

POLICY AND PROCEDURES MANUAL

of the

**UNITED STATES
AIRCREW OFFICERS ASSOCIATION**

As of December 1, 2015

Section 1. DEFINITIONS

- **AOA or AOA Group** means the Aircrew Officers Association, which is comprised of the various trade unions and associations that each separately represent certain groups of pilots employed by Cathay Pacific Airways.
- **AOA TUs** means the trade unions and associations incorporated in the AOA.
- **The Company** means Cathay Pacific Airways Limited, including any affiliate of or related entity to Cathay Pacific Airways Limited.
- **Constitution and Bylaws** means the Constitution and Bylaws of the USAOA adopted on September 25, 2015 and as may be amended from time to time.
- **Executive Council** means the Executive Council of the USAOA.
- **HKALPA** means the Hong Kong Airline Pilots Association.
- **IFALPA** means the International Federation of Air Line Pilots' Associations.
- A **Member** means any person who meets one of the definitions of Member in Section 4 of the Constitution and Bylaws, *i.e.*, Full Member, Associate Member, Honorary Absent Member, or Honorary Member. Each of those terms in turn means what each means in the Constitution and Bylaws.
- An **Officer** means a person who has been elected or appointed to the Executive Council in accordance with Sections 3 and 12 of the Constitution and Bylaws.
- **USAOA or the Association** means "The United States Aircrew Officers Association."
- **Policy Manual or Manual** means the USAOA Policy and Procedures Manual.
- The **Principal Officers** mean the Chairman, the Vice Chairmen, the Treasurer, and the Secretary collectively.

Section 2. AUTHORITY

2.1 This Manual has been promulgated pursuant to Section 15 of the Constitution and Bylaws. It may be amended from time to time in accordance with Section 15.2 of the Constitution and Bylaws.

2.2 In accordance with Section 15.1.1 of the Constitution and Bylaws, in the event of any conflict between the Constitution and Bylaws and the Policy Manual, the Constitution and Bylaws shall control.

Section 3. FILES

3.1 General and Annual Meeting File. Minutes of all General Meetings and Annual meetings will be contained within a file maintained by the Secretary (either personally or at his direction).

3.1.1 Full Members shall have free access to this file.

3.2 Executive Board File. Minutes of all Executive Council Meetings, including a record of all votes taken by the Executive Council, will be contained in a file maintained by the Secretary (either personally or at his direction).

3.2.1 Executive Council Members shall have free access to this file.

3.2.2 Full Members will have free access to this file except as to minutes of proceedings that took place in closed session.

3.3 Negotiating Notes File. Notes of all negotiations and meetings with the Management of Cathay Pacific Airways will be contained in a file maintained by Negotiating Committee Chair (either personally or at his direction).

3.3.1 Members of the Negotiating Committee or the Executive Council shall have free access to this file.

3.3.2 Upon the conclusion of a complete round of bargaining, or at the end of a Negotiation Committee Chair's tenure, the Negotiation Committee Chair shall turn over the Negotiation Notes File to the Secretary.

3.4. Registry of Members. The Secretary shall maintain (either personally or at his direction) a Registry of all Members of the Association.

3.4.1 The Registry shall contain the names and available contact information of the Members.

3.4.2 Members of the Executive Council shall have free access to the Registry.

3.4.3 The Registry is property of the Association and may only be used with authorization of the Executive Council and only to further the objectives of the Association that are identified in the Constitution and Bylaws. Any other use of the Registry is prohibited.

3.5 Membership Files. Files containing information pertaining to individual Members will be maintained by the Secretary in accordance with applicable U.S. privacy laws.

3.5.1 A Member may view his file on request, under the supervision of an Officer of the Association.

Section 4. Application for Membership

4.1 Any person eligible for membership may apply to the Executive Council on an application form approved by the Executive Council.

4.2 The Secretary or his designee shall determine whether an applicant meets the qualifications for membership in the Association as set out in Section 4 of the Constitution and Bylaws.

4.3 In the event that an applicant is initially determined to be ineligible for membership by the Secretary, the applicant may request a determination from the Executive Council as to whether he meets the qualifications for membership as set out in Section 4 of the Constitution and Bylaws.

4.3.1 Pursuant to Section 4.4 of the Constitution and By-Laws, the Executive Council may appoint a Sub-Committee to make such determinations.

Section 5. RESPONSIBILITIES OF MEMBERSHIP

5.1 Members' Financial Obligations to the Association

5.1.1 Pursuant to Section 6.1 of the Constitution and Bylaws, the Association will seek to establish a "dues check off" arrangement with the Company. In the event that such an arrangement is established, each Full Member shall execute a voluntary dues check off authorization form that will authorize the Company to deduct and transmit the Member's Dues and any Special Levies to the Association or its designee.

5.1.2 In the absence of a "dues check off" arrangement, each Full Member shall make payments of Dues and Special Levies by automatic electronic payment to the Association (or its designee), unless the Full Member receives prior approval from the Treasurer to make payments to the Association by check or by some other manner.

5.1.2.1 Payments are due on the first day of the month. A Full Member's failure to make a payment by the last day of the month for which it was due shall render the Member delinquent, in accordance with Section 6.6.1 of the Constitution and Bylaws.

5.1.3 Full Members will ensure that the Association holds verifiable information of their salary by way of a Personal Data Release Form.

5.1.4 Associate Members and Honorary Absent Members may pay their Dues and any applicable Special Levies to the Association by either direct deposit or by other electronic means. Annual dues for Associate Members and Honorary Absent Members who join the Association must be paid within 30 days of joining the Association, and they may be pro-rated for applicants who join the Association mid-year. In subsequent years after joining, Associate Members and Honorary Absent members must pay their annual dues by January 1st. Associate Members and Honorary Members who fail to pay their annual dues by January 31st shall be rendered delinquent, in accordance with Section 6.6.1 of the Constitution and Bylaws.

5.1.5 Any Dues or Special Levy payable to the Association will be deemed to be a debt due to the Association and will be recoverable by law to the Association.

5.1.6 If a Member is expelled from the Association, or his Membership is suspended, or some or all of his rights and privileges as a Member are suspended, all in accordance with the Constitution and Bylaws, such Member will not be entitled to a refund of any subscription or special levy paid by him, and he

will be liable to pay to the Association any Dues or Special Levy which may then be owed by him to the Association.

5.2 Members are encouraged to actively participate in the Association by taking part in discussions about motions, voting regularly, and communicating with members of the Executive Council about their ideas, suggestions, and concerns. Members are also encouraged to carry out the work of the Association, either by seeking a position on the Executive Council or in some other capacity.

Section 6. MEETINGS

6.1 The structure of a meeting shall consist of an agenda, debate, motions, and a vote (if necessary).

6.2 Live Meetings

6.2.1 Live Meetings include meetings that take place in-person, through conference call, or through an online application in which Members interact in real time with each other (such as a “chat-room”).

6.2.2 In accordance with Section 9.4.2 of the Constitution and Bylaws, the ideal minimum timeline for Live Meetings is as follows:

Days to Meeting	Event
14	Meeting agenda and location (or access information) announced
7	Deadline for Motions and Amendments submitted by Members
0	Meeting held and votes taken at meeting

6.2.3 The results of Live Meetings will be disclosed to Members within 2 days of the adjournment of a Live Meeting.

6.2.4 If the timetable described in Section 6.2.2 is not able to be met then the Membership will be informed and a note of explanation will be placed with the minutes of the General Meeting.

6.3 Online Forum Meetings

6.3.1 Online Forum Meetings are meetings in which Members may post and debate comments in an online forum over a period of time, and in which voting is held open for a period of time.

6.3.2 In accordance with Section 9.4.2 of the Constitution and Bylaws, the ideal minimum timeline for Online Forum Meetings is as follows:

Days to Meeting	Event
31	Meeting closure date and proposed agenda advised. Online discussion commences.
24	Last day for motions and amendments from Members
17	Committee accepts or rejects motions from Members
14	Final agenda advised and Online Vote commences.
0	General Meeting Online Vote closes

6.3.3 The results of Online Forum Meetings will be disclosed to Members within 2 days of an Online Forum Meeting.

6.3.4 If the timetable described in Section 6.3.2 is not able to be met then the Membership will be informed and a note of explanation will be placed with the minutes of the General Meeting.

6.4 Only Full Members in Good Standing shall be entitled to vote, make or second motions, or propose amendments, at any meeting of the Association.

6.5 Unless contrary to U.S. law, all votes pertaining to online meetings shall be conducted online.

Section 7. RESPONSIBILITIES OF THE EXECUTIVE COUNCIL

7.1 Officers shall ensure that notes of all meetings with representatives of the Company are made that detail the subjects of meetings and main points raised or discussed. Such notes shall be transmitted to the Secretary for filing and/or distribution.

7.2 Officers shall endeavor to never meet with representatives of the Company alone; all meetings should involve at least two Officers or AOA TU representatives or staff members.

7.3 Officers shall not commit the Association to any course of action without approval by the Executive Council.

7.4 In addition to the duties set out in the Constitution and Bylaws, the Chairman shall have the following duties:

- Guide and exercise general supervision over the affairs of the Association, and be responsible for the direction the Association takes and implementation of its policies;
- Represent the Association in the AOA Group;
- Conduct correspondence with Government, employers, and Heads of other establishments; and
- Ensure compliance with the USAOA Constitution and Bylaws, Policy Manual, and any other policy promulgated by the Executive Council.

7.5 In addition to the duties described in the Constitution and Bylaws, the Vice Chairmen shall have the following duties, which may be assigned as among them:

- Provide coordination for the Negotiating Committee;
- Represent the Association in the AOA Group;
- Monitor the compliance of Cathay Pacific Airways with the collective bargaining agreement; and
- Ensure compliance with the USAOA Constitution and Bylaws, Policy Manual, and any other policy promulgated by the Executive Council.

7.6 In addition to the duties described in the Constitution and Bylaws, the Treasurer shall have the following duties:

- Arrange for annual audit;
- Arrange for and make all necessary annual filings with the Department of Labor, Internal Revenue Service, and any other governmental entity;
- Acquire surety bonds for Officers, as required by Section 3.8 of the Constitution and Bylaws;
- Prepare an annual budget prior to each fiscal year;
- Devise and recommend strategies for investment, as appropriate;
- Monitor the expenditures of the Association to ensure that the Association maintains a healthy financial status; and
- Ensure compliance with the USAOA Constitution and Bylaws, Policy Manual, and any other policy promulgated by the Executive Council.

7.7 In addition to the duties described in the Constitution and Bylaws, the Secretary shall have the following duties:

- Maintain the files described in Section 3;
- Oversee membership recruitment efforts;
- Process applications for membership as described in Section 4; and
- Ensure compliance with the USAOA Constitution and Bylaws, Policy Manual, and any other policy promulgated by the Executive Council.
- Record and properly distribute minutes of all meetings of the association and Executive Council. This function may be delegated to another Executive Council Member as necessary when the Secretary is unable to attend.

7.8 The Officers of the Association shall have the following responsibilities, which may be assigned among them:

- Monitor issues concerning Cathay Pacific Airways pilots' salary, employment benefits (*i.e.*, medical and dental, travel, insurance, leave), retirement benefits, health and safety, and Company operations;
- Review monthly rosters and statistics;

- Attend HKALPA Technical and Safety Committee meetings and give reports to the full Executive Council regarding such meetings;
- Ensure that all correspondence from the Company is responded to, and ensure that the views of the Association are communicated to the Membership and the public, as appropriate;
- Organize social events;
- Assist Members in need; and
- Ensure compliance with the USAOA Constitution and Bylaws, Policy Manual, and any other policy promulgated by the Executive Council.

7.9 The content of informal discussions, communications (whether oral or written), and meetings that take place amongst Officers of the Association should remain confidential, and they should not be shared outside of the Executive Council, unless the circumstances make disclosure appropriate to further the objectives of the Association.

Section 8. COMMITTEES

8.1 The Executive Council may from time to time appoint one or more Committees (or Sub-Committees, which are treated the same as Committees for all purposes in this Manual) to perform such functions and duties which are vested in or conferred upon the Executive Council, as the Executive Council may determine, and which will be set out in the terms of reference of each such Committee, and which terms of reference may be amended or rescinded by the Executive Council from time to time.

8.1.1 Once appointed, a Committee will remain in existence until dissolved by the Executive Council. A Committee may be dissolved at any time by the Executive Council.

8.2 Each Committee will consist of such persons as the Executive Council may appoint, including a Chairman designated by the Executive Council, and the Executive Council may remove any Member of any Committee, including the Chairman, at any time and may fill any vacancy which may occur therein.

8.2.1 The Chairman of each Committee may be selected by the Committee members, subject to the approval of the Executive Council.

8.3 The Chairman of each Committee, or his designee, shall send minutes of its meetings to the Secretary, who shall maintain the minutes and distribute the minutes to the Executive Council.

8.4. Every Committee will conduct its Meetings and regulate its business in the same manner as the Executive Council is required to do by these Rules, save where the same may be inapplicable, and in which latter case the Committee may make its own regulations, subject to ratification by the Executive Council.

8.5. Chairmen of Committees may liaise with outside bodies on subjects pertinent to their particular Committees. They must remain within Association and AOA Group Policy where one exists. Where none exists they must seek guidance from the Chairman, Vice Chairman, and/or the Executive Council. No Chairman of a Committee may commit the Association to any course of action or expense without the authorization of the Executive Council.

Section 9. THE BUDGET AND EXPENSES

9.1 The Budget

9.1.1 Consistent with Section 7.6, the Treasurer shall prepare a budget prior to the commencement of the financial year.

9.1.2 The budget will be subject to approval by the Executive Council, and will be disclosed at annual and general meetings, so long as it can be done in a format that is not subject to distribution. It will be made available to any Member upon request. The budget shall remain confidential to the Association at all times.

9.2. Proposed expenditures that are not specifically identified in the budget shall be subject to the following levels of approval, depending on their amount on either a one-time or annual basis, as follows:

- Less than USD \$500 – any two authorized signatories
- Between \$500 and \$4,999 – at least three Principal Officers, one of which must be either the Chairman or a Vice Chairman and, wherever possible, the Chairman and both Vice Chairmen.
- \$5,000 or greater – Executive Council Resolution

9.2.1 All expenditures, and the authorization for all expenditures, that occur in the periods between meetings of the Membership will be reported to the Membership at the next meeting of the Membership.

9.2.2 For the purposes of this section, and for Section 13.3 of the Constitution and Bylaws, an approval in writing or in electronic format by an authorized signatory to another authorized signatory of the purpose and amount of a proposed expenditure shall constitute a “signature.” Such approval shall be maintained as part of the Association’s financial records and noted in the Association’s ledger.

9.3 In the ordinary course, the following expenses are reimbursable provided that that the expense was incurred in connection with union business and that a receipt or other document was submitted to the Treasurer or his designee to substantiate the expense:

9.3.1 Meals, subject to the limits of the CPA Allowances, or if none exists, to US Federal Guidelines.

9.3.2 Parking, taxi and public transport

9.3.3 Mileage for the use of a personal vehicle, at the standard IRS rate currently in effect.

9.3.4 Tolls

9.3.5 Air travel, subject to the following limitations:

9.3.5.1. The preferred carrier will be Cathay Pacific Airways. Current company policy dictates that staff travel is not to be used for union business. This does not preclude the company from issuing staff travel tickets for Union Business.

9.3.5.2. In all cases of air travel on Association business the cheapest tickets available with the most efficient routing should be purchased, but always on major, acceptable carriers whenever possible.

9.3.5.3. The cheapest available rate will be established by checking available Economy Class prices for flights of less than 6 hours duration and Business Class for flights of 6 hours or more duration or equivalent classes on major acceptable carriers only.

9.3.6 Accommodations, subject to the following limitations:

9.3.6.1 Accommodation will be in reputable hotels (which is generally understood to mean national and international chain hotels with ratings of "3 stars" or better) and representatives are expected to obtain airline preferential rates where possible. Representatives will not normally be expected to share a room. Accommodation costs will be reimbursed in full.

9.3.7 Entertainment, subject to the following limitations:

9.3.7.1 Funds may be authorized for expenditure on group meals or entertainment while on Association business. The purpose and amount will be agreed upon between the Officer and the Chairman. If the funds are being requested by the Chairman then a Vice Chairman will need to authorize his request. Alcoholic beverages such as those included with a meal will be kept to a reasonable minimum and moderately priced.

9.4 The Executive Council has authority to reimburse expenses other than the ones identified in Section 9.3 that are incurred by an Officer or Member in connection with union business and that are substantiated by a receipt or other document.

9.5 Claims for reimbursement shall be submitted to the Treasurer or his designee before the end of the quarter in which the costs were incurred. The Association reserves

the right to refuse payment of claims not submitted before the end of the current fiscal year.

Section 10. COMMUNICATIONS

10.1 Correspondence, newsletters and communications of a policy nature require approval by a majority of the EC.

10.1.1 Approvals must include at least two Principal Officers, one of which is either the Chairman or a Vice Chairman and, wherever possible, the Chairman and both Vice Chairmen.

10.2 The Chairman or his designee will have overall responsibility for day-to-day communications with the Press. Press Releases will be subject to the approval process described in Section 10.1.

10.3 Meetings with Company Management

10.3.1 A summary of the meeting should be forwarded to the Secretary or Negotiations Chair as soon as possible following the meeting.

10.3.2 Officers who have a need to meet with management with respect to personal matters shall make it clear at the outset that they are not representing the Association.

10.4 Meetings with Legal Counsel

10.4.1 It is desirable that the Chairman be the primary point of contact with USAOA Legal Counsel, however it is understood that from time to time it may be more efficient for another member of the EC requesting advice to communicate directly. In this case, the EC member will first consult with the Chairman to ascertain whether such advice is necessary and the best method to obtain it (email, phone call, in-person meeting).

Section 11. NEGOTIATIONS, RATIFICATION, AND STRIKE AUTHORIZATION

11.1 A Negotiating Committee will be appointed by the Executive Council.

11.2. The Negotiating Committee shall keep the Executive Council and the AOA Group apprised of the Committee's general strategy and will provide regular updates on the progress of negotiations.

11.3. It is the policy of the Association that negotiations be conducted in a positive and constructive manner to reach an outcome that is in the best interests of the Membership and it is the responsibility of the Negotiating Committee to conduct negotiations in this manner.

11.4 Contract Ratification

11.4.1 A Tentative Agreement ("TA") reached by the Negotiating Committee will be submitted to the Membership for approval only after it has been accepted by a majority vote of the Negotiating Committee and presented to the Executive Council, who will respond with one of the actions listed in 11.4.1.1

11.4.1.1 The Executive Council may either:

- Reject the TA and direct the Negotiating Committee to resume negotiations with the Company
- Reject the TA and present it to the membership with a recommendation that it not be ratified
- Approve the TA and present it to the Membership with a recommendation that it be ratified
- Present the TA to the Membership without any recommendation

11.4.1.2 Only Full Members in good standing who are covered by a proposed collective bargaining agreement shall be entitled to participate in a ratification vote.

11.4.1.3 A TA shall be ratified by an affirmative vote by a majority of those who are entitled to participate in a ratification vote and who return valid ballots.

11.4.1.4 The Negotiating Committee will not accept a prospective TA from the Company that requires the EC to recommend acceptance to the membership as a conditional term of the TA.

11.5 Timeline

11.5.1 The Executive Council must return their majority vote, resulting in one option listed in section 11.4.1.1, within seven days after the negotiating committee has signed the TA.

11.5.2 The membership will be notified within one day of the Executive Council decision.

11.5.3 The membership will have a minimum of 14 days to consider and vote on a tentative agreement. These 14 days consists of a minimum of a 7 day comment period and 7 day voting period.

11.5.4 Notification of the vote results will be distributed to the Membership and the Company no later than 7 days following the close of voting.

11.5.5 All deadlines referenced in this section will occur at 2300 Eastern Time.

11.6 Should there be a failure of the ratification vote under section 11.4, the EC will proceed with the next steps under the RLA up to and including a strike vote.

11.7 Notwithstanding Section 3.7.4 of the Constitution and Bylaws, any letters of agreement or side letters entered into during or outside of the collective bargaining negotiations that alter the rates of pay, rules, or working conditions for covered employees shall be subject to approval by the member ratification process.

11.7.1 Letters of Agreement and Side Letters will be treated in the same manner as Tentative Agreements with respect to Sections 11.4 and 11.5.

11.7.2 If a Letter of Agreement or Side Letter fails to be ratified by the Membership, Paragraph 11.6 will not apply.

11.8 National Mediation Board (NMB) Proffers of Arbitration, Release and Strike Authorization Procedures

11.8.1 The Executive Council may recommend a vote of the Membership to authorize a strike or other self-help at any time either on the recommendation of the Negotiating Committee or on its own initiative. Such strike authorization shall empower the Executive Council to call a strike or for other self-help in accordance with the Railway Labor Act.

11.8.2 In the event the NMB proffers arbitration pursuant to the RLA, the Executive Council shall submit the proffer to the Membership for approval.

11.8.2.1 If the Membership authorizes the acceptance of the proffer and the Company accepts the proffer, any agreement reached through RLA arbitration shall be binding without further Membership ratification.

11.8.2.2 If the Membership rejects the proffer, the Executive Council will conduct a Membership vote to authorize a strike and/or other lawful self-help to be initiated as soon as permitted by the RLA and as thereafter called by the Executive Council.

11.8.2.3 If the Membership accepts the proffer and the Company rejects the proffer, the Executive Council will immediately submit a request for strike or self-help authorization to the Membership.

11.8.2.4 If either the Association or the Company declines the proffer of arbitration and the NMB releases the Association and the Company from mediation, the Executive Council will seek Membership approval for a strike or other self-help if such authorization has not already been given.

11.8.2.5 If, after release from mediation, the President of the United States convenes a Presidential Emergency Board, any recommendation of the Presidential Emergency Board shall be submitted to the Membership for ratification. A vote against ratification shall be a vote authorizing the Executive Council to call a strike or other lawful self-help.

11.8.3 Only Full Members in good standing shall be entitled to participate in a strike authorization vote.

11.8.4 Once a strike has commenced, it may be called off by the Executive Council.

Section 12. Affiliations

12.1 The Association intends to seek affiliation with IFALPA.

12.2 In the event that the Association becomes affiliated with IFALPA, the Association shall recognize all ratified IFALPA policy as the policy of the Association to the extent that such policy is not inconsistent with the Constitution and Bylaws, the provisions of the Policy Manual, or any collective bargaining agreement between the Association and the Company.