SECTION 21

DISCIPLINE, GRIEVANCES, HEARINGS, AND APPEALS

A. Discipline

In recognition of the mutual interest by the Association and the Company to assure that the very highest standards of pilot conduct and performance are maintained, and acknowledging the Company's obligation to timely investigate allegations of misconduct while balancing the Association's obligation to fairly represent the pilots, the Company and the Association have reached the following understanding regarding the Company's disciplinary program for pilots and the Association's rights of representation.

1. Disciplinary Program

a. It is understood and agreed that the Company will have the right to maintain and administer a disciplinary program for pilots and that the Company may in the future revise, modify, rename, or otherwise change its disciplinary program, solely at its discretion, provided prior written notification is given to the Association and such changes are not in violation of the provisions of the Agreement.

b. It is understood and agreed that the Company's disciplinary program will not contain any procedure or step which will require a pilot to waive the contractual right to grieve an action taken by the Company, as provided under the Agreement. The parties recognize that the initial discussion, as defined in 21.A.1.h below, with an employee does not constitute discipline or a step in the disciplinary procedure.

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c. The Company intends to migrate to an electronic personnel file for all pilots. Upon completion of the migration, the Company's current paper personnel file will no longer be maintained as such. The Company intends to provide individual access to any electronic records in a manner similar to that provided for in the current paper files (including through paper printouts / photocopies).

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d. In response to the Association's expressed concerns relative to the disciplinary letters in pilots' files, the Company agrees that disciplinary letters or advisories issued to pilots under the provisions of the disciplinary program will be removed from the affected pilots' files not later than two (2) years following the date of issue.

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e. It is understood and agreed that discussion records, which are currently referred to as Pilot Employment History (PEH) entries, will be entered in and will be maintained as a permanent part of a pilot's Company personnel file; however, no advisory or disciplinary letter will refer to any adverse PEH entry in the discussion record entry which was made more than two (2) years prior to the issuance of said advisory or disciplinary letter.

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f. In accordance with Section 24.B of the AA/APA Agreement, the Company will notify a pilot each time an entry is made on the pilot's discussion record and the discussion record will be available for

inspection by the pilot during business hours. Further, in response to any discussion record entry, a pilot may provide a written rebuttal which will be attached and become a part of the discussion record.

g. The purpose of any Company discipline is to correct a pilot's behavior and/or performance.

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h. The Company will not normally impose discipline upon any pilot until a step process effort has been made to correct a pilot's behavior and/or performance. A PEH entry of a non-disciplinary verbal advisory will include a record of the pilot meeting and specific information concerning the behavior or performance in question, but not such detail as would constitute a written advisory. The pilot or the Association may, at either's option, provide a written response, rebuttal or addendum. The discussion record and the pilot's or the Association's response, rebuttal, or addendum can be referred to for no more than two (2) years from the date of the issuance of said discussion record.

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i. The following steps will constitute the current disciplinary program for pilots:

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(1) The first step will be a written advisory which will include specific information concerning the behavior or performance in question, any corroborating evidence, and a record of the pilot meeting. The pilot or the Association may, at either's option, provide a written response, rebuttal or addendum. The written advisory and the pilot's or the Association's response, rebuttal, or addendum will be considered part of the first step, which will reside in the personnel file or record for no more than two (2) years.

(2) The second step will be a Letter of Discipline which will include specific information concerning the behavior or performance in question, any corroborating evidence, and a record of the pilot meeting. The Company may proceed to the second step should the pilot have another occurrence documented under A.1.j.(1) of this Section during the time in which a first step written advisory as described in A.1.j.(1) is still in the personnel file or record. The Company may consider and implement other forms of corrective action. The pilot or the Association may, at either's option, provide written response, rebuttal or addendum to the Company's personnel file.

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(a) The parties recognize that there are certain serious infractions that may result in termination or other discipline without prior steps.

(b) The Company will weigh the positive attributes of the pilot's employment history when considering whether or not a pilot should be disciplined, suspended, or terminated.

j. The Company will maintain no more than one discussion record section in a pilot's personnel file and will maintain no more than one (1) personnel file for any pilot that can be referred to for disciplinary

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purposes. During the transition to a single electronic personnel file, the existence of both a paper and electronic file shall not constitute a violation of this provision. A pilot will be advised promptly if any material, notation or entry is placed in or removed from such personnel file. Such file will be available for inspection by the pilot at the pilot's domicile during normal business hours. At the pilot's request, an Association representative may be present and be permitted to view the pilot's file.

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k. Nothing in this Section shall be construed as requiring or otherwise forcing the Company to impose discipline upon a pilot at any time.

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B. Investigation and Rights of Representation

1. A pilot shall not be disciplined or dismissed from service with the Company without an investigation and written notification of such action, including the precise charge(s) and an explanation for any action taken. A pilot shall be provided with an opportunity to meet with that pilot's Flight Department supervisor prior to the rendering of any final decision with regard to discipline or dismissal.

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2. A pilot shall be entitled to Association representation, or the pilot may elect to be represented by another Company employee of the pilot's choice, at any meeting with the Company (1) for the purpose of investigating a matter which it is anticipated may result in the pilot's discipline or dismissal, or (2) regarding which it is anticipated a written statement may be required, or (3) that is of sufficient importance for the Company to have arranged for a witness or more than one supervisor to be present as a note-taker. In any case, if a pilot does not wish to have Association representation, the Association reserves the right to have an observer present and the Company has an affirmative obligation to inform the Association in a timely manner about such meeting.

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3. The Company will advise the pilot that s/he is entitled to Association representation at the time the investigative meeting/hearing is scheduled.

4. Prior to any investigation, the Company will notify the pilot and the Association of the then purpose of the investigation, and make available the documentation being considered in the investigation, including the specific charges and statements. The Company may in cases involving harassment allegations require employees of the Company to sign non-retaliatory confidentiality statements prior to reviewing statements. Further, the Company may redact names and other personal identifiers at the preliminary investigative proceeding. It is understood that should the matter proceed to the System Board, the Company will provide the Association such statements without redactions.

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5. Investigations will be conducted expeditiously.

6. Meetings or investigations will be scheduled at mutually convenient times to the extent possible. The parties recognize that this provision may not be utilized to frustrate the process of conducting timely and appropriate investigations or meetings. If no mutually agreeable time can be established, the meeting will be established between 10:00 am and 3:00

pm local time; however, meetings will not be scheduled during a pilot's DFP. Once scheduled, the hearing should commence within 15 minutes of schedule and proceed as expeditiously as possible. In the event either party is unwilling or unable to commence the meeting within 15 minutes of the scheduled start time, the meeting will be rescheduled, unless mutually agreed otherwise. The pilot will not be paid for any meeting that is rescheduled due to either the pilot's or the Association's delay.

7. Only those participants appropriate and necessary for the conduct of the investigation will be present. Only one (1) Chief Pilot/Company supervisor/Company representative will conduct and oversee any pilot meeting. Only that Chief Pilot/Company supervisor/Company representative will be designated to ask questions or direct any question to be asked of any pilot during the meeting. At no time will there be more than two (2) Chief Pilots/Company supervisors/Company representatives present during any meeting. This will not prevent either the Company or the Association from having an observer present for note taking or training. Nothing in this paragraph will preclude the Company or the Association from having those deemed necessary to the investigation present, but in no case will there be more than one (1) witness to the incident or event or one (1) expert witness present at the same time during any pilot meeting or hearing. Furthermore, only one of either the Association representative or the pilot may ask questions during the meeting on behalf of the pilot

8. The parties agree that participants in investigations shall be free to discharge their duties in an independent manner, without fear that their individual relations with the Company, the employees of the Company, or the Association, may be affected in any manner by any action taken by them in their capacity as a participant.

9. Investigations involving TUL pilots will be conducted by their pilot supervisor, in the appropriate location. If necessary, the Company will provide the pilot Company business travel to and from that meeting.

10. The subject pilot(s) will be paid for investigative hearings at the rate of :15 minutes flight pay (no credit) for each hour or fraction thereof required.

11. Following the conclusion of the investigation at each level, the Company will provide a written statement to the pilot and to the Association outlining the results of the investigation. If the pilot and/or the Association elect(s) to provide a position statement, it will become a permanent part of the record for as long as the Company maintains the record.

C. Corporate Security Interviews

Interviews conducted by the Corporate Security Department may not result in discipline or discharge of a pilot. The Association will be notified and may have a representative attend the investigation as an observer. However, pilots will be entitled to such an Association representative at such interviews only where the pilot is the person being investigated.

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D. Grievances

1. Discipline and Discharge Grievances

   a. A pilot may protest the Company's action(s) imposing discipline or dismissal by filing a grievance and a request for a hearing of the matter in writing within thirty (30) days of the pilot's receipt of the written notification of such action. The grievance shall be addressed to the pilot's Flight Department supervisor, with a copy provided to the Vice President-Flight and the President of the Association or his/her designee.

   b. A pilot may be held out of service with pay by the Company, pending an investigation, hearing, appeal, or Substance Abuse Professional evaluation after a confirmed positive breath alcohol test, provided that if the pilot is charged with insubordination, criminal charges or verified positive drug test results, the pilot may be held out of service without pay. If, in the case of criminal charges or verified positive drug tests, the charges are subsequently denied by the pilot and not pursued or proven by the Company, s/he will be returned to duty without a loss of seniority, shall be paid for any time or earnings lost which the pilot would have received but for the withhold from service, and the Company shall ensure that all personnel and other records so reflect that fact.

2. Contractual Grievances

   a. Any pilot, or group of pilots, covered by this Agreement having a grievance concerning any action by the Company, shall be entitled to the same rights and privileges as provided for in this Agreement and may protest the Company's action(s) by filing a grievance within the following time limits:

      (1) Ninety (90) days from the date of the occurrence being grieved by an individual; or

      (2) One hundred eighty (180) days from the date of the occurrence being grieved by the President of the Association as a Presidential grievance, or by a Domicile Chairman as a Base grievance.

      (3) The President of the Association, with respect to Presidential grievances, may waive both the Chief Pilot Initial and the Vice-President Appeal grievance levels and proceed either to the Mediation Panel, as described in Section 22 of this Agreement, or pursuant to Section 21.D.3, to the System Board of Adjustment, as described in Section 23 of this Agreement.

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   b. The Company shall have the right to file a grievance concerning any action by the Association or any matter involving the application or interpretation of this Agreement within the time limits set forth in Section D.2.a.(2) above. Company grievances shall proceed immediately to the Mediation Panel as set forth in Section 22.

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   c. Any grievance filed by either the Company, a pilot or the Association must clearly state the issue(s) in dispute, including but not limited to the specific contractual provision(s) violated, the date(s) of such

violation(s), a concise statement of the claim showing the grievant is entitled to relief and a concise statement of the relief being sought.

d. The time limits set forth in this provision shall begin to run from the point of the occurrence or, if the party did not know about the occurrence, the earlier of the date when the party knew or should have known about the occurrence.

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3. Expedited Grievances: A party submitting a Presidential or Company grievance may, upon written request at the time of submission, demand an expedited arbitration of such grievance and may proceed directly to the System Board of Adjustment, as described in Section 23.

E. Grievance Hearing Guidelines

1. In recognition of the mutual interest by the Association and the Company to assure that grievances are timely processed and acknowledging that communications and the exchange of documents supporting the party's specific positions at the earliest opportunity promotes quicker resolution at the lowest grievance level, the Company and the Association have reached the following understanding regarding grievance hearings.

2. Prior to an Initial or Appeal hearing, a grievant or the Association shall be given the necessary time, not exceeding twenty (20) days, in which to secure the presence of witnesses and prepare for the hearing. The grievant shall have the right to be represented by a Company employee of the grievant's choice, or by the grievant's Association representative(s). In any case that a grievant does not wish to have Association representation, the Association reserves the right to have an observer present and the Company has an affirmative obligation to inform the Association in a timely manner about such hearing. However, if the grievant did not receive the notification of the hearing in time to have had the twenty (20) days required above, if requested, the hearing will be rescheduled to provide the required twenty (20) days.

3. Prior to an Initial or Appeal hearing, the parties shall exchange documents supporting their respective positions including (a) for discipline/discharge grievances, documents to support the discipline issued, statements and the grievant's personnel file; and (b) for contractual grievances, documents that support the party's position.

4. Should any pilot(s) or the Association elect to do so, submissions will become a part of the investigation document, specifically those emanating from the initial hearing, and in response to any Company investigation disclosure.

F. Chief Pilot Initial Grievance Hearing

1. The Initial hearing shall be scheduled by the grievant's Base Chief Pilot, or his designated representative within forty-five (45) days following the receipt of the grievant's written grievance and request for that hearing. In the event that a grievance is not scheduled within the 45 day time frame, it shall be deemed to be denied and the grievant shall have the right to proceed to the next step in the grievance process.

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2. For those pilots based at the Maintenance and Engineering Center at Tulsa, Oklahoma, the hearing shall be held by the pilot's supervisor at the appropriate location.

3. The Initial hearing may be waived at the grievant's option, and the grievance will proceed to the Appeal hearing level with the Vice President-Flight in accordance with the procedures of this Section.

4. Within thirty (30) days following the Initial hearing, the Company shall render its decision, in writing, and shall furnish the grievant, and APA Legal, a copy of the decision. The Company will provide the specific reason(s) for the decision. In the event that a decision is not rendered within the thirty (30) day time frame, then the grievance shall be deemed to be denied and the grievant shall have the right to proceed to the next step of the grievance process.

G. Vice-President Appeal Grievance Hearing

1. A decision by the Company in the Initial hearing which is unsatisfactory to the grievant may be appealed to the Vice President-Flight. The written appeal request must be signed by the grievant and filed by the grievant, or his Association representative, within thirty (30) days following receipt of the Company's decision by the President of the Association or his/her designee.

2. The Vice President-Flight, or his designated representative, shall schedule the appeal hearing within forty-five (45) days after the receipt of the grievant's written request. In the event that a hearing is not scheduled within the forty-five (45) day time frame, it shall be deemed to be denied and the President of the Association shall have the right to proceed to the next step in the grievance process.

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3. The Appeal documentation shall include the results of the Initial Hearing, including any position statement filed by the grievant or the Association. If a decision by the Chief Pilot has not been issued at the time the appeal is filed, the absence of the Chief Pilot's decision should be noted on the appeal notification. The Appeal documentation may be filed at or before the Appeal hearing.

4. The Vice President-Flight, or his designated representative, shall consider all pertinent information, render his decision, in writing, and shall furnish the grievant, and the President of the Association or his/her designee, with a copy of the decision within thirty (30) days after the close of the grievance hearing. The Vice-President-Flight or his designee will provide the specific reason(s) for the decision, citing factual findings and where applicable any contractual reference or past practice supporting the decision. In the event that a decision is not rendered within the thirty (30) day time frame, then the grievance shall be deemed to be denied and the President of the Association shall have the right to proceed to the next step in the grievance process.

5. After the appeal provisions of this Section have been exhausted, the President of the Association shall have the right to appeal either to the Mediation Panel, as described in Section 22 of this Agreement, or

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pursuant to section 21.D.3, to the System Board of Adjustment, as described in Section 23 of this Agreement. Appeal to either the Mediation Panel or the System Board must be made within thirty (30) days from the date of the receipt by the President of the Association or his/her designee of the appeal decision of the Vice President-Flight. The written appeal request must be filed by the Association to the Company with a copy to the System Board Coordinator.

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H. General

1. All decisions not appealed within the time limits described herein are final and binding as to the grievant but without precedent unless otherwise agreed.

2. The rights afforded in Sections 21, 22, and 23 are extended to probation pilots for contractual grievances, but not for discipline and discharge grievances.

3. Time limits for hearings, decisions and appeals, established in this Section shall be considered as maximum periods. Every effort will be made to expedite all hearings, decisions and appeals. In cases where extenuating circumstances dictate, the time limits may be extended by mutual agreement, provided that the agreement to extend is in writing and is for a specified time period.

4. A stenographic report may be taken at an investigation or hearing, with the cost to be divided equally by both parties to the dispute. In the event it is not mutually agreed that a stenographic report be taken, the party requesting the report shall be responsible for its cost. If the other party subsequently requests a copy of that report, it shall be provided upon receipt of that party's payment of one-half the report's cost.

5. The filing of all grievances, notices, decisions and appeals provided for in Sections 21, 22 and 23 of this Agreement and all required copies thereof shall be accomplished by hand delivery with receipt or by deposit in U.S. mail, postage prepaid, certified mail to the last known address of the party to whom the notice is being given, or by other delivery means that provide a receipt.