such work is currently not performed by IAM employees at either Airline, including
250 but not limited to: Reservation work at Hawaiian Airlines; COPFS, COPS and RSSA work in
251 the State of Hawaii, which is currently outsourced.
252
253 2. The expiration of LOA #12 in the Alaska COPS CBA and LOA #14 in the Alaska RSSA CBA will
254 be extended to September 27, 2032, or ratification of JCBA(s), if later, unless otherwise
255 agreed to by the parties.
256
257 3. No employee who is on the Alaska COPS or RSSA or Hawaiian COPFS seniority list(s) as of
258 Corporate Merger Closing Date will be involuntarily displaced from their current
259 classification and station during the time period between MTP Effective Date and the
260 ratification of the applicable JCBA's except under the circumstances below:
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262 a. Under the provisions of the existing Alaska COPS and RSSA CBA's Alaska may
263 continue the current practice of adjusting staffing levels in support of the Flight
264 schedule. Any such employee affected by a reduction will be able to utilize any
265 bumping rights afforded under their respective CBA. Alaska will guarantee that after
266 any bumping no employee will be furloughed to the street, and the Airline Parties
267 will make available a position on the system, if such employee wants to remain
268 active.
269
270 b. Hawaiian MCSR employees may be displaced from a specific station, or
271 classification or location within a station. Displaced employees may choose any of
272 the following:
273
274 1. Exercise their rights under the Hawaiian CBA, if applicable.
275 2. Fill any IAM covered vacancy on the Alaska/Hawaiian system before a new hire.
276 If such employee decides to fill a vacancy at Alaska, they will be treated as a
277 new hire for all purposes, except pay will be in accordance with their time at
278 Hawaiian Airlines. Once a JCBA and Integrated Seniority Lists are reached,



279 seniority for these employees will be recognized from their original
280 classification date as defined in the ISL's.

281 3. The Airline Parties agree that no employee will be furloughed to the street and
282 the Airline Parties will make available a position on the system, if such
283 employee wants to remain active.

284 4. If the impacted Hawaiian employees elect not to transfer as described above,
285 they will receive severance equivalent to what is provided in Article 2.7 of the
286 Hawaiian CBA.

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288 4. The Companies are relieved of compliance with the preceding Paragraph H.3 when job
289 reductions are necessary due to a strike or picketing of Company premises, an Act of God,
290 a national war emergency, revocation of the carrier's operating certificate(s), or grounding
291 of the carrier's aircraft by government order.

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293 5. Any IAM covered vacancy that goes unfilled following the applicable contractual bidding
294 process on either Alaska Airlines or Hawaiian Airlines prior to a JCBA(s) will be offered in
295 seniority order to any employee from the other Airline who submits their desire to fill such
296 vacancy prior to a New Hire. If this happens before JCBA(s) then such employee who is
297 awarded such vacancy on the other Airline, will be treated as a New Hire for classification
298 seniority, but the Company will recognize their service at other Airline for pay purposes
299 only. Once a JCBA and Integrated Seniority Lists are reached, seniority for these employees
300 will be recognized from their original classification date as defined in the ISLs.

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302 6. For the duration of this MTP, employees covered by any IAM-administered CBA who are
303 awarded a vacancy bid may be held in their current classification and station for up to one
304 hundred and twenty (120) days after the effective date of the bid award. However, if the
305 award is to a higher classification, the higher pay will be effective the day following the
306 effective date of the bid award.

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308 7. The parties will cooperate to schedule cross-training at each company as needed to ensure
309 successful operation and agree that such cross-training does not violate the Alaska COPS
310 and RSSA and or Hawaiian COPFS agreements.

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313 8. The Airline Parties will remain separate and covered by their respective Collective
314 Bargaining Agreements ("the Period of Separate Operations") until the Complete
315 Operational Merger, which includes ratified JCBA's, subject to the following:

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317 a. In a location where Alaska has scheduled COPS or RSSA employees and
318 Hawaiian also has COPFS employees, one Airline may utilize qualified
319 employees from the other Airline at their regular rate of pay to perform work
320 within the employee's classification, subject to the following:

321 1. All employees of each Airline are scheduled for shifts and days off, in
322 accordance with their respective Collective Bargaining Agreements, based



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- on the existing flight activity of their Airline and not into a combined pool of employees.
2. The Airline whose employees are absent, thereby causing the need for additional coverage, must first offer overtime to its employees to provide the additional coverage if the other Airline is already offering overtime to its employees. Volunteers from both Airlines will be awarded overtime before either Airline junior assigns (mandatory) overtime.
 3. Example 1: Alaska has 10 CSAs scheduled and Hawaiian has 10 CSAs scheduled and 5 CSAs from Hawaiian are absent. If there was no overtime for the Alaska CSAs and Hawaiian decided not to cover the absences with overtime, then cross utilization is OK.
 4. Example 2: Alaska has 10 CSAs scheduled and Hawaiian has 10 CSAs scheduled and 5 CSA from Hawaiian are absent. If Alaska is already awarding overtime, Hawaiian will offer overtime up to the number of employees needed to cover for the employees who are absent. If Hawaiian does not have enough volunteers to cover the overtime being offered, the remaining overtime will be offered to qualified Alaska overtime volunteers. In each case, the overtime will be offered and awarded consistent with the overtime, duty time, and rest provisions of the respective Collective Bargaining Agreements.
 5. Example 3: Alaska has 10 CSAs scheduled and Hawaiian has 10 CSAs scheduled and 5 CSAs from Alaska are absent. Alaska decided overtime is needed and it was offered to all qualified Alaska volunteers, but only half the needed coverage was awarded. Hawaiian may cross utilize Hawaiian CSAs on straight time or Hawaiian may attempt to award the remainder of the needed coverage to qualified overtime volunteers from Hawaiian (if needed) before Alaska may junior assign mandatory overtime to any Alaska CSAs.
 6. Example 4: Alaska has 10 CSAs scheduled Hawaiian has only 5 CSAs scheduled, but Hawaiian flight schedules require 10 CSAs (due to attrition or growth). The company will open 5 Hawaiian vacancies in the location for Hawaiian employees to bid into before cross utilizing Alaska CSAs to cover the work for Hawaiian.
 7. The above examples will be utilized for both Airline Parties in the same manner.
9. For the Airline Parties to stabilize and in return for this MTP, the IAM agrees that for a three (3) year period after MTP Effective Date or until ratification of JCBA(s), if sooner, the Airline Parties will not be required to staff any Hawaiian employees in stations and classifications that are not currently staffed in accordance with the Hawaiian CBA Article 2.4, except that this sentence will not apply to Material Support Lead, Material Support Specialist, and Material Support Agent classifications.



366 IN WITNESS WHEREOF, the parties hereto have executed this MTP Letter of Agreement effective
367 this day 30 of October, 2024

368

369 For Alaska Air Group, Inc.

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371 _____

372 Ben Minicucci
373 Chief Executive Officer

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376 For Alaska Airlines, Inc.

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379 Ben Minicucci
380 Chief Executive Officer

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384 For the INTERNATIONAL ASSOCIATION OF MACHINISTS
385 AND AEROSPACE WORKERS, AFL-CIO ("IAM")

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387 
388 _____

389 Michael Klemm
390 District 141 President & Directing General Chair

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394 John Coveny
395 District 142 President & Directing General Chair

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For Hawaiian Holdings, Inc.



Joseph Sprague
Chief Executive Officer

For Hawaiian Airlines, Inc.



Joseph Sprague
Chief Executive Officer

