

SECTION 8

LEAVES OF ABSENCE

A. PERSONAL LEAVE

1. Contingent upon the approval of the Company and reflecting seniority, a pilot may be granted a Leave of Absence Without Pay for up to twelve (12) months. While on such leave of absence, the pilot shall continue to accrue seniority but not longevity. A pilot shall at the option of the Company be subject to recall at any time after six months, except that if while on such leave a pilot is furloughed, his recall rights and obligations shall be governed by Section 12. Involuntary recalls shall be in reverse order of seniority subject to program requirement. If a pilot fails to return at the end of the approved leave of absence without pay or to respond to a proper recall, he is subject to termination.
2. Leaves of absence without pay may be extended for two (2) additional twelve (12) month periods with the approval of the Company. During such extended leaves without pay, the pilot shall not accrue seniority or longevity.
3. Any pilot on leave without pay who allows his medical certificate to expire shall only accrue seniority to the date of such expiration of said medical certificate. Upon the

renewal of said medical certificate seniority shall again accrue as of that date.

B. MEDICAL LEAVE

When unpaid leaves are granted at the discretion of the Company as a result of sickness or injury a pilot shall retain and continue to accrue his seniority whether or not he is able to maintain his appropriate certificates or ratings until he is able to return to duty or is found to be permanently unfit for such duty. Such unpaid leave of absence may not exceed a total continuous period of five (5) years unless extended by the Company. During such leave the Company may require a complete or specific physical examination at least once each twelve (12) months. The cost of any such Company required examination shall be paid by the Company. Any such physical examination shall be scheduled by mutual agreement between the pilot and the Company.

C. MILITARY LEAVE

Unpaid military leaves of absence for service in the armed forces of the United States shall be granted, as provided by Federal regulations, upon written request and upon presentation to the Company of a copy of the appropriate military orders.

D. GENERAL

1. Return from leave shall be accomplished

as set out in Section 12, Displacements and Furloughs and Section 11, Bidding and Upgrading, except as provided herein. A pilot returning from any unpaid leave of absence or returning from assignment as a supervisor in flight operations, shall have the right to displace at his former base, class and aircraft type, or may bid for any other vacancy his seniority and qualifications permit. If such pilot is unable to return to his former base, class and aircraft because such assignment no longer exists, he shall have the right to displace into any other base his seniority and qualifications permit.

2. A pilot returning from leave of absence will be paid, during any necessary requalification period, at the rate appropriate to the pilot's class at the time the leave began, if he is returning and is to requalify in that same class.

SECTION 9

LEAVES

A. SICK LEAVE

1. Sick leave benefits will be eighteen (18) days a year, accrued at the rate of 1.5 days for each month of employment up to a maximum of ninety (90) days, chargeable on a consecutive day basis. Sick leave will be granted only when a pilot is unavailable for scheduled duties due to illness. Such pilot may be required to remain in his area of assignment in order to be checked by Company medical authorities.

B. EMERGENCY LEAVE

1. The Company may grant up to fourteen (14) days Emergency Leave in accordance with Company policy.

SECTION 10

SENIORITY

A. GENERAL

1. Seniority as a pilot for purposes of bidding, upgrading, displacement and furlough after probation as set forth in Section 10, B. 1 will commence as of the most recent date of hire as a pilot. When two or more pilots are hired on the same date, the oldest man shall receive the most senior position.
2. Longevity for pay purposes will commence on the date a pilot is first qualified and assigned to line flying duty and shall continue to accrue during such employment except as otherwise provided herein.
3. Seniority as a pilot will accrue only as long as the pilot is carried on the pilots' seniority list.
4. Subject to exceptions from seniority herein, the Company recognizes a seniority system for pilots for purposes of promotion, retention or furlough in case of reduction in force, recall from furlough and transfer or displacement provided that the pilot is sufficiently qualified for the conduct of the operation involved as further specified. Qualification criteria include, but shall not be limited to, necessary aeronautical certificates, specialized education and training,

overall pilot experience, nature and recency of such experience, the ability to accept and complete necessary training and qualifications and other requirements such as nationality, passports and visas, as may be required in the performance of the Company's flight operations. "Qualification" for these purposes is defined as those qualities that will fit the pilot applicant to the particular job. For purposes of bidding or filling a vacancy, "Qualification" need not mean a pilot must be current in the equipment involved. Current experience is not a qualification criterion except when an urgent requirement dictates filling a vacancy with a currently qualified pilot.

Qualification which may result in out of seniority assignments as a result of bid or displace procedures will be stipulated by the Company in bid, upgrade or displace announcements and be promulgated in each required instance. When a junior pilot is promoted over a senior pilot by operation of the terms herein, the senior pilot shall continue to retain his position on the pilot seniority list.

5. A pilot transferred to flying supervisory duty shall retain and continue to accrue seniority and longevity, provided that such pilot shall maintain at all times a currently effective pilot's certificate or certificates required of pilots in his class.

6. When a pilot is transferred to a non-flying or supervisory duty as a result of sickness or injury, or becomes sick or injured while on flight supervisory duty, he shall retain and continue to accrue his seniority during such period of sickness or injury whether or not he is able to maintain his certificate required for his status, until he is again able to return to flying duty or is found to be unfit for such duty for a continuous period of five (5) years.

7. When a pilot is transferred to a non-flying supervisory position, he shall continue to accrue seniority for a period of 12 months. In the event the said pilot continues in a supervisory non-flying position for a period of an additional 24 months, he shall not continue to accrue seniority for the said 24 months and upon the completion of a 36 month period he shall be removed from the pilot's seniority list.

B. PROBATION

1. The probationary period of a pilot will commence as of the date a pilot first qualifies as a line pilot and is released to line flying duties. This probationary period will continue for twelve (12) consecutive months. Should a probationary pilot be furloughed during his probationary period and subsequently recalled, he will be credited with the accumulated prior service as a pilot toward satisfying his

twelve (12) month probationary period.

2. Pilots on probation as described in paragraph 1 above shall not have recourse to the grievance procedure or bidding rights.

C. PILOTS-SENIORITY LISTS

1. The Company shall provide each pilot within thirty (30) days after January 1st of each year a copy of the Pilot's Seniority List for his division (fixed or rotor wing) effective January 1, which shall contain the names of pilots, nationality, and the seniority date of each pilot. Additional Pilot's Seniority Lists may be provided at such other intervals as the Company may desire.

2. Each pilot shall have thirty (30) days after the publication of any Pilot's Seniority List to deliver to the Company a protest in writing of any omission or incorrect posting affecting his seniority. A pilot on any leave or vacation shall have thirty (30) days from return to duty in which to file such protest. In the event a pilot does not so file a protest within such thirty (30) days, he shall not thereafter be entitled to file a protest.

D. LOSS OF SENIORITY

1. A pilot shall lose his seniority when he resigns from the Company or his services with the Company are terminated.

2. A pilot who has been furloughed or is on leave without pay and who fails or refuses to accept recall provided herein shall be permanently separated from the services of the Company.
3. A furloughed pilot will continue to accrue seniority for one year from date of furlough.
4. Seniority will be also lost as specifically provided elsewhere herein.
5. Except as provided in Section 8 pilots on leave without pay (LWOP) for a period in excess of thirty (30) days for any reason will not accrue seniority or longevity.

E. SENIORITY BY AIRCRAFT DIVISION

1. Each division, fixed wing or rotary wing, will have its own seniority list and for purposes of displacement a pilot's seniority number will have a prefix denoting his division and displacement group as set forth in Section 12, Displacement and Furlough.

As an example, a rotary wing pilot whose seniority number is 15 and who is in seniority displacement group one would have the number R1-015.

- (a) R - represents rotary wing.
(b) 1 - represents seniority displacement group one.

(c) 015 - represents the pilot's relative seniority within the rotary wing division.

2. A pilot shall not transfer between aircraft divisions except when approved by the Company. When transfers are approved, seniority will be according to his most recent date of hire as a pilot with the Company.

SECTION 11

BID/UPGRADE

A. FILLING OF VACANCIES

Seniority and qualifications will govern the filling of First Officer and Captain vacancies on all aircraft within the Company except as provided otherwise in this section.

B. QUALIFICATION CRITERIA

When the Company deems it necessary to establish certain pilot qualifications and aviation background experience for available bid vacancies, these criteria will be so stated in any vacancy bid announcement.

C. INTER-DIVISION TRANSFER RULES

1. Transfer of pilots between the two main divisions may be permitted if said pilot possesses the necessary certification and meets the requirements as established by the Company.
2. Any pilot transferred from one division to another or one type to another will retain his Company seniority number in accordance with the provisions of Section 10, Seniority.

D. INTRA-DIVISION TRANSFER RULES

1. Pilots who have been awarded a transfer

in accordance with the provisions of this section shall be required to accept such transfer.

2. Pilots who have been transferred to bases at their own request within the preceding 36 months may be precluded from any further inter-base transfer until the completion of 36 months at that base.
3. Pilots who have less than 24 consecutive months' current service in their present aircraft type may be precluded from change of base or aircraft type until the completion of 24 consecutive months' current service in their present aircraft type except as follows:
 - a. If the pilot has been displaced to a base or program not of his choosing, he shall have bidding rights reflecting his seniority, if he has completed eighteen (18) months in his new type.
 - b. If Pilot A has displaced Pilot B due to Pilot A being displaced, then Pilot B is not subject to further displacement for eighteen (18) months with the following exceptions:
 - (1) The eighteen (18) month period applies only to a particular pilot class, i.e., in the event a displacing pilot is holding his Captaincy within the eighteen (18) month period and other

more senior Captains are, as a result of a curtailment, being forced to revert to First Officer around the more junior Captain, his eighteen (18) month period (cocoonment) will be waived and seniority will prevail, subject to qualifications.

- (2) The eighteen (18) month period applies in all cases where it would obviate a base transfer within a pilot class. However, this may be cancelled at Company option.
- (3) The eighteen (18) month period applies where it would obviate the Company incurring additional training costs. - This cocoon may be waived at Company option.
- (4) Cocoonment does not apply in instances where a First Officer would be precluded from bidding a Captain vacancy by virtue of his being cocooned.
4. Pilots who have been afforded the opportunity for training and qualifications as the result of bidding and who have failed to complete satisfactorily such training or qualification will be subject to the provisions of Section 5, D. 2.
5. In the event there are insufficient bid requests from pilots to meet the Company

manning requirements specified in the Company's bid sheets, the Company may assign qualified pilots in the reverse order of seniority.

6. A pilot who is awarded a bid may be withheld from such transfer for a period of not more than 90 days in the event of the Company's inability to replace said transferring pilot unless agreed to by the pilot.
7. In the future, any Captain bidding and being awarded a First Officer Vacancy may, in the event his program is reduced, be permitted to displace any First Officer junior to him in that or any other program at that base. If subsequently the base is to be reduced or closed necessitating displacement, this pilot will displace only as a First Officer and will not displace a Captain junior to him.
8. First Officers may be permitted to bid for Captain vacancies available to their seniority at other bases subject to qualifications.
9. In the event the most senior pilot bidding does not receive the assignment for reason of qualifications, the Company will furnish such pilot its reasons in writing upon request.
10. Mutual transfers between programs and/or bases will not be permitted unless agreed to by the Company. The mutually

transferring pilots shall pay their own moving expenses and the Company shall use its best efforts to provide space available travel and household goods shipments.

11. Nothing herein contained shall require the Company to honor any bid from a pilot on probation.

E. MANNING OF DIVISIONS/PROGRAMS

Manning requirements are determined by periodic reviews as necessary to assure that all programs within the divisions are properly manned.

F. STANDING BIDS

Prior to proceeding on leave pilots should file with the Base Chief Pilot a standing bid preference for assignment. Upon return from leave this standing bid will be automatically cancelled. Failure to leave a standing bid will waive bidding rights and subject the pilot to assignment by the Company.

G. MOVING EXPENSES

All moving expenses occasioned by the transfer of pilots as a result of the operation of the provisions of this section shall be borne by the Company in the amounts and under the terms specified herein except as otherwise provided for in paragraph D. 10 of this section. Transferring pilots will be provided reasonable

time free from duty at or within 90 days of date of permanent transfer to treat matters connected with the transfer and shipment of household goods.

H. TEMPORARY PILOT REQUIREMENTS

Additional pilot requirements of a temporary nature normally not to exceed 120 days as determined by the Company shall be met as follows:

1. In the event there is an excess of pilots in any program within the system and one of the excess pilots is currently qualified, he may be assigned a temporary assignment.
2. Assignment of the most senior currently qualified pilot at the base requesting the position, after informal notification.
3. Assignment of the most junior currently qualified pilot at the base, if no request from senior currently qualified pilots is received.
4. If not filled as above, the most senior currently qualified pilot in the system who requests the assignment shall be assigned.
5. If no requests are received in paragraph 3. above, the most junior currently qualified pilot in the system shall be assigned.

Informal notification as used above consists

of posting notification of the temporary vacancy on the Company bulletin boards at the base or bases affected. A reasonable cutoff date after which no requests will be accepted shall be included in the notification. A pilot temporarily assigned will be scheduled the same as other pilots in the same class and equipment at the base. Pilots filling temporary assignments will remain to complete such assignments, but will not forfeit bidding rights.

Per diem will be paid if temporary assignment is away from a pilot's home base.

6. For purposes of this paragraph H, a currently qualified pilot shall mean, in the case of a pilot who has flown the aircraft in the last six (6) months, (a) a pilot who requires only three (3) takeoffs and landings, a proficiency check and recurrent ground training and (b), in the case of a pilot who has flown the aircraft in the last twelve (12) months, a pilot who requires only three (3) takeoffs and landings, a proficiency check, recurrent ground training and a line check.

I. DUAL QUALIFICATION

The Company may require pilots to be qualified concurrently for line flying in two similar types of aircraft. Similarity of aircraft types will be determined by the Company.

SECTION 12

DISPLACEMENT/FURLOUGH

A. GENERAL

1. A system governing displacement by one pilot of another between bases or within the same base, within aircraft types and pilot classes or between aircraft divisions shall be established as provided in this section to give recognition to pilot seniority and qualifications regarding such displacement.
2. There are hereby established for the purposes of this Section two separate and distinct aircraft divisions known as:
 - a. The Rotor Wing Division
 - b. The Fixed Wing Division
3. Displacements by pilots of other pilots between the two above named divisions shall not be permitted except as authorized by the Company.

B. REDUCTION IN FORCE OR CURTAILMENT

1. When the flying operations of the Company are to be curtailed or when the Company anticipates the need for reduction in force, the Company will advise the pilots affected of any impending furlough, including, if possible, the approximate date of furlough.

Company will make reasonable efforts to prevent or minimize furloughing of pilots by soliciting and granting voluntary unpaid leaves of absence and may require pilots to be furloughed to take accrued and unused vacation. Senior pilot may be requested to take accrued vacation to minimize furlough impact.

2. If reduction in force or curtailment is planned to be of long duration and pilots must be furloughed the Company will advise all pilots who are to be furloughed within each aircraft division of the planned date. It is understood the actual date of furlough will depend on operational considerations including exercise of displacement rights and training.

3. For purposes of accommodating a program reduction at a base, or a system reduction in force, the two divisions will be divided into two seniority displacement groups as follows:

a. Fixed Wing Division

Group 1 - Will be fixed at 25% of the Division

Group 2 - Will be remainder of the Division

b. Rotary Wing Division

Group 1 - Will be fixed at 25% of the Division

Group 2 - Will be remainder of the Division

4. A Group 1 pilot will be able to displace, subject to the individual pilot's qualifications, according to the following:

a. Displace the junior Group 1 captain at his base, or

b. Displace any pilot in Group 2 at his own base, or

c. Displace the junior captain at his base, or

d. Displace the junior pilot at his base.

5. A Group 2 pilot may displace subject to the individual pilot's qualifications according to the following:

a. Displace the junior Group 2 captain at his base

b. Displace the junior pilot at his base.

6. Pilots displaced or affected by a curtailment will be permitted an inter base transfer only to:

a. Retain their captaincy subject to qualifications or,

b. Displace the junior pilot in their division

should the displacing pilot be the junior pilot at his base.

7. Other displacement provisions are:

a. When displaced, the junior pilot at any base, if he is not the junior pilot in the division, must displace the junior in the division.

b. Multi-engine captains (but no other) displaced or affected by a curtailment may displace into their current equipment as a first officer, seniority permitting, and they will hold grandfather rights for that equipment. Such grandfather rights will permit the holder to be awarded the next captain vacancy available in that equipment at his base, subject to seniority ranking of all other grandfather rights holders.

8. Qualifications for displacement choices will include but not be limited to:

a. Recent experience in the equipment or similar equipment, i.e., multi-engine, single engine, STOL.

b. Pilot certificates, required foreign pilot licenses, foreign language abilities and any other qualifications deemed necessary for such an assignment.

9. A pilot displacing a Captain at another base

may be assigned to fly as a First Officer pending the opportunity to obtain Captain qualifications on any aircraft type at that base consistent with operational requirement and contingencies. The Company will exercise best efforts to provide qualification opportunity within 90 days. During the interim period such pilot will, if he is a First Officer displacing a junior Captain, be paid actual total First Officer compensation at his previous pay rate, or if he was a Captain displacing a junior Captain he will receive Captain guarantee at his previous rate of pay per hour plus area/hostilities pay, if applicable. Pilots will be upgraded for pay purposes effective the date they pass their proficiency check flight subject to satisfactory completion of their line/route qualification. Pilots reverted to First Officer from Captain status will receive First Officer pay as of the date they are no longer required to fly as captain.

10. In the event of an emergency surplus pilot situation for whatever reason (e.g., the closing of a base) that would, in the judgment of the Company, probably render the normal displacement procedures unworkable, the Company will work out a solution adhering as closely as practicable to seniority and displacement rights outlined herein.

Positions filled as a result of such emergency displacement shall then be considered

immune from normal bidding and displacement procedures for a period of nine (9) months, unless sooner declared open by the Company.

11. In order to lessen the impact of a reduction in force or curtailment, any affected pilot may be required to take all accrued Annual Vacation/Home/Annual leave and in addition may be permitted to take leave without pay, for up to one year, renewable yearly with Company approval up to a maximum of three (3) years' leave without pay (LWOP). Pilots not affected may be permitted to take all accrued leave and LWOP up to one year renewable by the Company, up to a maximum of three (3) years reflecting seniority.

C. FURLOUGH OF PILOTS

1. a. Furlough of pilots will be accomplished in reverse order of seniority within each aircraft division. Pilots subject to furlough may be permitted to transfer from one aircraft division to the other at the option of the Company subject to the pilot's relative seniority and qualifications, as well as conditions specified elsewhere herein.
- b. There may be those cases where, due to operational requirements, it will be necessary to retain a junior pilot in a program but in no instance will his furlough date be changed as a result of such operational

requirement.

2. When all the furloughing and displacement have been completed the Company intends that seniority within aircraft divisions shall be complied with except as may be provided in other sections herein.
3. Any pilot to be furloughed who has completed his probationary period will receive 37 days notification of furlough. A pilot not required for flight duty during this notice period, will be removed from flight schedule and receive guarantee pay for the notice period.
 - a. A pilot assigned by the Company to flight duty during any portion of the 37 days notice period, will be paid his normal flight pay for the period flown and a pro rated portion of his guaranteed pay for any time not flown during the 37 days notice period.
 - b. A pilot will receive written notice of furlough and will provide the Company with a dated acknowledgement of receipt thereof.
4. Furlough notice will be effective when issued regardless of the employment status of the pilot (e.g., LWOP, sick leave, home leave).

D. FURLOUGH BENEFITS

1. A pilot who is being furloughed will be given tickets equal to the value of one way confirmed economy class air transportation for himself and his eligible dependents residing in the Far East via the most economical means available to the Company between his base of assignment and the airport receiving regularly scheduled air service nearest his point of hire. The tickets will be valid for thirty (30) days from his last day of compensated service. Pilots hired prior to 1 Apr. 1967 requesting termination instead of furlough will be permitted to have first class transportation as provided above.
2. A pilot being furloughed will be given a personal effects shipment benefit in accordance with the Company's Personnel Manual, computed to the same destination as in Section 12. D. 1. above.

E. ACCEPTANCE/RETENTION/LOSS OF/ RECALL FROM FURLOUGH STATUS

1. Acceptance of notice of furlough: Upon receipt of written notice of furlough, a pilot may either request termination of employment or accept furlough status in writing to the Company, but in either case the date of commencement of furlough status or effective date of termination will be the date specified for commencement of furlough status in the notice of furlough.

56

2. Prior to departure on furlough status, a furloughed pilot must file his furlough mailing address with his Base Personnel Manager and will be responsible for keeping the Director of Personnel advised of any changes thereto. Any pilot who departs on furlough status without having provided his Base Personnel Manager a mailing address in writing signed by himself may be considered as having elected termination of employment and may lose all seniority and his employment may be terminated.

F. RECALL FROM FURLOUGH

1. When a pilot on furlough is recalled, notice of recall will be sent via registered air-mail, return receipt requested, or telegram, return receipt requested, from the Company's Home Office in Washington, D.C. or its Director of Personnel in the Far East to the individual at his address of record. The recipient of a notice of recall shall have a maximum of ten (10) days from the date of receipt to respond in writing by letter or telegram to such notice. If the postmark or date of transmission of the response (letter or telegram) is over ten (10) days from the receipt of the notice of recall, and no reasonable explanation is presented such furloughed pilot may lose all seniority and his employment may be terminated.
2. The notice of recall will specify a reporting

57

for duty date of no later than 21 days after receipt of the notice.

3. When a recall requires earlier base report than in 2. above, a pilot may be requested to waive the report time set forth in 2. above and return as soon as possible.
4. Upon notification of the pilot's acceptance of recall, the Company will provide a pilot the necessary transportation to reach his base. If requested, an advance against expenses will be provided. On a permanent recall dependent's travel and personal effects shipment benefits shall be provided.
5. A pilot who has been on furlough for a period of one (1) year shall not be entitled to recall as a pilot and upon expiration of the said one (1) year period shall thereupon lose all seniority as a pilot and shall be removed from the pilot seniority list.

G. TEMPORARY RECALL

Temporary Company obligations requiring rapid Company response for limited periods of time may create a need for additional pilots for that time. In these circumstances the following rules will apply:

1. A pilot shall not be required to accept a temporary recall for 90 days or less and refusal will not jeopardize normal recall rights. A temporary recall period may be

extended up to 120 days.

2. The Company will send temporary recall notices via the most expeditious means available. Acknowledgement of the pilot's receipt of temporary recall should be by the most expeditious means available to the pilot.
3. It is required that pilots offered a temporary recall either accept or decline within five (5) days of receipt of the recall notice.
4. Travel should commence within five (5) days from the date of acceptance of temporary recall.
5. Pilots accepting temporary recall will receive:
 - a. Confirmed space economy air travel for the pilot to his base of assignment from agreed place of recall.
 - b. An advance against expenses, if requested.
 - c. Authorized allowances for the base assigned during the period of time his recall remains temporary.
 - d. Company sponsorship for privileges such as commissary, exchange, APO, etc., where available to the Company's personnel.

- e. Company provided life and medical insurance.
 - f. Annual vacation and sick leave accrual for the period of recall.
 - g. Participation in Air America retirement plan subject to the provisions thereof.
 - h. Dependent discount travel privileges at his own expense.
6. Pilots accepting a temporary recall will NOT receive:
- a. Moving expenses for their dependents
 - b. Household effects and personal property shipment.
 - c. Company provided travel benefits for dependents.
 - d. Approval of any home or annual vacation leave.
 - e. Any bidding rights during the period of his temporary status, other than those he would have if not recalled.
7. Pilots may be recalled on a temporary basis reflecting most recent Company equipment qualification notwithstanding seniority provisions.

8. At the completion of a temporary recall the Company will provide the pilot (for himself only) the travel benefits given a furloughed pilot.
9. Pilots released from a temporary recall will maintain their position of seniority for one year from the date of original furlough.
10. The effective date of recall for pay purposes shall be the pilot's date of departure from his agreed point of temporary recall. An unreasonable delay between departure for and arrival at the base of assignment may cause adjustment of this pay date and/or appropriate disciplinary action.
11. The temporary recall period will commence as of the date the pilot is requalified and released for line flying.

SECTION 13

GRIEVANCES: OTHER THAN FOR
DISCIPLINE AND DISMISSAL

A. GRIEVANCE

Any pilot, or group of pilots who has/have a grievance concerning any action of the Company affecting him/them, directly or indirectly, that has not been settled in conference with Company officials, shall be entitled to the right of investigation and hearing and the right of appeal therefrom in accordance with the following procedure:

1. The written request for investigation and hearing in connection with the grievance must state in reasonable detail the facts upon which the claim is based and the relief the pilot is seeking, and must be presented to the Company within thirty (30) days after the pilot(s) would reasonably have had knowledge of the incident or event giving rise to the grievance. It is not intended that this limitation preclude any claims arising out of bookkeeping errors.

B. INITIAL HEARING AND APPEAL

The initial hearing shall be held by the Vice President/Base Manager at the base to which the pilot is assigned (either temporary or permanent) and shall be held within ten (10) days after the Company receives written

notification from the pilot.

1. Within five (5) days after the close of such hearing the Vice President/Base Manager hearing the matter shall render his decision in writing to the pilot and his representative.
2. The decision of the Vice President/Base Manager may be appealed to the Vice President of Industrial Relations within ten (10) days after receipt of the Vice President/Base Manager's decision.
 - a. If the Vice President of Industrial Relations is unavailable, the parties may mutually agree to extend the time for the hearing until he is available or
 - b. If the Vice President of Industrial Relations is unavailable and the parties do not mutually agree to an extension of time, the hearing shall be held by some other senior qualified official of the Company designated for that purpose.
3. Within ten (10) days after the close of such hearing, the Vice President of Industrial Relations or other senior official shall render his decision in writing to the pilot or his representative.

C. DIVISION FIELD BOARD APPEAL

After compliance with the provisions of

paragraphs A. and B. above, appeal by the pilot, if made, shall be to the Division Field Board as provided in Section 15. Such appeal must be made within thirty (30) days from the date of receipt by the pilot or his representative of the decision provided for in paragraph B. 3 above.

D. GENERAL

1. Evidence may be presented either orally or in writing or both.
2. Subject to considerations of security, a grievant shall have the right at all times to be represented by a representative of his choice.
3. a. The time limits prescribed in this section may be waived by the mutual consent of the Company and the grievant(s).
b. In the absence of mutual consent to the extension of time limits, the failure of a grievant to appeal a decision of the Company within the time limit herein described for such appeal shall cause the decision of the Company to become final and binding.
4. Company employees will be granted time off from Company duties if required as representatives or witnesses at hearings.
 - a. Grievants, witnesses and representatives

who are employees of the Company shall receive free transportation on Company aircraft from the point of duty or assignment to the point at which they must appear as witnesses or representatives, and return, to the extent permitted by law and so far as space is available.

5. Those hearings below the Division Field Board level shall be held at the grievant's base.
6. Nothing in this section shall extend the right of investigation and hearing to a probationary pilot.

SECTION 14

GRIEVANCES: DISCIPLINE AND DISMISSAL

A. GRIEVANCE

1. A pilot shall not be disciplined or dismissed from the Company without notification in writing as to any such action and such pilot shall not be disciplined or dismissed without an investigation and hearing provided that the pilot or his duly accredited representative makes written request to the Company for an investigation and hearing within ten (10) days after receiving such notification.
 - a. The Company notification in writing shall contain the precise charge or charges against the pilot.
2. Prior to such investigation and hearing, the pilot shall be given the necessary time, not to exceed ten (10) days, in which to prepare and secure witnesses.
3. Nothing in this section shall be construed to prevent the Company from holding a pilot out of service without pay pending written notification of charges; however, such pilot shall be notified of the specific charges within ten (10) days of the date on which he was held out of service.

B. INITIAL HEARING

The initial hearing shall be held by the Vice President/Base Manager of the Base within ten (10) days after he receives written notification from the pilot that he has completed his preparation and has secured his witnesses.

1. Should a grievant fail to give written notification that he has completed his preparation and secured his witnesses, the initial investigation and hearing shall then be held after ten (10) days but within twenty (20) days of the filing of his grievance.
2. If the Vice President/Base Manager of the base is unavailable, the parties may mutually agree to extend the time for the hearing until he is available, or the pilot may elect to have the hearing held by a representative of the Vice President/Base Manager designated for that purpose.
3. Within ten (10) days after the close of such hearing, the Vice President/Base Manager or his representative shall render his decision in writing to the pilot and/or his duly accredited representative.

C. FIELD BOARD APPEAL

After compliance with the provisions of paragraphs A. and B. above, appeal by the pilot, if made, shall be to the Division Field Board as provided in Section 15. Such appeal

must be made within forty-five (45) days from the date of receipt by the pilot or his representative of the decision provided for in paragraph B. 3. above.

D. GENERAL

1. If, as a result of any hearing or appeal provided herein, a pilot is exonerated, his personnel record shall be cleared of the charges and he shall, if he has been out of service, be reinstated without loss of seniority and longevity and he will be paid average pay and all allowances for the time he was held out of service.
2. Evidence may be presented either orally or in writing or both .
3. Subject to considerations of security, a grievant shall have the right at all times to be represented by a representative of his choice.
4. a. The time limits prescribed in this section may be waived by the mutual consent of the Company and the grievant(s).
- b. In the absence of mutual consent to the extension of time limits, the failure of a grievant to appeal a decision of the Company within the time limit herein described for such appeals shall cause the decision of the Company to become final and binding.

5. Company employees will be granted time off from Company duties if required as representatives or witnesses at hearings.

a. Grievants, witnesses and representatives who are employees of the Company shall receive free transportation on Company aircraft from the point of duty or assignment to the point at which they must appear as witnesses or representatives, and return, to the extent permitted by law and so far as space is available.

6. Nothing in this section shall extend the right of investigation and hearing to a probationary pilot.

SECTION 15

DIVISION FIELD BOARD

A. COMPOSITION

The Division Field Board shall consist of two members, one of whom shall be selected and appointed by the grievant and one by the Company, and such appointees shall be known as "Division Field Board Members."

B. JURISDICTION

The Division Field Board shall consider any disputes properly submitted to it when such dispute has not been previously settled in accordance with the provisions of Sections 13 and 14 of this Agreement. No matter shall be considered by the Division Field Board which has not first been handled in accordance with the provisions of Sections 13 and 14.

C. VENUE

The Board will make every effort to hold its hearings and investigations at points that will best serve the purposes of satisfactorily concluding the work of the Board with the least amount of travel for the greatest number of persons attending the proceedings.

D. PETITION

All disputes referred to the Board for consideration shall be in five copies (of each petition),

including all papers and exhibits in connection therewith. Each case submitted shall show:

1. Question or questions at issue.
2. Statement of facts.
3. Position of grievant.
4. Position of Company.

When possible, joint submissions should be made, but if parties are unable to agree upon a joint submission then either party may submit the dispute and its position to the Board.

E. GENERAL

1. Upon receipt of notice of the submission of a dispute, the Board shall set a date for hearing.
2. Subject to considerations of security, pilots may be represented at Board hearings by such person or persons as they choose and designate, and the Company may be represented by such person or persons as it may choose and designate. Evidence may be presented either orally or in writing, or both.
3. A unanimous vote of the Board is required to make a decision. Such decision shall be rendered not later than five (5) days after the hearing is completed.
4. Decisions of the Board shall be final and binding.

5. It is understood and agreed that each member of the Board shall be free to discharge his duty in an independent manner, without fear that his individual relations with the Company or his fellow employees may be affected in any manner by any action taken by him in good faith.
6. When a deadlock occurs in a case referred to the Division Field Board, the Company and the grievant shall immediately endeavor to agree on a neutral person who shall serve as the third member of the Board and as its Chairman.
7. Decisions of the three man Division Field Board or the neutral shall be final and binding upon the parties to the dispute.
8. The Board shall maintain a complete record of all matters submitted to it for its consideration and of all findings and decisions made by it.
9. The reasonable expenses and compensation of the neutral party shall be borne as agreed by the parties.
10. So far as space is available, witnesses who are employees of the Company shall receive free transportation over the lines of the Company has exchange or reciprocal transportation agreements from point of duty or assignment to the point at which they must appear as witnesses and return, to the

extent permitted by law.

11. The time limits described in this section may be extended by mutual consent.
12. It is the intention of this section to insure that every reasonable step possible be taken to expedite decisions on matters before the Division Field Board.

SECTION 16

PHYSICAL EXAMINATIONS

A. REQUIRED EXAMINATION

The Company may require a pilot to take physical examinations and to meet physical standards set forth in FAA Part 67 for first class medical certificate or other governmentally required standards.

B. EXAMINATION REVIEW

Any pilot hereunder who fails to pass a Company administered physical examination may, at his option, have a review of his case in the following manner:

1. He may employ a qualified medical examiner of his own choosing and at his own expense for the purpose of conducting a physical examination for the same purpose as the physical examination made by the medical examiner employed by the Company.
2. A copy of the findings of the medical examiner chosen by the employee shall be furnished to the Company, and in the event that such findings verify the findings of the medical examiner employed by the Company, no further medical review of the case shall be afforded.
3. In the event that the findings of the medical

examiner chosen by the employee shall disagree with the findings of the medical examiner employed by the Company, the Company will, at the written request of the employee, ask that the two medical examiners agree upon and appoint a third qualified and impartial medical examiner, preferably a specialist, for the purpose of making a further physical examination of the employee. The said qualified medical examiner shall then make a further examination of the pilot in question and the case shall be settled on the basis of his findings.

C. WAIVER REVIEW

Any pilot who was required to sign a medical waiver as a condition of employment may have such waiver(s) reviewed in accordance with this section. The opinion of the impartial medical examiner will be entered into the records.

D. INACCURATE FINDINGS

In cases where the Company on its own initiative places a pilot on Sick Leave or Leave Without Pay for medical reasons, not including cases where the pilot places himself on Sick Leave, or the pilot fails to pass an FAA medical examination given by an examiner not employed by the Company, and the impartial qualified medical examiner determines that the pilot has at all times continuously met the Company physical standards as set forth in

Paragraph A. of this section, such pilot shall receive average pay and in such cases any deduction from sick leave accrual will be restored.

E. IMPARTIAL EXAMINER EXPENSES

The expense of employing a qualified impartial medical examiner shall be borne one-half ($\frac{1}{2}$) by the pilot and one-half ($\frac{1}{2}$) by the Company; copies of such medical examiner's report shall be furnished to the Company and to the pilot.

F. YEARLY PHYSICAL

A pilot is required to take an FAA flight physical from a Company doctor who is a designated aviation medical examiner at least once a year.

SECTION 17

INSURANCE AND RETIREMENT

A. LIFE INSURANCE

The Company shall provide group life insurance in the amount of \$50,000 for a Captain and \$42,000 for a First Officer. This insurance shall be in lieu of the provisions of the Personnel Manual providing a \$25,000 extra hazardous death benefit.

B. MEDICAL EXPENSES

Medical expense benefits to be provided by the Company will be those set forth in the Employee Insurance Benefit Plan for eligible personnel of the Company.

C. RETIREMENT PLAN

On or about 1 May 1973 the Company will undertake to review and make revisions as appropriate to the Company retirement plan.

SECTION 18

BENEFITS FOR DEATH, INJURY,
CAPTURE AND INTERNMENT

Benefits for line of duty death, injury, capture and internment (including stated benefits for missing persons) shall be in accordance with applicable provisions of the Longshoremen's and Harbor Workers' Compensation Act, the Defense Base Act, the War Hazards Compensation Act and the Company's Personnel Manual, except that in cases of line of duty injury the Company will continue average pay and station allowance in lieu of the weekly employee compensation benefit for a period of six months.

SECTION 19

DEPENDENTS' EDUCATIONAL ALLOWANCE

A. AMOUNT OF ALLOWANCE

Excepting where pilots' children attend a Company operated school and Company policy for that school shall apply, the pilots who have dependent children attending school within standard U.S. grades 1-12 or their equivalent may request reimbursement of 75% of actual tuition costs plus up to 10% of tuition paid out for transportation and books, up to a maximum reimbursement of \$2,000.00 per school year per employee.

B. SUBSTANTIATION

Requests for reimbursement must be supported by receipts for tuition, books and transportation expenses claimed. If receipts for transportation are not available, a statement of details of charges must be submitted in lieu thereof giving cost per day and number of school days involved. Where private transportation is arranged in no event will reimbursement for transportation exceed that which would apply had official school authorized bus transportation been utilized if available.

C. REVIEW

Requests for reimbursement shall be directed

to the Controller via the Director of Personnel and the Senior Company Representative at the pilot's location of assignment. The latter two will be responsible for checking and approving payment in accordance with this section.

SECTION 20

PERSONAL/HOUSEHOLD EFFECTS

Moving personal/household effects shall be in accordance with the Company policy in effect. In no event shall the benefits of this section be diminished.

SECTION 2

SEPARATION

The Company shall provide a one month advance notice of termination of employment or one month's average salary in lieu of such notice except in cases of termination with prejudice or resignation. In case of resignation, a pilot is required to provide the Company one month's advance notice of such resignation.