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U.S. BANKRUPTCY COURT
DISTRICT OF HAWAII

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Proposed Counsel for Debtor
and Debtor in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII**

In re

HAWAIIAN AIRLINES, INC.
a Hawaii corporation,

Debtor.

Case No. 03 - 00817
(Chapter 11)

**MOTION FOR AN ORDER
PURSUANT TO SECTIONS 105, 363
AND 507 OF THE BANKRUPTCY
CODE AUTHORIZING (I) PAYMENT**

**OF PRE-PETITION WAGES,
SALARIES, REIMBURSABLE
EMPLOYEE EXPENSES, PAYMENT
OF PRE-PETITION DEDUCTIONS,
PAYMENT PURSUANT TO CERTAIN
EMPLOYEE BENEFITS PROGRAMS,
(II) DIRECTING BANKS TO HONOR
PRE-PETITION CHECKS AND (III)
CONFIRMING RIGHT OF DEBTOR
TO CONTINUE EMPLOYEE
PROGRAMS; EXHIBITS A – D;
PROPOSED ORDER**

Date: March 21, 2003

Time: 2:30 p.m.

Judge: Hon. Robert J. Faris

Hawaiian Airlines, Inc., as debtor and debtor in possession (the “Debtor”), by and through its undersigned proposed co-counsel, hereby moves this Court for entry of an order (I) authorizing payment of pre-petition wages, salaries, reimbursable employee expenses, payment of pre-petition deductions, payment pursuant to certain employee benefits programs, (II) directing banks to honor pre-petition checks and (III) confirming right of the Debtor to continue its employee programs (the “Motion”). In support of the Motion, the Debtor respectfully submits as follows:

I. JURISDICTION

1. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §

157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The bases for the relief requested herein are sections 105(a), 363(b) and 507 of title 11 of the United States Code (the “Bankruptcy Code”).

II. BACKGROUND

3. On March 21, 2003 (the “Petition Date”), the Debtor filed a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Hawaii (the “Bankruptcy Court”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor is operating its businesses and managing its properties as a debtor in possession. No trustee, examiner or committee of creditors has been appointed in the Debtor’s chapter 11 case.

4. The Debtor was incorporated in January of 1929 under the laws of the Territory of Hawaii and is currently a subsidiary of Hawaiian Holdings, Inc. (“Hawaiian Holdings”),¹ a Delaware corporation whose common stock is traded on the American Stock Exchange and Pacific Exchange under the ticker symbol “HA.” As part of the regular Securities and Exchange Commission filings of

¹ Hawaiian Holdings holds 49.1% of the outstanding common stock of the Debtor directly. The remaining 50.9% of the outstanding common stock of the Debtor is held by AIP, Inc. (“AIP”), a wholly-owned subsidiary of Hawaiian Holdings.

Hawaiian Holdings, Hawaiian Holdings reports its financial and operating results with those of the Debtor on a consolidated basis.

The Debtor's Business

5. The Debtor is engaged primarily in the scheduled transportation of passengers, cargo and mail. The Debtor's passenger airline business is its chief source of revenue. Principally all of the Debtor's flights either originate or end in the state of Hawaii. The Debtor provides passenger and cargo service from Hawaii, predominately Honolulu, to the cities of Los Angeles, Ontario, Sacramento, San Diego and San Francisco, California; Seattle, Washington; Portland, Oregon; Phoenix, Arizona; and Las Vegas, Nevada (the "Transpacific Routes"). The Debtor also provides non-stop service between and among the six major islands of the state of Hawaii (the "Interisland Routes") and weekly service to each of Pago Pago, American Samoa and Pepeeete, Tahiti in the South Pacific (the "South Pacific Routes"). Charter service is provided from Honolulu to Anchorage, Alaska (the "Charter Routes"). Based upon the Debtor's operating revenues, the Debtor is the largest airline headquartered in Hawaii.

6. Based on its unaudited results, the Debtor had a net loss of approximately \$58 million for the twelve months ended December 31, 2002 ("Year 2002") on operating revenue of approximately \$632 million for the same period. In comparison, for the twelve months ended December 31, 2001 ("Year 2001"),

the Debtor reported net income of approximately \$5 million on operating revenue of approximately \$612 million for the same period. The Debtor's assets and liabilities, as of December 31, 2002, were approximately \$256 million and \$399 million, respectively. The Debtor's reported assets and liabilities, as of December 31, 2001, were approximately \$305 million and \$327 million, respectively.

7. The Debtor is party to a network of agreements among airlines. Because of the interdependent nature of airline operations, coordination among airlines, provision of airline services, and efficient service by the airline industry to the traveling public, in general, would be virtually impossible without such agreements. Among other things, these agreements facilitate cooperation among airlines with respect to such critical activities as making reservations and transferring passengers, packages, baggage and mail among airlines.

The Debtor's Fleet

8. Beginning in the fourth quarter of 1999, the Debtor initiated a plan to replace its entire fleet of McDonnell Douglas DC-9 aircraft used to service its Interisland Routes. This effort was completed in the first quarter of 2002, with the Debtor taking delivery of thirteen Boeing 717-200 aircraft (the "717 Aircraft").

9. Similarly, in the fourth quarter of 2001, the Debtor initiated a plan to replace, by June 2003, its entire fleet of McDonnell Douglas DC-10 aircraft (the "DC-10 Aircraft") used to service the Transpacific Routes, South Pacific Routes

and Charter Routes (the "Overseas Routes") with sixteen Boeing 767-300ER aircraft (the "767 Aircraft"). To date, the Debtor has taken delivery of ten new and four used Boeing 767-300ER aircraft and has returned eleven DC-10 Aircraft leased from Continental Airlines, Inc. and a subsidiary of American Airlines, Inc ("American"). The Overseas Routes are currently serviced by fourteen Boeing 767-300ER aircraft.

10. All of the Debtor's aircraft are leased from various lessors under either financing or operating leases. Three of the Debtor's 767 Aircraft are leased under fifteen-year operating leases with a subsidiary of Ansett Worldwide Aviation Services, Inc. ("Ansett") and were delivered to the Debtor in the fourth quarter of 2001. Four 767 Aircraft were delivered in 2002 under seven-year operating leases with International Lease Finance Corporation. Seven of the Debtor's 767 Aircraft are leased under eighteen-year operating leases from Ansett and a subsidiary of Boeing Capital Corporation ("Boeing"). Each of the 717 Aircraft is leased under an eighteen-year leveraged financing lease with Boeing. The Debtor's four remaining DC-10 Aircraft are leased under operating leases with American and B.C.I. Leasing.

Employees

11. The Debtor has approximately 3,200 active employees, approximately 2,600 of which are employed on a full time basis. The majority of the Debtor's

employees are covered by labor agreements with the International Association of Machinists and Aerospace Workers (AFL-CIO) (“IAM”); the Airline Pilots Association, International (“ALPA”); the Association of Flight Attendants (“AFA”); the Transport Workers Union (“TWU”); or the Employees of the Communications Section (“Communications Section”). Each of these labor agreements, other than the contract with the seven-member Communications Section, was renegotiated in 2000 or 2001, and will be subject to renegotiation again in 2004 or 2005.

Previous Restructurings

12. On September 21, 1993, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court (the “1993 Bankruptcy”).² Following confirmation of the Debtor’s plan of reorganization in the 1993 Bankruptcy on August 30, 1994, the Debtor successfully emerged from the 1993 Bankruptcy. Thereafter, on August 29, 2002, the Debtor was restructured from a public company into a wholly-owned subsidiary of Hawaiian Holdings and AIP (the “Restructuring”). As part of the Restructuring, the stockholders of the Debtor became stockholders of Hawaiian Holdings and Hawaiian Holdings assumed sponsorship of the Debtor’s existing stock agreements. Prior to the Restructuring, the common stock of the Debtor was publicly traded on the

American Stock Exchange and Pacific Exchange under Hawaiian Holdings' ticker symbol of "HA."

The Debtor's Current Financial Crisis

13. The Debtor's current financial crisis was precipitated by a confluence of factors relating, in large part, to the depressed economic conditions of both the United States and Japan. These factors include: (a) decreased fare revenue, (b) high aircraft lease costs, (c) high labor costs and (d) increased insurance, security and fuel costs. Although the terrorist attacks of September 11, 2001 are one of the most obvious and publicized reasons for the Debtor's current financial crisis, it is the significant, though related, decline in the economies of the United States and Japan that has most contributed to the necessity of the Debtor's chapter 11 filing.

14. Following the events of September 11, 2001, the Debtor has seen a marked and dramatic reduction in the demand for travel to and within the islands of Hawaii. This reduced demand has been exacerbated by the flagging economies of the United States and Japan since that time. The demand for vacation travel, which historically has been the Debtor's greatest source of income, has been most affected by the economic decline. In order to attract passengers, airlines, including the Debtor, have been forced to lower their fares. The introduction of "low cost carriers," such as Jet Blue, has led to a further reduction in fare structure, as

² United States Bankruptcy Court, District of Hawaii, Case No. 93-01074.

national airlines have been forced to reduce ticket prices to remain competitive. The combination of fewer ticket sales made at reduced fares continues to impact the Debtor's revenue and earnings negatively.

15. Beginning in late 1999, as discussed above, the Debtor began a refueling process under which its aging fleet of McDonnell Douglas DC-9 aircraft and DC-10 Aircraft would be completely replaced by the end of 2003. By July of 2001, the Debtor had entered into the last of its agreements with lessors that would provide the aircraft for this refueling. Although the terms of these agreements were considered to be fair and at market rates when agreed to, the subsequent and unforeseen decline in economic conditions in the United States and abroad have caused the terms of such leases to be highly unfavorable. Because its aircraft lease costs are grounded in economic assumptions that have failed to materialize, the Debtor has been forced to shoulder the crippling costs of over-market leases. For the Year 2002, expenses associated with the Debtor's aircraft leases made up 12% of its total operating expenses.

16. Similarly, because the Debtor's union agreements were renegotiated in 2000 and 2001, the Debtor's labor costs have not been in line with current economic conditions. Based upon market assumptions made in 2000 and pre-September 11, 2001, the Debtor's labor costs have exceeded what the Debtor could realistically maintain based upon its revenues. This relative increase in labor costs,

as compared to revenue, has negatively impacted the Debtor's ability to remain a viable enterprise. For the Year 2002, the Debtor's labor costs made up 30% of its total operating expenses.

17. As a direct result of the events of September 11, 2001 and the long-standing international crises in the Middle East, the Debtor has seen increases in several of its cost centers. For instance, insurance rates associated with airline operations have increased substantially as compared to pre-September 11, 2001 rates. Because of increased airline security requirements, the Debtor also has been faced with increased security expenditures. Moreover, fuel costs, which made up approximately 14% of the Debtor's operating expenses for Year 2002, also have steadily increased during this period. These increased costs, in the face of declining revenues, have further weakened the Debtor's ability to succeed as a going-concern.

Prepetition Activities

18. The two largest controllable components of the Debtor's cost structure are labor and aircraft costs. These are, therefore, the two areas upon which the Debtor had focused prior to the Petition Date in trying to accomplish a successful out-of-court financial and operational restructuring. To that end, the Debtor has, particularly within the past year, been actively negotiating with both its aircraft lessors and labor unions to reduce its aircraft and labor costs, respectively. These

negotiations have continued up until the Debtor's bankruptcy filing. On February 20, 2003, the Debtor's employees represented by IAM agreed to \$3.8 million in concessions. On March 6, 2003, the Debtor's employees represented by ALPA reached an agreement with the Debtor with respect to approximately \$8 million in concessions. Similarly, on March 11, 2003, the Debtor's employees represented by AFA agreed to approximately \$3.5 million in concessions. Although the Debtor and its labor unions have made great progress in these negotiations, it now appears that the only practicable way for the Debtor to reorganize is under the protection afforded to it under the Bankruptcy Code, as the Debtor has not been successful in its attempts to negotiate significant concessions from its aircraft lessors.

III. RELIEF REQUESTED

19. The Debtor requests authorization, pursuant to sections 105, 363 and 507 of the Bankruptcy Code, to honor its obligations to its employees (the "Employees") for compensation, expense reimbursements and benefits under all plans, programs and policies instituted by the Debtor (collectively, the "Employee Claims") that were accrued but unpaid as of the Petition Date. The Debtor also requests that the Court confirm that the Debtor shall be permitted to pay any and all local, state and federal withholding and payroll taxes relating to pre-petition periods.

20. In addition, pursuant to section 363(c)(1) of the Bankruptcy Code, the Debtor further requests that the Court confirm its right to continue paying its Employees and continue its Employees' benefit programs (collectively, the "Employee Programs") in the ordinary course of business during the pendency of this chapter 11 case.

21. Finally, the Debtor requests that the Court confirm that the Debtor is permitted to perform all of its obligations under the Union Agreements, as defined below, in the ordinary course of business. The Debtor is a party to the following labor agreements, which cover approximately 86% of its Employees: (i) Agreement Number 11 between Hawaiian Airlines, Inc. and the International Association of Machinists and Aerospace Workers (AFL-CIO), which represents aircraft inspectors, mechanics, line servicemen and cleaners, (ii) Agreement Number 11 between Hawaiian Airlines, Inc. and the International Association of Machinists and Aerospace Workers (AFL-CIO), which represents clerical, office, stores, fleet and passenger service employees, (iii) Agreement between Hawaiian Airlines, Inc. and the Airline Pilots Association, International, (iv) Agreement between Hawaiian Airlines, Inc. and the Association of Flight Attendants, (v) Agreement between Hawaiian Airlines, Inc. and the Employees of the Communications Section, and (vi) Agreement between Hawaiian Airlines, Inc. and the Transport Workers Union of America (AFL-CIO), which represents flight

dispatch officers (collectively, and as amended from time to time, the “Union Agreements”).

A. Payment of Pre-Petition Salaries and Wages

22. As a consequence of the filing of the Debtor’s chapter 11 case, the Debtor is prohibited from paying claims that arose prior to the Petition Date absent specific court authorization. This prohibition applies to, among other things, amounts owed to the Employees that relate to salaries, wages, benefits and reimbursable business expenses incurred immediately before the bankruptcy filing.

23. Immediately prior to the Petition Date, the Debtor had approximately 3,322 Employees, of which approximately 3,311 were located in the United States (the “Domestic Employees”) and 11 were located abroad (the “Foreign Employees”).³ Of the Domestic Employees, approximately 2801 were full-time employees and 510 were part-time employees. Also, of the Domestic Employees, 3159 were active employees and 152 were inactive employees. See Exhibit A (Employee Counts by Union Groups).

24. Wages for employees are paid semi-monthly and in arrears on the 5th of each month (for the period from the 15th to the end of the preceding month) and on the 20th of each month (for the period from the 1st to the 15th of the current

month). Wages are paid through the Debtor's payroll account at Bank of Hawaii (the "Payroll Account").

25. As of the Petition Date, the Debtor estimates that approximately \$2.7 million in wages and salary will have been earned by the Employees but remain unpaid. By the Motion, the Debtor requests authority to pay these unpaid pre-petition wages and salary.

26. The Debtor notes that, due to its method of paying its Employees in arrears, approximately 8% of its workforce will be owed more than \$4,650 in pre-petition salary or wages as of the Petition Date. As of the Petition Date, the Debtor estimates that the total amount to be paid in connection therewith is approximately \$50,000. The majority of such Employees are pilots whose services are essential to the Debtor's business. Further, if the Debtor fails to pay to the pilots all amounts owed in connection with their salary or wages, the Debtor will be in breach of its collective bargaining agreement with the Airline Pilots Association, International. Arguably, and as at least one Court has held, the failure by a debtor to pay its obligations under its collective bargaining agreements may amount to a modification of such agreements in violation of section 1113(f) of the Bankruptcy Code. See In re Unimet Corp., 842 F.2d 879 (6th Cir. 1988).

³ As of the Petition Date, six Employees were located in Tokyo, Japan, two Employees were located in Papeete, Tahiti, one Employee was located in Punaauia, Tahiti and two Employees were located in French Polynesia.

27. The Debtor, therefore, requests authority to pay all pre-petition salary and wages, including the amounts in excess of \$4,650, at the time, and in the manner, that the Debtor would ordinarily pay such salary and wages.

B. Payment of Reimbursable Business Expenses

28. The Debtor customarily reimburses Employees who incur a variety of business expenses in the ordinary course of the Debtor's operations. The Debtor believes that there are some Employees (i) who have not submitted receipts and other documentation for reimbursement of business expenses as of the Petition Date or (ii) who have submitted receipts and other documentation for reimbursement of business expenses but who have not been reimbursed by the Debtor as of the Petition Date. Therefore, the Debtor requests authorization to pay pre-petition business expenses of its Employees in accordance with its normal expenses reimbursement policy. The Debtor estimates that, as of the Petition Date, approximately \$50,000 is owed for pre-petition reimbursable business expenses.

C. Honoring Pre-Petition Checks and Electronic Transfers

29. As a result of the commencement of the Debtor's chapter 11 case, certain pre-petition checks and electronic fund transfers for pre-petition wages, salaries, other compensation and business expense reimbursements that were issued by the Debtor to or for the benefit of its Employees will be dishonored or

voided, unless the Court authorizes the Debtor to pay such items and directs Bank of Hawaii, which maintains the Payroll Account, to honor such checks and electronic fund transfers.

D. Payment of Pre-Petition Healthcare Claims

30. The Debtor provides several insurance plans (the “Insurance Plans”) for the benefit of its Employees, depending on such Employee’s union, geographical location and position. The Insurance Plans include medical, dental and vision coverage, life insurance, and other healthcare programs.⁴ See Exhibit B (Employee Benefit Summary). In connection with most Insurance Plans, the Debtor makes payroll deductions as agreed by each Employee in order for such Employee to obtain appropriate insurance coverage.

31. The Debtor anticipates that certain claims that accrued under the Insurance Plans prior to the Petition Date will be submitted post-petition and/or that certain claims that accrued under the Insurance Plans and were submitted prior to the Petition Date were not paid by the Debtor as of the Petition Date. Because of the integral nature of the Employees to the Debtor’s successful reorganization, the Debtor requests authorization to provide funds for payment of the Employees’ pre-petition health claims while funding all post-petition health claims in the

ordinary course as they become due and payable. The Debtor also seeks authority to pay the payroll deductions from the Employees' wages to the various insurance agencies as well as to pay any pre-petition amounts owed related to the continuation of the Insurance Plans. The Debtor estimates that, as of the Petition Date, approximately \$1.2 million is owed in connection with pre-petition health claims and payroll deductions in connection with the Insurance Plans.

E. Payment of Trust Fund Taxes

32. In addition, the Debtor is required by law to withhold from the Employees' wages amounts related to federal, state and local income taxes, social security and Medicare taxes. The Debtor is required to match the social security and Medicare taxes, and pay, based on a percentage of its gross payroll, additional amounts for state and federal unemployment insurance and to remit these payroll taxes to the various taxing authorities. By this Motion, the Debtor seeks authorization to collect and pay any and all taxes attributable to pre-petition wages as required by state and federal law in the ordinary course of business. The Debtor estimates that, as of the Petition Date, approximately \$0.7 million is to be collected and paid for taxes attributable to pre-petition wages as required by state and federal law.

⁴ The Association of Flight Attendants and the Airline Pilots Association, International's medical plans include a self-funded stop loss provision. The Debtor is seeking authorization to pay any pre-petition amounts relating to those stop loss provisions.

F. Payment of Pre-Petition Expenses Related to 401(k) Plans

33. The Debtor maintains three 401(k) plans: (i) the Pilots' 401(k) Plan, (ii) the Flight Attendants' 401(k) Plan and (iii) the 401(k) Savings Plan (collectively, the "401(k) Plans"). See Exhibit B (Employee Benefit Summary)⁵ and Exhibit C (Description of 401(k) Plans).

34. Under the 401(k) Plans, a range of investment funds is available, including the major asset classes such as stocks, bonds and short-term investments, as well as balanced portfolios. The aggregate amount of the Debtor's company and matching contributions under the 401(k) Plans is \$437,500 per semi-monthly payroll period. The Debtor estimates that, as of the Petition Date, the amount that needs to be remitted for the Employees' contributions and the Debtor's matching contribution is \$1,065,100. Therefore, the Debtor seeks authorization to collect and pay any and all pre-petition amounts attributable to the 401(k) Plans and to continue to match Employees' contributions in the ordinary course of business post-petition.

G. Continuation of Employee Programs

35. The Debtor's ability to reorganize successfully is dependent upon the continued services of its Employees. Therefore, it is important that the Debtor be

⁵ The Debtor has reached agreement with certain of its unions on changes to the Debtor's benefit plans which have not yet gone into effect. The Exhibits reflect only the Debtor's current benefit plans prior to such modifications.

authorized to continue to provide its Employees with benefits on a post-petition basis in the same manner that such benefits were provided pre-petition and that the Debtor be authorized to continue to make all payments, deductions and transfers to third parties as necessary to continue post-petition compensation, and other deductions that existed as of the Petition Date.

36. Similar to other companies within the airline industry, the Debtor provides its Employees with various benefits through the Employee Programs. See Exhibit B (Employee Benefit Summary) and Exhibit D (Defined Benefit Plans).⁶ For example, it is crucial that the Debtor's vacation and holiday policy as well as the Debtor's sick leave policy be maintained throughout this chapter 11 case. Employees generally earn their (i) annual vacation days and (ii) annual working days of paid sick leave of absence based on their longevity and/or the number of hours they worked during a given calendar year, up to a certain maximum number of days.

37. To the extent an Employee does not use its allotted vacation time within a given calendar year, an Employee may carryover vacation up to a maximum as described in the company policy or in the collective bargaining agreements, and certain employees may sell back to the Debtor in certain

⁶ The Debtor is also seeking authority to make its minimum funding contributions for plan year 2002 relating to the Retirement Plan for Pilots of Hawaiian Airlines, Inc.

circumstances up to a maximum amount of days, with the remainder of the unused allotted vacation time being forfeited by the Employee, with the exception of California employees who, pursuant to law, may carryover all vacation. The Debtor estimates that, as of the Petition Date, approximately \$1.6 million had accrued to Employees on account of earned and unused vacation days and holidays, and that approximately \$8.7 million had accrued to Employees on account of earned and unused sick leave. By the Motion, the Debtor is seeking authority (i) to pay Employees for vacation time which accrued prepetition in the event that such vacation time is sold back to the Debtor, as described above, and (ii) to allow its Employees to use their floating holidays, vacation or sick leave time post-petition, even if part of the vacation or medical leave time accrued prepetition, in accordance with the Debtor's ordinary practice.

38. It is thus critical that all benefits continue to be provided through the Employee Programs on an uninterrupted basis to ensure the continued loyalty of the Employees. Retention of the Debtor's skilled Employees is not only necessary, but indispensable in airline reorganization, and payment of pre-petition claims in connection with all Employee programs therefore, is in the best interest of the Debtor, its creditors and its Employees. Consequently, the Debtor should be authorized to continue to make all payments, deductions and transfers to third

parties as necessary to continue the Employee Programs that existed as of the Petition Date.

IV. LEGAL AUTHORITY

39. The Court's general equitable powers are codified in section 105(a) of the Bankruptcy Code. Section 105(a) empowers the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of this title." 11 U.S.C. § 105(a). See Debtor's Consolidated Memorandum of Law. Moreover, section 363(b)(1) of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1).

40. The relief requested is in the best interest of the Debtor's bankruptcy estate. Many bankruptcy courts within the Ninth Circuit have routinely granted the relief requested herein. See In re Washington Group International, Inc., Case No. 01-31627 (GWZ) (Bankr. D. Nev. May 14, 2001); In re Liberty House, Inc., Case No. 98-01039 (LK) (Bankr. Haw. Mar. 20, 1998); In re Pacific Gas and Electric Company, Case No. 01-30923 (DM) (Bankr. N.D. Cal. Apr. 16, 2001), In re Fountain View, Inc., Case No. 01-39678 (BB) (Bankr. C.D. Cal. Oct. 03, 2001); In re Health Plans of the Redwoods, Case No. 02-11358 (AJ) (Bankr. N.D. Cal. Jul. 5, 2002); In re AgriBioTech, Inc., Case No. 00-10533 (LBR) (Bankr. D. Nev. Jan. 26, 2000); In re National Airlines, Inc., Case No. 00-19258 (LBR) (Bankr. D. Nev.

Dec. 6, 2000); In re Crown Vantage, Inc., Case No. 00-41584 (RJN) (Bankr. N.D. Cal. Mar. 16, 2000).

41. In addition, courts in other Circuits have routinely granted motions for payment of pre-petition employee claims. See In re Enron Corp., Case No. 01-16034 (Bankr. S.D.N.Y. Dec. 4, 2001) (AJG); In re Nationwide Warehouse & Storage, L.L.C., Case No. 01-86600 (Bankr. N.D. Ga. Oct. 15, 2001) (BJ); In re Global Crossing Ltd., Case No. 02-40188 (REG) (Bankr. S.D.N.Y. Jan. 28, 2002); In re Wolf Camera, Inc., Case No. 01-83470 (Bankr. N.D. Ga. Jun. 22, 2001) (MJ); In re Diamond Brands Operating Corp., Case No. 01-01825 (JJF) (D. Del. May 20, 2001); In re ICG Communications, Inc., Case No. 00-04238 (SLR) (Bankr. D. Del. Nov. 16, 2000); In re Owens Corning, Case No. 00-03837 (MFW) (Bankr. D. Del. Oct. 6, 2000); In re Safety-Kleen, Corp., Case No. 00-02303 (PJW) (Bankr. D. Del. Jun. 13, 2000).

42. As noted above, authorization of such payments by this Court shall not be deemed to constitute a post-petition assumption or adoption of any policy, plan, agreement or program.

43. Authorization to pay all amounts on account of Employee Claims and continuation of the Employee Programs shall not be deemed to constitute post-petition assumption or adoption of any contract, program or policy pursuant to

section 365 of the Bankruptcy Code. The Debtor is in the process of reviewing these matters and reserves all of its rights with respect thereto. Moreover, authorization to pay all amounts on account of Employee Claims shall not affect the Debtor's right to contest the amount or the validity of any Employee Claims. Finally, the Debtor expressly reserves all its rights under sections 1113 and 1114 of the Bankruptcy Code.

V. NOTICE

44. Notice of this Motion has been provided to: (i) the Office of the United States Trustee for District of Hawaii; (ii) parties appearing on the Debtor's list of creditors holding the twenty largest unsecured claims; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; and (v) the Bank of Hawaii. Given the circumstances, the Debtor submits that no other or further notice need be given.

VI. NO PRIOR REQUEST

45. No previous request for the relief sought herein has been made to this Court or any other court.

WHEREFORE, the Debtor requests entry of an order, substantially in the form attached hereto, granting the relief requested herein and such other and further relief the Court deems just and proper.

Dated: Honolulu, Hawaii, March 21, 2003

By: 
Nicholas C. Dreher, Esq.
Theodore D.C. Young, Esq.
CADES SCHUTTE LLC

and

Lisa G. Beckerman, Esq.
David P. Simonds, Esq.
AKIN GUMP STRAUSS HAUER & FELD LLP
Proposed Counsel for Debtor and Debtor in
Possession

EXHIBIT A

EMPLOYEE COUNTS BY UNION GROUPS

UNION GROUP	FULL-TIME	PART-TIME	ACTIVE	INACTIVE	TOTAL IN GROUP
NON-UNION	407	71	474	4	478
COMMUNICATIONS	7	0	7	0	7
DISPATCH	25	0	25	0	25
IAM CLERICAL	833	348	1148	33	1181
IAM MECHANICAL	273	89	348	14	362
PILOT	405	0	394	11	405
FLIGHT ATTENDANT	851	2	763	90	853
TOTALS	2801	510	3159	152	3311

EXHIBIT B

EMPLOYEE BENEFIT SUMMARY

For purpose of Exhibit B, the following abbreviations will have the following meaning:

EE: employee

ER: employer

Co.: company

F/T: full time

P/T: part time

UCR: usual customary and reasonable

TDI: temporary disability insurance

BENEFIT	NIC - P/T outside HI	ALPA (Pilots)	AFA (Flight Attendants) - FT
401(k) - Vanguard Plan Eligibility EE Contributions Plan Provision Summary Co. Contributions Co. Match Loans Hardship Withdrawals Accepts Rollovers Investment Options	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 hours Pre-Tax Deferrals of 1-15% 4.04% Up to 2% Yes No No 11	Pilots' 401(k) Plan 1st of mo. following 1 year (12 mos.) or completion of 1000 hours during the 12 month period Pre-Tax Deferrals of 1-15% After tax contributions up to 10% N/A N/A Yes Yes Yes 14 + brokerage option	Flight Attendants' 401(k) Plan 1st of mo. following a year of service Pre-Tax Deferrals of 1-15% 5% (100% vested) Up to 2% (Vesting schedule based on years of service - 25% per year up to 100% after 5 or more years) Yes No No 11
AD&D - MetLife/CIGNA Stock Fund Eligibility EE Contributions Coverage Basic Supplemental	Yes N/A N/A N/A N/A	Yes 1st of month following 6 months 100% ER paid - basic 100% EE paid - supplemental \$250,000 Increments of \$10,000 up to a max of \$750,000	Yes 1st of month following 6 months 100% ER paid - basic 100% EE paid - supplemental Based on salary and ranges from \$36,000 - \$104,000 Based on salary and ranges from \$36,000 - \$104,000
DENTAL - HDS/Delta Dental of CA Eligibility EE Contributions Coverage	1st of mo. following 2080 hours Dependent coverage through 18 or through 22 if a full-time student 50% of premium 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500 - Orthodontia for dependents 50% of UCR - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500 - Orthodontia for dependents 50% of UCR - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student Cost of the orthodontic expense for the FA 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500 - Orthodontia for dependents 50% of UCR - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum

BENEFIT	NIC - PIT outside HI	ALPA (Pilots)	AFA (Flight Attendants) - FT
DEPENDENT'S LIFE INSURANCE - MetLife Eligibility EE Contributions Coverage	N/A N/A N/A	1st of mo. following 6 months 100% EE paid Spouse \$5,000 Dependent Children \$2,000 N/A	1st of mo. following 6 months 100% EE paid Spouse \$5,000 Dependent Children \$2,000 - Medical - Dental - COBRA - Dependent Life - FMLA/FFLL - Bereavement Leave
DOMESTIC PARTNER BENEFITS (Same Sex - Active Employees)	- medical - dental - COBRA		
FLEXIBLE SPENDING PLAN - FlexServ Eligibility EE Contributions Coverage	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses
GROUP LIFE - MetLife Eligibility EE Contributions Coverage Basic Supplemental 1st Supp 2nd Supp	N/A N/A N/A N/A N/A N/A	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental \$100,000 Increments of \$10,000 up to a max of \$150,000 N/A N/A	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental Based on salary and ranges from \$36,000 - \$104,000 Based on salary and ranges from \$36,000 - \$104,000 N/A N/A
HOLIDAYS	N/A	N/A	N/A
LONG TERM CARE - CNA (Eff. 3/1/02) Eligibility EE Contributions Coverage	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options	N/A N/A N/A	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options
LTD Base Plan - MetLife Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	1st of mo. following 3 months None - 100% ER paid After later of exhaustion of sick leave or 90 day elimination period 50% of base pay to a max of \$2,000/mo. up to age 65 (Co. self insures for first 6 months; thereafter benefits through MetLife)
LTD Buy-Up - MetLife Eligibility EE Contributions Coverage Option 1 Option 2	N/A N/A N/A N/A	N/A N/A N/A N/A	1st of mo. following 3 months 100% EE paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$3,000/mo. up to age 65 After later of exhaustion of sick leave or 90 day elimination period 66-2/3% of base pay up to a max of \$3,500/mo. up to age 65

BENEFIT	MEDICAL	NIC - PT outside HI	ALPA (Pilots)	AFA (Flight Attendants) - FT
Plans	<p>HMSA PPP (alternate funding)</p> <p>Health Plan Hawaii Plus - Hawaii only eff. 1/02</p> <p>Health Plus Plan 4 - Washington</p> <p>Kaiser Hawaii Plan B - Hawaii</p> <p>Kaiser California</p> <p>Kaiser Added Choice - Hawaii only eff. 1/02</p>	<p>HMSA PPP (alternate funding)</p> <p>Health Plan Hawaii Plus - Hawaii only eff. 1/02</p> <p>Health Plus Plan 4 - Washington</p> <p>Kaiser Hawaii Plan B - Hawaii</p> <p>Kaiser California</p> <p>Kaiser Added Choice - Hawaii only eff. 1/02</p>	<p>HMSA PPP (alternate funding)</p> <p>Health Plan Hawaii Plus - Hawaii only eff. 1/02</p> <p>Health Plus Plan 4 - Washington</p> <p>Kaiser Hawaii Plan B - Hawaii</p> <p>Kaiser California</p> <p>Kaiser Added Choice - Hawaii only eff. 1/02</p>	<p>HMSA PPP (alternate funding)</p> <p>Health Plan Hawaii Plus - Hawaii only eff. 1/02</p> <p>Health Plus Plan 4 - Washington</p> <p>Kaiser Hawaii Plan B - Hawaii</p> <p>Kaiser California</p> <p>Kaiser Added Choice - Hawaii only eff. 1/02</p>
Eligibility	<p>1st of mo. following 4 weeks</p> <p>Dependent coverage through 18 or through 24 if a full-time student</p>	<p>1st of month following 4 weeks</p> <p>Dependent coverage through 18 or through 24 if a full-time student</p>	<p>1st of month following 4 weeks</p> <p>Dependent coverage through 18 or through 24 if a full-time student</p>	<p>1st of month following 4 weeks</p> <p>Dependent coverage through 18 or through 24 if a full-time student</p>
2002 EE Contributions	<p>Single \$29.48 *</p> <p>Two-Party \$58.96 *</p> <p>Family \$73.69 *</p>	<p>Single \$29.48 *</p> <p>Two-Party \$58.96 *</p> <p>Family \$73.69 *</p>	<p>Single \$29.48 *</p> <p>Two-Party \$58.96 *</p> <p>Family \$73.69 *</p>	<p>Single \$29.48 *</p> <p>Two-Party \$58.96 *</p> <p>Family \$73.69 *</p>
Drug/Vision Coverage (Participating Provider): HMSA PPP	<p>Drug Y/Vision CS</p> <p>Generic \$2.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Mail Service \$2.00 copayment for generic and brand name</p> <p>Vision Exams 80% coverage</p> <p>Lenses 100% for glasses</p> <p>Frames up to \$40.00</p> <p>Contacts up to \$45.00</p>	<p>Drug Y/Vision CS</p> <p>Generic \$2.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Mail Service \$2.00 copayment for generic and brand name</p> <p>Vision Exams 80% coverage</p> <p>Lenses 100% for glasses</p> <p>Frames up to \$40.00</p> <p>Contacts up to \$45.00</p>	<p>Drug Y/Vision CS</p> <p>Generic \$2.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Mail Service \$2.00 copayment for generic and brand name</p> <p>Vision Exams 80% coverage</p> <p>Lenses 100% for glasses</p> <p>Frames up to \$40.00</p> <p>Contacts up to \$45.00</p>	<p>Drug Y/Vision CS</p> <p>Generic \$2.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Mail Service \$2.00 copayment for generic and brand name</p> <p>Vision Exams 80% coverage</p> <p>Lenses 100% for glasses</p> <p>Frames up to \$40.00</p> <p>Contacts up to \$45.00</p>
Health Plan HI Plus	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
Health Plus	<p>Drug/Vision 5</p> <p>Generic \$7.00 copayment</p> <p>Brand Name \$7.00 copayment</p> <p>Mail Service \$7.00 copayment for 100 day supply</p> <p>Vision Exams \$5.00 copayment</p> <p>Lenses/Frames/Contacts \$140.00 allowance every 24 months</p>	<p>Drug/Vision 5</p> <p>Generic \$7.00 copayment</p> <p>Brand Name \$7.00 copayment</p> <p>Mail Service \$7.00 copayment for 100 day supply</p> <p>Vision Exams \$5.00 copayment</p> <p>Lenses/Frames/Contacts \$140.00 allowance every 24 months</p>	<p>Drug/Vision 5</p> <p>Generic \$7.00 copayment</p> <p>Brand Name \$7.00 copayment</p> <p>Mail Service \$7.00 copayment for 100 day supply</p> <p>Vision Exams \$5.00 copayment</p> <p>Lenses/Frames/Contacts \$140.00 allowance every 24 months</p>	<p>Drug/Vision 5</p> <p>Generic \$7.00 copayment</p> <p>Brand Name \$7.00 copayment</p> <p>Mail Service \$7.00 copayment for 100 day supply</p> <p>Vision Exams \$5.00 copayment</p> <p>Lenses/Frames/Contacts \$140.00 allowance every 24 months</p>
Kaiser Plan B	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
Kaiser California	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>
Kaiser Added Choice	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>	<p>Generic \$5.00 copayment</p> <p>Brand Name \$5.00 copayment</p> <p>Vision Exams \$10.00 copayment</p> <p>Lenses No charge</p> <p>Frames up to \$80.00 every 24 mo</p> <p>Contacts up to \$124.00 every 24 mo</p>

BENEFIT	NIC - PT outside HI	ALPA (Pilots)	AFA (Flight Attendants) - FT
<p>MEDICAL WAIVER Eligibility</p>	<p>N/A</p>	<p>In-Network Generic \$5 copay Brand Name \$5 copay Vision Exams \$8 copay Lenses No charge* Frames No charge* Contacts up to \$45 *Regular lenses in a frame \$40.00 or less</p> <p>Out-of-Network Generic 20% copay Brand Name 20% copay Vision Exams \$8 copay Lenses up to \$50 for lenses/frames/ Frames up to \$45 contacts *Regular lenses in a frame \$40.00 or less</p>	<p>In-Network Generic \$5 copay Brand Name \$5 copay Vision Exams \$8 copay Lenses No charge* Frames No charge* Contacts up to \$45 contacts *Regular lenses in a frame \$40.00 or less</p> <p>Out-of-Network Generic 20% copay Brand Name 20% copay Vision Exams \$8 copay Lenses up to \$50 for lenses/frames/ Frames up to \$45 contacts *Regular lenses in a frame \$40.00 or less</p>
<p>PENSION PLAN Plan Eligibility</p> <p>Mandatory EE Contributions Reg. Plan Formula</p> <p>Final Ave Earnings (FAE) Normal Ret. Age Early Ret. Age</p>	<p>Salvaged Retirement Plan Eff. 1/1/98 - 1st of mo. following age 21 and 1 year of service w/ 1000 hours Eff. 1/1/71 - None</p> <p>1.6% of FAE times credited service Plan frozen as of 9/30/93 Highest 5 consecutive years through 1993 65 55</p>	<p>Pilots' Retirement Plan 1st of mo. following 1 year</p> <p>None currently required</p> <p>2.4% of FAE times first 25 years of credited service plus 1% of FAE times credited service Highest 3 consecutive years during the past 10 years 60 40 with 10 years of service</p>	<p>N/A N/A N/A N/A N/A N/A</p>
<p>PREMIUM CONVERSION PLAN Eligibility EE Contributions Coverage</p>	<p>1st of mo. following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions</p>	<p>1st of month following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions</p>	<p>1st of month following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions</p>
<p>SICK LEAVE</p>	<p>24 hours additional 48 hours 8 hours for each 173.33 hours of employment</p> <p>Max: 1320 hours</p>	<p>7.92 hrs/mo if does not draw against sick After 6 months Thereafter 7.92 hrs/mo if does not draw against sick 5.65 hrs/mo if draws against sick Max: 1020 hours</p>	<p>Thereafter 7.92 hrs/mo if does not draw against sick 5.65 hrs/mo if draws against sick Max: 1020 hours</p>
<p>STOP LOSS (self-insured)</p>	<p>N/A</p>	<p>If amount paid by a pilot or dependents exceeds \$1500 with respect to a single incident, such medical program shall pay 100% of excess for duration of incident</p>	<p>If amount paid by FA or dependents exceeds \$1500 with respect to a calendar year, such medical program shall pay 100% of excess of that year's payments</p>
<p>TDI - self-insured equivalency plan for Hawaii/CA Eligibility EE Contributions Coverage (For all EEs other than CA)</p>	<p>Statutory None (except CA EEs) EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments</p>	<p>Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments</p>	<p>Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments</p>

BENEFIT	NIC - P/T outside HI	ALPA (Pilots)	AFA (Flight Attendants) - FT
TRAVEL ACCIDENT Eligibility EE Contributions Coverage	N/A N/A N/A	1st of mo. following date of hire 100% ER paid \$100,000 for injuries while engaged in test flight or flying under authorized waiver or airworthiness restriction	1st of mo. following date of hire 100% ER paid \$100,000 for injuries sustained in bombings
TRAVEL BENEFITS Eligibility EE Contributions Coverage	6 mos. following date of hire - None - Parent(s) ticket - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	3 mos. following date of hire - None - Parent(s) tick(II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	3 mos. following date of hire - None - Parent(s) tick(II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)
VACATION	1-4 years 5-10 years 11-17 years 18-23 years 24-29 years 30+ years Years of service is defined as 2080 hours worked	After 1 year After 3 years After 5 years After 10 years After 12 years After 15 years After 19 years After 25 years	1st & 2nd yrs After 2 years After 3 years After 5 years After 7 years After 10 years After 14 years After 20 years After 25 years

HAWAIIAN AIRLINES, INC.
2002 EMPLOYEE BENEFITS SUMMARY - ACTIVE EMPLOYEES
(excluding Officers and Foreign Employees)

BENEFIT	NIC - FT (Sr. Directors)	NIC - FT (Directors & Below)	NIC - P/T in HI
401(k) - Vanguard Plan Eligibility EE Contributions Plan Provision Summary Co. Match Loans Hardship Withdrawals Accepts Rollovers Investment Options Stock Fund	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 Pre-Tax Deferrals of 1-15% 4.04% (100% vested) Up to 2% (3 year cliff vesting) Yes No No 11 Yes	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 Pre-Tax Deferrals of 1-15% 4.04% (100% vested) Up to 2% (3 year cliff vesting) Yes No No 11 Yes	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 Pre-Tax Deferrals of 1-15% 4.04% (100% vested) Up to 2% (3 year cliff vesting) Yes No No 11 Yes
AD&D - MetLife/CIGNA Eligibility EE Contributions Coverage Basic Supplemental	1st of mo. following date of hire 100% ER paid - basic 100% EE paid - supplemental \$10,000 \$25,000 - \$250,000 for EE or family	1st of mo. following 6 months 100% ER paid - basic 100% EE paid - supplemental \$10,000 \$25,000 - \$250,000 for EE or family	1st of mo. following 6 months 100% ER paid \$10,000 N/A
DENTAL - HDS/Delta Dental of CA Eligibility EE Contributions Coverage	1st of mo. following date of hire Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR: - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03): - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500; 50% of UCR: - Orthodontia for dependents - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR: - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03): - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500; 50% of UCR: - Orthodontia for dependents - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student 50% of premium 100% of UCR: - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03): - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500; 50% of UCR: - Orthodontia for dependents - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum
DEPENDENTS LIFE INSURANCE - MetLife Eligibility EE Contributions Coverage	1st of mo. following date of hire 100% EE paid Spouse \$5,000 Dependent \$2,000 Children - medical - dental - COBRA	1st of mo. following 6 months 100% EE paid Spouse \$5,000 Dependent \$2,000 Children - medical - dental - COBRA	1st of mo. following 6 months 100% EE paid Spouse \$5,000 Dependent \$2,000 Children - medical - dental - COBRA
DOMESTIC PARTNER BENEFITS (Same Sex - Active Employees)	- medical - dental - COBRA	- medical - dental - COBRA	- medical - dental - COBRA

BENEFIT	NIC - FT (Sr. Directors)	NIC - FT (Directors & Below)	NIC - P/T In HI
FLEXIBLE SPENDING PLAN - FlexSrv Eligibility EE Contributions Coverage	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses
GROUP LIFE - MetLife Eligibility EE Contributions Coverage Basic Supplemental 1st Supp 2nd Supp	1st of mo. following date of hire 100% ER paid - Basic 100% EE paid - Supplemental 1x base salary (next higher \$1,000) up to a max of \$120,000 1x base salary (next higher \$1,000) up to a max of \$50,000 1-1/2x base salary (next higher \$1,000) up to a max of \$70,000 7 + 2 floating holidays	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental 1x base salary (next higher \$1,000) up to a max of \$120,000 1x base salary (next higher \$1,000) up to a max of \$50,000 1-1/2x base salary (next higher \$1,000) up to a max of \$70,000 N/A	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental 1x base salary (next higher \$1,000) up to a max of \$120,000 1x base salary (next higher \$1,000) up to a max of \$50,000 1-1/2x base salary (next higher \$1,000) up to a max of \$70,000 N/A
HOLIDAYS LONG TERM CARE - CNA (Eff. 3/1/02) Eligibility EE Contributions Coverage	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options 1st of mo. following date of hire None - 100% ER paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$4,000/mo. up to age 65	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options None - 100% ER paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$3,000/mo. up to age 65	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options N/A N/A N/A
LTD Buy-Up - MetLife Eligibility EE Contributions Coverage Option 1 Option 2	1st of mo. following date of hire 100% EE paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$8,000/mo. up to age 65 N/A	1st of mo. following 3 months 100% EE paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$8,000/mo. up to age 65 N/A	N/A N/A N/A N/A
MEDICAL Plans Eligibility 2002 EE Contributions Drug/Vision Coverage (Participating Provider) HMSA PPP	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Health Plus Plan 4 - Washington Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 1st of mo. following date of hire Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party \$58.96 * Family \$73.69 * *Lesser of 1.5% of gross monthly wages or amount listed Drug Y/Vision CS \$2.00 copayment Generic	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Health Plus Plan 4 - Washington Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 1st of month following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party \$58.96 * Family \$73.69 * *Lesser of 1.5% of gross monthly wages or amount listed Drug Y/Vision CS \$2.00 copayment Generic	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Kaiser Hawaii Plan B - Hawaii Kaiser Added Choice - Hawaii only eff. 1/02 1st of mo. following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party \$58.96 * Family \$73.69 * *Lesser of 1.5% of gross monthly wages or amount listed Drug Y/Vision CS \$2.00 copayment Generic

BENEFIT	NIC - FT (Sr. Directors)	NIC - FT (Directors & Below)	NIC - FT in HI
Plan Eligibility Mandatory EE Contributions Reg. Plan Formula Final Ave Earnings (FAE) Normal Ret. Age Early Ret. Age	Salaried Retirement Plan Eff. 1/1/98 - 1st of mo. following age 21 and 1 year of service w/ 1000 hours Eff. 1/1/71 - None 1.6% of FAE times credited service Plan frozen as of 9/30/93 Highest 5 consecutive years through 1993 65 55	Salaried Retirement Plan Eff. 1/1/98 - 1st of mo. following age 21 and 1 year of service w/ 1000 hours Eff. 1/1/71 - None 1.6% of FAE times credited service Plan frozen as of 9/30/93 Highest 5 consecutive years through 1993 65 55	Salaried Retirement Plan Eff. 1/1/98 - 1st of mo. following age 21 and 1 year of service w/ 1000 hours Eff. 1/1/71 - None 1.6% of FAE times credited service Plan frozen as of 9/30/93 Highest 5 consecutive years through 1993 65 55
PREMIUM CONVERSION PLAN Eligibility EE Contributions Coverage	1st of mo following date of hire Refer to contributions described under medical plans above Pre-tax medical plan contributions	1st of month following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions	1st of mo. following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions
SICK LEAVE	After 6 mos After 1 year Thereafter Max: 1320 hours	After 6 mos After 1 year Thereafter Max: 1320 hours	After 1040 hrs After 2080 hrs Thereafter Max: 1320 hours
STOP LOSS (self-insured)	N/A	N/A	N/A
TDI - self-insured equivalency plan for Hawaii/CA Eligibility EE Contributions Coverage (For all EEs other than CA)	Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments	Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments	Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments
TRAVEL ACCIDENT Eligibility EE Contributions Coverage	1st of mo. following date of hire 100% ER paid \$20,000 - \$60,000 depending on salary grade; partial payment for dismemberment \$100,000 for injuries sustained in bombings	1st of mo. following date of hire 100% ER paid \$20,000 - \$60,000 depending on salary grade; partial payment for dismemberment \$100,000 for injuries sustained in bombings	N/A N/A N/A
TRAVEL BENEFITS Eligibility EE Contributions Coverage	3 mos. following date of hire - None - Parent(s) ticket (if - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	3 mos. following date of hire - None - Parent(s) ticket (if - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	6 mos. following date of hire - None - Parent(s) ticket (if - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)
VACATION	1-10 years 20 days 11-17 years 25 days 18-24 years 30 days 25 years 35 days May sell back to the Co. up to 5 days of vacation each year in exchange for a lump sum payment	1-4 years 10 days 5-10 years 15 days 11-17 years 20 days 18-23 years 25 days 24-29 years 30 days 30+ years 35 days	1-4 years 6.67 hours per 173.33 hrs worked 5-10 years 10.00 hours per 173.33 hrs worked 11-17 years 13.33 hours per 173.33 hrs worked 18-23 years 16.67 hours per 173.33 hrs worked 24-29 years 20.00 hours per 173.33 hrs worked 30+ years 23.33 hours per 173.33 hrs worked Years of service is defined as 2080 hours worked

HAWAIIAN AIRLINES, INC.
2002 EMPLOYEE BENEFITS SUMMARY - ACTIVE EMPLOYEES
 (excluding Officers and Foreign Employees)

BENEFIT	AFA (Flight Attendants) - PT Grandfathered	TWU (Dispatch)	IAM - FT
401(k) - Vanguard Plan Eligibility EE Contributions Plan Provision Summary Co. Contributions Co Match Loans Hardship Withdrawals Accepts Rollovers Investment Options Stock Fund	Flight Attendants - 401(k) Plan N/A - No new P/T FAs Pre-Tax Deferrals of 1-15% 5% (100% vested) Up to 2% (Vesting schedule based on years of service - 25% per year up to 100% after 5 or more years)	401(k) Savings Plan 1st of mo following 1 year w/ 1000 hours Pre-Tax Deferrals of 1-15% 4.04% (100% vested) N/A Yes No No 11 Yes	401(k) Savings Plan 1st of mo following 1 year w/ 1000 hours Pre-Tax Deferrals of 1-15% 4.04% (100% vested) Matching Contr. (3 year cliff vesting) Yrs of Svc 0 10-14 15-19 20-24 25+ Yes No No 11 Yes
AD&D - MetLife/CIGNA Eligibility EE Contributions Coverage Basic Supplemental	N/A - No new P/T FAs N/A N/A N/A	1st of month following 6 months 100% ER paid - basic 100% EE paid - supplemental 1x base salary (next higher \$1,000) up to a max of \$50,000 1x base salary (next higher \$1,000) up to a max of \$50,000	1st of month following 6 months 100% ER paid \$5,000 N/A
DENTAL - HDS/Delta Dental of CA Eligibility EE Contributions Coverage	N/A - No new P/T FAs Dependent coverage through 18 or through 22 if a full-time student 50% of premium 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500 - Orthodontia for dependents 50% of UCR - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500 - Orthodontia for dependents 50% of UCR - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500 - Orthodontia for dependents 50% of UCR - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations No annual maximum

BENEFIT	AFA (Flight Attendants) - PT	AWA (Flight Attendants) - FT	AWA (Flight Attendants) - FT	TWU (Dispatch)	IAM - FT
DEPENDENT'S LIFE INSURANCE - MetLife Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	1st of mo. following 6 months 100% EE paid \$5,000 Spouse \$5,000 Dependent Children \$2,000 N/A	1st of mo. following 6 months 100% EE paid \$5,000 Spouse \$5,000 Dependent Children \$2,000 N/A
DOMESTIC PARTNER BENEFITS (Same Sex - Active Employees) FLEXIBLE SPENDING PLAN - FlexServ Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses
GROUP LIFE - MetLife Eligibility EE Contributions Coverage Basic Supplemental 1st Supp 2nd Supp	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental 1x base salary (next higher \$1,000) up to a max of \$50,000 1x base salary (next higher \$1,000) up to a max of \$50,000 N/A N/A	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental 1x base salary (next higher \$1,000) up to a max of \$50,000 1x base salary (next higher \$1,000) up to a max of \$50,000 N/A N/A
HOLIDAYS	N/A	N/A	N/A	N/A	N/A
LONG TERM CARE - CNA (Eff. 3/1/02) Eligibility EE Contributions Coverage	N/A - no new P/T FAs 100% EE paid For employee, dependents and parents - various plan options	N/A - no new P/T FAs 100% EE paid For employee, dependents and parents - various plan options	N/A - no new P/T FAs 100% EE paid For employee, dependents and parents - various plan options	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options
LTD Base Plan - MetLife Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	1st of mo. following 3 months None - 100% ER paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$1,600/mo. up to 5 years	1st of mo. following 3 months None - 100% ER paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$1,600/mo. up to 5 years
LTD Buy-Up - MetLife Eligibility EE Contributions Coverage Option 1 Option 2	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
MEDICAL Plans Eligibility 2002 EE Contributions	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Health Plus Plan 4 - Washington Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 N/A - No new P/T FAs Dependent coverage through 18 or through 24 if a full-time student Single 50% of premium Two-Party 50% of premium	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Health Plus Plan 4 - Washington Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 N/A - No new P/T FAs Dependent coverage through 18 or through 24 if a full-time student Single 50% of premium Two-Party 50% of premium	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Health Plus Plan 4 - Washington Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 N/A - No new P/T FAs Dependent coverage through 18 or through 24 if a full-time student Single 50% of premium Two-Party 50% of premium	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 1st of month following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party \$58.96 *	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 1st of month following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party \$58.96 *

BENEFIT	AFA (Flight Attendants) - PT	TWU (Dispatch)	IAM - FT
	Family 50% of premium;	Family \$73.69 * *Lesser of 1.5% of gross monthly wages or amount listed	Family \$73.69 * *Lesser of 1.5% of gross monthly wages or amount listed
Drug/Vision Coverage (Participating Provider), HMOA PPP	Drug 126/Vision CP Generic 100% coverage Brand Name 80% coverage Mail Service \$2.00 copayment for generic and brand name Vision Exams up to \$18 by MD up to \$15 by OD Lenses 100% for glasses Frames up to \$40.00 Contacts up to \$45.00 Generic \$5.00 copayment Brand Name \$10.00 copayment Mail Service \$5.00 copayment - generic Vision Exams \$8.00 copayment Lenses 100% coverage Frames up to \$40.00 Contacts up to \$45.00 Drug/Vision 5 Generic \$7.00 copayment Brand Name \$7.00 copayment Mail Service \$7.00 copayment for 100 day supply Vision Exams \$5.00 copayment Lenses/Frames/ Contacts \$140.00 allowance every 24 months	Drug Y/Vision CS Generic \$2.00 copayment Brand Name \$5.00 copayment Mail Service \$2.00 copayment for generic and brand name Vision Exams 80% coverage Lenses 100% for glasses Frames up to \$40.00 Contacts up to \$45.00 Generic \$5.00 copayment Brand Name \$10.00 copayment Mail Service \$5.00 copayment - generic Vision Exams \$10.00 copayment - brand Lenses 100% coverage Frames up to \$40.00 Contacts up to \$45.00 N/A	Drug Y/Vision CS Generic \$2.00 copayment Brand Name \$5.00 copayment Mail Service \$2.00 copayment for generic and brand name Vision Exams 80% coverage Lenses 100% for glasses Frames up to \$40.00 Contacts up to \$45.00 Generic \$5.00 copayment Brand Name \$10.00 copayment Mail Service \$5.00 copayment - generic Vision Exams \$10.00 copayment - brand Lenses 100% coverage Frames up to \$40.00 Contacts up to \$45.00 N/A
Health Plan HI Plus	Generic \$5.00 copayment Brand Name \$10.00 copayment Mail Service \$5.00 copayment - generic Vision Exams \$8.00 copayment Lenses 100% coverage Frames up to \$40.00 Contacts up to \$45.00 Drug/Vision 5 Generic \$7.00 copayment Brand Name \$7.00 copayment Mail Service \$7.00 copayment for 100 day supply Vision Exams \$5.00 copayment Lenses/Frames/ Contacts \$140.00 allowance every 24 months	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A
Kaiser Plan B	Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$10.00 copayment Lenses No charge Frames up to \$80.00 every 24 mo. Contacts up to \$124.00 every 24 mo. Drug/Vision 1 Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$10.00 copayment Lenses No charge Frames up to \$90.00 every 24 mo. Contacts up to \$124.00 every 24 mo. Drug/Vision 1 In Network Out-of-Network Generic \$5.00 copayment 20% copay Brand Name \$5.00 copayment 20% copay Vision Exams \$8.00 copayment \$8.00 copay Lenses No charge* up to \$50 for lenses/frames/ Frames No charge* lenses/frames/ Contacts up to \$45 contacts *Regular lenses in a frame \$40.00 or less	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A
Kaiser California	Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$10.00 copayment Lenses No charge Frames up to \$80.00 every 24 mo. Contacts up to \$124.00 every 24 mo. Drug/Vision 1 In Network Out-of-Network Generic \$5.00 copayment 20% copay Brand Name \$5.00 copayment 20% copay Vision Exams \$8.00 copayment \$8.00 copay Lenses No charge* up to \$50 for lenses/frames/ Frames No charge* lenses/frames/ Contacts up to \$45 contacts *Regular lenses in a frame \$40.00 or less	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A
Kaiser Added Choice	Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$10.00 copayment Lenses No charge Frames up to \$80.00 every 24 mo. Contacts up to \$124.00 every 24 mo. Drug/Vision 1 In Network Out-of-Network Generic \$5.00 copayment 20% copay Brand Name \$5.00 copayment 20% copay Vision Exams \$8.00 copayment \$8.00 copay Lenses No charge* up to \$50 for lenses/frames/ Frames No charge* lenses/frames/ Contacts up to \$45 contacts *Regular lenses in a frame \$40.00 or less	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A	Drug 5/Vision Generic \$5.00 copayment Brand Name \$5.00 copayment Vision Exams \$8.00 copayment Lenses No charge Frames up to \$40.00 every 24 mo. Contacts up to \$45.00 N/A

BENEFIT	AFA (Flight Attendants) - PT	TWU (Dispatch)	IAM - FT
MEDICAL WAIVER Eligibility	N/A	1st of month following 4 weeks - Waiver of medical plan coverage through Co. w/ coverage elsewhere under a state of HI approved plan - Must complete DOL HC-5 form - EEs who both work for HA are ineligible for medical waiver Payments: \$41.66 Single \$83.33 2-Party \$125.00 Family	1st of month following 4 weeks - Waiver of medical plan coverage through Co. w/ coverage elsewhere under a state of HI approved plan - Must complete DOL HC-5 form - EEs who both work for HA are ineligible for medical waiver Payments: \$41.66 Single \$83.33 2-Party \$125.00 Family
PENSION PLAN Plan Eligibility Mandatory EE Contributions Plan Provision Summary Reg. Plan Formula Final Ave Earnings (FAE) Normal Ret. Age Early Ret. Age	N/A N/A N/A N/A N/A N/A N/A N/A	Salated Retirement Plan Eff. 1/1/98 - 1st of mo. following age 21 and 1 year of service w/ 1000 hours Eff. 1/1/71 - None 1.6% of FAE times credited service Plan frozen as of 9/30/93 Highest 5 consecutive years through 1993 65 55	IAM Retirement Plan Eff. 1/1/98 - 1st of mo. following age 21 and 1 year of service w/ 1000 hours Eff. 1/1/71 - None 1.6% of FAE times credited service Plan frozen as of 9/30/93 Highest 5 consecutive years during the past 10 years through 1993 65 55
PREMIUM CONVERSION PLAN Eligibility EE Contributions Coverage	N/A N/A N/A	1st of month following 4 weeks Refer to contributions described under medical plans above pre-tax medical plan contributions One day/mo. Max: 165 working days N/A	1st of month following 4 weeks Refer to contributions described under medical plans above pre-tax medical plan contributions After 6 mos 24 hours After 1 year 48 adatti hours Thereafter 8 hours for each completed month Max: 1520 hours N/A
SICK LEAVE	Hours for every 68 hours credited Max: 1020 hours if amount paid by FA or dependents exceeds \$1500 with respect to a calendar year, such medical program shall pay 100% of excess of that year's payments		
STOP LOSS (self-insured)			
TDI - self-insured equivalency plan for Hawaii/CA ees through state of CA Eligibility EE Contributions Coverage (For all EEs other than CA)	Statutory None EES w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EES w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EES w/ at least 120 hours of sick not eligible for TDI payments	Statutory None EES w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EES w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EES w/ at least 120 hours of sick not eligible for TDI payments	Statutory None EES w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EES w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EES w/ at least 120 hours of sick not eligible for TDI payments
TRAVEL ACCIDENT Eligibility EE Contributions Coverage	N/A - No new P/T FAs N/A N/A	1st of mo. following date of hire 100% ER paid \$100,000 for injuries sustained in bombings.	1st of mo. following date of hire 100% ER paid \$100,000 for injuries sustained in bombings.

BENEFIT	AFA (Flight Attendants) - PT	TWU (Dispatch)	IAM - FT
TRAVEL BENEFITS Eligibility EE Contributions Coverage	N/A - No new PT FAs - None - Parent(s) ticket (II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements) 1-1/4 days for each 68 hours flown	3 mos. following date of hire - None - Parent(s) ticket (II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	3 mos. following date of hire - None - Parent(s) ticket (II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)
VACATION	1-4 years 80 hours 5-10 years 120 hours 11-17 years 160 hours 18-23 years 200 hours 24-29 years 240 hours 30+ years 280 hours	1-4 years 80 hours 5-10 years 120 hours 11-17 years 160 hours 18-23 years 200 hours 24-29 years 240 hours 30+ years 280 hours	1-4 years 80 hours 5-10 years 120 hours 11-17 years 160 hours 18-23 years 200 hours 24-29 years 240 hours 30+ years 280 hours

HAWAIIAN AIRLINES, INC.
2002 EMPLOYEE BENEFITS SUMMARY - ACTIVE EMPLOYEES
(excluding Officers and Foreign Employees)

BENEFIT	IAM - PT	IAM - Contract Services	Communications
401(k) - Vanguard Plan Eligibility EE Contributions Plan Provision Summary Co. Contributions Co. Match Loans Hardship Withdrawals Accepts Rollovers Investment Options Stock Fund	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 hours Pre-Tax Deferrals of 1-15% 4.04% (100% vested) (3 year cliff vesting) Matching Contr. Yrs of Svc 0 0-9 1% 10-14 2% 15-19 3% 20-24 4% 25+ Yes No No 11 Yes	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 hours Pre-Tax Deferrals of 1-15% 4.04% (100% vested) N/A Matching Contr. Yrs of Svc 0 0-9 1% 10-14 2% 15-19 3% 20-24 4% 25+ Yes No No 11 Yes	401(k) Savings Plan 1st of mo. following 1 year w/ 1000 hours Pre-Tax Deferrals of 1-15% 4.04% (100% vested) N/A Yes No No 11 Yes
AD&D - MetLife/CIGNA Eligibility EE Contributions Coverage Basic Supplemental	N/A N/A N/A N/A	N/A N/A N/A N/A	1st of month following 6 months 100% ER paid \$5,000 N/A
IDENTAL - HDS/Delta Dental of CA Eligibility EE Contributions Coverage	1st of mo. following 2080 hours Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 70% of UCR (75% eff. 1/03) - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry (excluding crowns & gold restorations) - Oral Surgery - Endodontics - Periodontics 60% of UCR up to a max of \$1,500. 50% of UCR. - Orthodontia for dependents and full dentures, crowns & gold restorations No annual maximum	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A 50% of UCR: - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry - Oral Surgery - Endodontics - Periodontics - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations 50% of UCR up to a max of \$1,000: - Orthodontia for dependents	1st of mo. following 1 year Dependent coverage through 18 or through 22 if a full-time student None - 100% ER paid 100% of UCR - Exams (1x per year) - Bitewing x-rays (2x every 6 mos.) - Other x-rays (1x every 3 years) - Prophylaxis (1x every 6 mos.) - Palliative treatment 50% of UCR: - Stannous Fluoride (1x per year up through age 17) - Restorative Dentistry - Oral Surgery - Endodontics - Periodontics - Prosthodontics - bridges, partial and full dentures, crowns & gold restorations 50% of UCR up to a max of \$1,000: - Orthodontia for dependents
DEPENDENT'S LIFE INSURANCE - MetLife Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	\$1,500 annual maximum 1st of mo. following 6 months 100% EE paid Spouse \$5,000 Dependent Children \$2,000 N/A
DOMESTIC PARTNER BENEFITS (Same Sex - Active Employees)	N/A	N/A	N/A

BENEFIT	IAM - PT	IAM - Contract Services	Communications
FLEXIBLE SPENDING PLAN - FlexServ Eligibility EE Contributions Coverage	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses	1st of mo. following date of hire May elect \$120 - \$5,000/yr for health and dependent care expenses Employees may elect to set aside money on a pre-tax basis for eligible health care and dependent care expenses
GROUP LIFE - MetLife Eligibility EE Contributions Coverage Basic Supplemental 1st Supp 2nd Supp	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	1st of mo. following 6 months 100% ER paid - Basic 100% EE paid - Supplemental 1x base salary (next higher \$1,000) up to a max of \$50,000 1x base salary (next higher \$1,000) up to a max of \$50,000 N/A 7 + unpaid birthday
HOLIDAYS LONG TERM CARE - CNA (Eff. 3/1/02) Eligibility EE Contributions Coverage	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options	1st of mo. following date of hire 100% EE paid For employee, dependents and parents - various plan options	N/A N/A N/A
LTD Base Plan - MetLife Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	1st of mo. following 3 months None - 100% ER paid After later of exhaustion of sick leave or 90 day elimination period 60% of base pay to a max of \$1,600/mo. up to 5 years
LTD Buy-Up - MetLife Eligibility EE Contributions Coverage Option 1 Option 2	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
MEDICAL Plans Eligibility 2002 EE Contributions	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Kaiser Hawaii Plan B - Hawaii Kaiser California Kaiser Added Choice - Hawaii only eff. 1/02 1st of month following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party 2 pty less single less single ee contribution Family family less single less single ee contribution *Lesser of 1.5% of gross monthly wages or amount listed	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Kaiser Hawaii Plan B - Hawaii Kaiser Added Choice - Hawaii only eff. 1/02 1st of month following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 * Two-Party 2 pty less single less single ee contribution Family family less single less single ee contribution *Lesser of 1.5% of gross monthly wages or amount listed	HMSA PPP (alternate funding) Health Plan Hawaii Plus - Hawaii only eff. 1/02 Kaiser Hawaii Plan B - Hawaii Kaiser Added Choice - Hawaii only eff. 1/02 1st of month following 4 weeks Dependent coverage through 18 or through 24 if a full-time student Single \$29.48 Two-Party \$58.96 Family \$73.69 *Lesser of 1.5% of gross monthly wages or amount listed
Drug/Vision Coverage (Participating Provider): HMSA PPP	Drug Y/Vision CS Generic \$2.00 copayment Brand Name \$5.00 copayment Mail Service \$2.00 copayment for generic and brand name Vision Exams 80% coverage	Drug Y/Vision CS Generic \$2.00 copayment Brand Name \$5.00 copayment Mail Service \$2.00 copayment for generic and brand name Vision Exams 80% coverage	Drug Y/Vision E Generic \$2.00 copayment Brand Name \$5.00 copayment Mail Service \$2.00 copayment for generic and brand name Vision Exams 80% coverage

BENEFIT	IAM - PT	IAM - Contract Services	Communications
PREMIUM CONVERSION PLAN Eligibility EE Contributions Coverage	1st of month following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions After 1040 hrs 24 hours After 2080 hrs additional 48 hours Thereafter 8 hours for each 173.33 hours of employment Max: 1520 hours	1st of month following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions N/A	1st of month following 4 weeks Refer to contributions described under medical plans above Pre-tax medical plan contributions 4 hours/month Max. eff. 1/94: 1320 hours if accumulated sick leave above 880 hours 880 hours if accumulated sick leave below 880 hours
SICK LEAVE	N/A	N/A	N/A
STOP LOSS (self-insured) TDI - self-insured equivalency plan for Hawaii/CA ees through state of CA Eligibility EE Contributions Coverage (For all EEs other than CA)	Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments	Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments	Statutory None EEs w/ no accrued sick - after 7 day waiting period 100% of wages up to 7 weeks EEs w/ less than 120 hours of sick - from first day 100% of wages up to 3 weeks less any sick leave earned EEs w/ at least 120 hours of sick not eligible for TDI payments
TRAVEL ACCIDENT Eligibility EE Contributions Coverage	N/A N/A N/A	N/A N/A N/A	1st of mo. following date of hire 100% ER paid \$100,000 for injuries sustained in bombings
TRAVEL BENEFITS Eligibility EE Contributions Coverage	6 mos. following date of hire - None - Parent(s) ticket (II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	FT - 3 mos. following date of hire PT - 6 mos. following date of hire - None - Parent(s) ticket: (II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)	3 mos. following date of hire - None - Parent(s) ticket (II - none) (WW - service charge) - Unlimited SA on HA for EE, spouse, dependents and parents - FTPs (8/year) - OA travel (based on OA agreements)
VACATION	1-4 years 6.67 hours per 173.33 hrs worked 5-10 years 10.00 hours per 173.33 hrs worked 11-17 years 13.33 hours per 173.33 hrs worked 18-23 years 16.67 hours per 173.33 hrs worked 24-29 years 20.00 hours per 173.33 hrs worked 30+ years 23.33 hours per 173.33 hrs worked Years of service is defined as 2080 hours worked	90 hours worked 3 hrs 180 hours worked 6 hrs 360 hours worked 13 hrs 540 hours worked 19 hrs 720 hours worked 26 hrs 900+ hours worked 32 hrs Hours worked in a calendar year	1-4 years 64 hours 5-10 years 96 hours 11-17 years 128 hours 18-23 years 160 hours 24-29 years 192 hours 30+ years 224 hours

HAWAIIAN AIRLINES, INC. SUMMARY OF BENEFITS EXECUTIVES

MEDICAL

- Choice of coverage between HMSA, Health Plan Hawaii Plus, Kaiser and Kaiser Added Choice. HealthPlus coverage available for the State of Washington. Kaiser CA coverage available for the State of California.
- Prescription Drug and Vision Rider included.
- Effective: First of the month following date of hire.
- Dependent coverage includes spouse and/or eligible child up to age 19, or through age 24 if full-time student.
- If spouse is employed by Hawaiian Airlines, individual coverage if desired, will be provided to each but neither may be included on spouse's plan. Likewise, coverage for dependent children may be included under one employee's plan only.
- On a pre-tax basis, employee pays the lesser of 1.5% of gross monthly wages or:

\$29.48	-	Single
\$58.96	-	2-Party
\$73.68	-	Family

Hawaiian Airlines pays the balance of the premiums (same as those for non-contract employees - refer to the Benefits Summary).

MEDICAL WAIVER PROGRAM

- Eligibility: Employee must waive medical plan coverage under Hawaiian Airlines and must be covered elsewhere under a State of Hawaii - Department of Labor (DOL) approved medical plan.
- Effective: First of the month following date of hire.
- No change in waiver election is allowed for the remainder of the calendar year except in the event of a loss of other medical coverage.
- Employee will receive monthly waiver payments on the second pay period of each month as follows:

\$41.66	-	Single
\$83.33	-	2-Party
\$125.00	-	Family

DENTAL

- Hawaii Dental Service. Delta Dental Plan of California coverage available for states outside of Hawaii.
- Effective: First of the month following date of hire.
- Dependent coverage includes spouse and/or eligible child up to age 19, or through age 22 if full-time student.
- Company paid monthly premiums. The 2003 premiums are \$58.84/mo.

DOMESTIC PARTNER BENEFITS

The following benefits will be offered to same-sex domestic partners of active status employees:

- Medical
- Dental
- Consolidated Omnibus Budget Reconciliation Act (COBRA)

GROUP LIFE INSURANCE

- Company pays premium for basic life insurance coverage. Company's premiums are \$.242/\$1,000 of life insurance coverage. Employee pays for optional coverage which includes 1st and 2nd supplements.
- Group Life Insurance coverage amounts in excess of \$50,000 will be subject to monthly imputed taxes.

Basic (Non-Contributory)

- 1 X annual base salary rounded to next higher multiple of \$1,000, up to a maximum of \$120,000.
- Effective: First of the month following date of hire.

1st Supplement - OPTIONAL (Contributory)

- 1 X annual base salary rounded to next higher multiple of \$1,000, up to a maximum of \$50,000.
- Monthly Premium = .255 per \$1,000 of coverage

2nd Supplement - OPTIONAL (Contributory)

- 1 1/2 X annual base salary rounded to next higher multiple of \$1,000, up to a maximum of \$70,000.
- Must participate in 1st supplement to participate in 2nd supplement.
- Rates as follows:

<u>Age</u>	<u>Cost/\$1,000</u>	<u>Age</u>	<u>Cost/\$1,000</u>
Under 30	.09	50 - 54	.58
30 - 34	.10	55 - 59	.90
35 - 39	.14	60 - 64	1.46
40 - 44	.22	65 - 69	2.50
45 - 49	.36		

**DEPENDENT'S LIFE INSURANCE – OPTIONAL
(Contributory)**

The employee pays for this coverage.

- Spouse coverage: \$5,000
- Dependent Child Coverage: \$2,000 (Age 6 months - 19, to 23 if full-time student)
\$100 (14 days but less than 6 months)
- Monthly Composite rate = \$1.59
- Effective: First of the month following date of hire.

**ACCIDENTAL DEATH AND DISMEMBERMENT
(Non-Contributory)**

Company sponsored benefit—the Company pays the entire cost of premiums which is \$.075/\$1,000 of coverage or \$.75/mo.

- Basic Coverage: \$10,000
- Effective: First of the month following date of hire.

TRAVEL ACCIDENT COVERAGE

Company pays the entire cost of premiums.

Travel accident coverage is \$20,000 - \$60,000 depending on salary grade and is effective first of the month following date of hire.

Travel accident insurance provides 24-hour, 365 days-a-year protection against travel accidents anywhere in the world, whether executive is on business, pleasure, vacation, at home, on or off the job. If injury results in death or dismemberment (i.e., loss of both hands, both feet, or sight in both eyes, speech and hearing), executive's beneficiary will be eligible to receive a lump sum payment up to the amount shown above.

A lump sum payment of one-half of the above amount will be paid for any loss of one hand, one foot or sight of one eye or loss of speech or hearing.

LONG-TERM CARE (LTC)

Eligibility: For guaranteed issue into the plan, executive has up to 30 days from its date of hire to enroll. There is no guaranteed issue into the program after the 30 days expire.

Executive may sign up anytime during the year however, executive will need to go through evidence of insurability (medical history required). Spouses, parents, parents-in-laws, grandparents and grandparent in-laws are also eligible to enroll however they must go through evidence of insurability.

Payroll Deduction: Executive's monthly premium will be payroll deducted on the 5th paycheck. Payroll deduction for spouses is also allowed. Executive may also opt to be billed directly, in which case executive need to indicate this on its application.

Rates: Rates are based on executive's age at the time application is approved. Once approved, executive's rates will be locked into the age rate. Rates may increase by CNA's approval only based on the cost of living for each state.

Application Form: If executive enroll within the 30-day period, executive must fill out the Employee Information Form. Spouses must use the Short Form Application. A self-address envelope must be included in the packet.

LONG-TERM DISABILITY (LTD)

Company pays the entire cost of premiums which are \$.76/\$100 of coverage.

- Effective: First of the month following date of hire.
- Waiting Period: 90 consecutive days of total disability or exhaustion of sick leave, whichever occurs later.
- Base Benefit: 60% of base salary to maximum of \$11,000/month for non-occupational illness or injury with offsets. Eligible to receive benefit up to age 65.

EMPLOYEE FLEXIBLE SPENDING PROGRAM – OPTIONAL

- Eligibility: First of the month following date of hire.
- Health Care Expense Account
- Dependent Care Assistance Account
- Participants may set aside money through payroll deduction on a pre-tax basis for eligible healthcare and/or dependent care expenses. These accounts may be used to pay for eligible expenses such as healthcare co-payments, as well as childcare and elder care expenses. As eligible expenses are incurred, claims are filed and reimbursed from the respective account(s) with pre-tax dollars.

RETIREMENT – DEFINED BENEFIT PLAN

- Eligibility: First of the month following completion of one year of service and age 21, provided employee has worked 1,000 hours during anniversary year.
- 100% Vested after 5 years of service.
- Benefit formula at normal retirement (first of the month following age 65):
$$1.60\% \times \text{Final Average Earnings} \times \text{Credited Service}$$
- After meeting eligibility requirements, early retirement is permitted on the first day of any month after age 55. Pension benefit may be reduced depending on age and service.
- Benefits under the plan are frozen as of September 30, 1993.

401(k) SAVINGS PLAN – OPTIONAL

- Eligibility: First of the month following completion of one year of service,

provided employee has worked 1,000 hours during first anniversary year.

- Vesting: Participants are 100% vested in employee contributions.
- Employee Contributions: Semi-monthly pre-tax payroll deductions 1-15% (whole percentages)
- Investment Funds: Participants invest pre-tax contributions into a selection of mutual funds. Unlimited exchanges between investment funds may be made at no cost to participants.
- Company does not match any amounts paid by the employee. Exception: Officers who were employed by the Company prior to August 31, 1992 are entitled to receive a Company Contribution of 4.04% of their covered earnings.

Officers do not accumulate nor report sick days or vacation days. 7 days are Company holidays (excluding 2 floating holidays).

Officers submit a Personnel Expense Reimbursement form for reimbursement of out-of-pocket business expenses, pursuant to the Company's Reimbursable Expenses policy.

DEBTOR'S FOREIGN EMPLOYEES BENEFITS CHART

As of the Petition Date, six of the Debtor's employees were located in Tokyo, Japan (the "Japanese Employees"), two of the Debtor's employees were located in Papeete, Tahiti, one of the Debtor's employee was located in Punaauia, Tahiti and two of the Debtor's employees were located in French Polynesia (collectively, the "Tahiti Employees").

Coverage	Tahiti Employees	Japanese Employees
Company Defined Benefit Retirement Plan (Same as N/C - F/T - Directors & Below)	yes	yes
Group Life Insurance Plan (Same as N/C - F/T - Directors & Below)	no	yes
AD&D Plan (Same as N/C - F/T - Directors & Below)	no	yes
Foreign Governments Sponsored Benefits (Health / Welfare / Pension)	yes	yes

EXHIBIT C

DESCRIPTION OF 401(K) PLANS

DESCRIPTION	PILOTS' 401(K) PLAN	FLIGHT ATTENDANTS' 401(k) PLAN	401(K) SAVINGS PLAN Salaried, IAM, Dispatch, Communication Employees
Date Established	9/1/1990	1/1/1989	4/1/1993
Assets as of 11/22/02	\$23,930,970	\$56,444,597	\$39,113,106
Participants as of 11/22/02	448	1,025	2,326
Summary of Benefits			
Pre-Tax Contributions	1 - 15% of W-2 earnings	1 - 15% of W-2 earnings	1 - 15% of W-2 earnings
After-Tax Contributions	Up to 10% of pay (eff. 12/5/90)	N/A	N/A
Company Contributions	N/A	5%	4.04%
Matching Contributions	N/A	Up to 2%	Salaried: Up to 2%
			IAM: Based on the following:
			Years of Service Match
			Less than 10 0%
			10 but < 15 1%
			15 but < 20 2%
			20 but < 25 3%
			25 or more 4%
Vesting	100%	Company Contribution: 100%	Company Contribution: 100%
		Company Match based on the following:	Company Match: 100% cliff vesting after 3 years of service
		Years of Service % vested	
		Less than 2 0%	
		2 but < 3 25%	
		3 but < 4 50%	
		4 but < 5 75%	
		5 or more 100%	
Loans	Yes	Yes	Yes
Hardship Withdrawals	Yes	After-Tax Contributions	No
Accepts Rollovers	Yes	No	No
Normal Retirement Age	60	60	55
Trustee	Vanguard	Vanguard	Vanguard
Investments	14 Vanguard funds + brokerage	11 Vanguard funds	11 Vanguard funds

				option				
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EXHIBIT D

DEFINED BENEFIT PLANS

DESCRIPTION	PILOTS' RETIREMENT PLAN	IAM PENSION PLAN	SALARIED RETIREMENT PLAN
Year Established	3/1/1975	1/1/1973	1/1/1973
(date ret. Plans established - 6/1/49)	(date separate plan established)		(date separate plan established)
Assets as of 1/1/01 (per actuarial valuation)	\$110,537,958	\$55,451,054	\$12,818,912
Assets as of 1/1/02 (per actuarial valuation)	\$103,925,733	\$48,803,602	\$11,187,757
Actuarial Liabilities as of 1/1/01	\$108,922,706	\$42,795,980	\$12,098,269
Actuarial Liabilities as of 1/1/02	\$122,949,840	\$42,557,075	\$12,097,199
Number of Participants as of 1/1/01	565	2,245	918
Number of Participants as of 1/1/02	598	2,213	880
Summary of Benefits	2.4% of final average earnings (FAE) times the first 25 years of credited service plus 1% of the FAE times the next 5 years of credited service	1.6% of FAE times credited service (Frozen as of 9/30/93)	1.6% of FAE times credited service (Frozen as of 9/30/93)
Trustee	Bank of Hawaii	Bank of Hawaii	Bank of Hawaii
Funding Agent	Prudential	N/A	N/A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII**

In re

HAWAIIAN AIRLINES, INC.
a Hawaii corporation

Debtor.

Case No. 03 - 00817
(Chapter 11)

**ORDER PURSUANT TO SECTIONS
105, 363 AND 507 OF THE
BANKRUPTCY CODE
AUTHORIZING (I) PAYMENT OF
PRE-PETITION WAGES, SALARIES,
REIMBURSABLE EMPLOYEE
EXPENSES, PAYMENT OF PRE-
PETITION DEDUCTIONS, PAYMENT
PURSUANT TO CERTAIN
EMPLOYEE BENEFITS PROGRAMS,
(II) DIRECTING BANKS TO HONOR
PRE-PETITION CHECKS AND (III)
CONFIRMING RIGHT OF DEBTOR
TO CONTINUE EMPLOYEE
PROGRAMS**

This matter coming before the Court on the Motion for an Order Pursuant to Sections 105(a), 363 and 507 of the Bankruptcy Code Authorizing (I) Payment of Pre-petition Wages, Salaries, Reimbursable Employee Expenses, Payment of Pre-petition Deductions, Payment Pursuant to Certain Employee Benefits Programs, (II) Directing Banks to Honor Pre-petition Checks and (III) Confirming Right of Debtor to Continue Employee Programs (the "Motion"),⁷ filed by the above-captioned debtor and debtor in possession (the "Debtor"); the Court finding that (a)

the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409 and (d) proper and adequate notice of the Motion and the hearing thereon has been given and that no other or further notice is necessary, and the Court having considered the Declaration of Christine R. Deister in Support of First-Day Motions and Applications; and the Court having considered all evidence and oral arguments of counsel in support of the Motion; and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein and the Court having determined that the relief sought in the Motion is in the best interest of the Debtor and its estate; and after due deliberation and sufficient cause appearing therefor,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED in its entirety.
2. The Debtor is hereby authorized to perform all its obligations under the Union Agreements in the ordinary course of business.
3. The Debtor is hereby authorized, but not directed, to honor and pay all pre-petition Employee payroll obligations.
4. The Debtor is hereby authorized, but not directed, to honor all Employee reimbursements with respect to pre-petition business-related expenses

⁷ Capitalized terms not otherwise defined herein have the meaning given to them in the Motion.

incurred, in the manner consistent with the Debtor's pre-petition practices and policies.

5. The Debtor is hereby authorized, but not directed, to continue all Employee Programs to the extent such policies, programs, practices and procedures were in effect at the commencement of the above-captioned chapter 11 case.

6. The Debtor is hereby authorized, but not directed, to honor all pre-petition Employee healthcare claims in the manner consistent with the Debtor's pre-petition practices and policies.

7. Bank of Hawaii, at which the Debtor's Payroll Account is maintained, shall honor all compensation, benefit, and reimbursement checks and electronic fund transfers issued on such account before the Petition Date; provided, however, that funds are available in the Payroll Account to cover such checks and fund transfers.

8. The Debtor is hereby authorized, but not directed, to issue post-petition checks, or to effect post-petition fund transfer requests in replacement of any checks or fund transfer requests with respect to its pre-petition Employee obligations dishonored or denied as a consequence of the filing of the petition in this chapter 11 case.

9. Nothing in this Order or the Motion shall be construed as prejudicing any rights the Debtor may have to dispute or contest the amount of, or the basis for, any claims against the Debtor in connection with or relating to the claims addressed by this Order.

10. The Debtor is hereby authorized, but not directed, to pay all attendant withholding taxes with regard to the payroll obligations and compensation set forth in this Order.

11. The relief granted in this Order shall not (i) effect in any way the rights of the Debtor under sections 1113 and 1114 of the Bankruptcy Code or (ii) constitute or be deemed an assumption or authorization to assume any of such policies or programs pursuant to section 365 of the Bankruptcy Code.

12. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. This Court shall retain jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

Dated: _____, 2003

UNITED STATES BANKRUPTCY JUDGE