

**AGREEMENT**

**between**

**ATLAS AIR, INC.**

**and**

**THE AIR LINE PILOTS**

**in the service of**

**ATLAS AIR, INC.**

**as represented by the**

**AIR LINE PILOTS ASSOCIATION, INTERNATIONAL**

**Effective August 1, 2002 through January 30, 2006**

**TABLE OF CONTENTS**

SECTION 1 - RECOGNITION, SCOPE, SUCCESSORSHIP AND LABOR PROTECTIVE PROVISIONS ..... 1

- A. Recognition ..... 1
- B. Scope ..... 1
- C. Affiliated Carriers ..... 2
- D. Successorship ..... 2
- E. Labor Protections ..... 2
- F. Management Rights ..... 4
- G. Remedies ..... 5

SECTION 2 - DEFINITIONS ..... 6

- A. Active Service ..... 6
- B. Administrative Duty ..... 6
- C. Agreement ..... 6
- D. Base ..... 6
- E. Block Hours ..... 6
- F. Captain ..... 6
- G. Check Airman ..... 6
- H. Company Credit ..... 6
- I. Crewmember ..... 6
- J. Crew Rest ..... 6
- K. Day ..... 7
- L. Day free from duty ..... 7
- M. Day Off ..... 7
- N. First Officer ..... 7
- O. Flight Engineer ..... 7
- P. GMT (ZULU) ..... 7
- Q. International Base ..... 7
- R. Involuntary Displacement ..... 7
- S. Longevity ..... 7
- T. Out-base Assignment ..... 7
- U. Pattern ..... 8
- V. Preferential Bid System ..... 8
- W. Residence ..... 8
- X. Status ..... 8
- Y. Sub-base ..... 8
- Z. Vacancy ..... 8
- AA. Work ..... 8
- AB. Work Day ..... 8

SECTION 3 - COMPENSATION ..... 9

- A. Rates of Pay ..... 9
- B. Daily Rate ..... 10
- C. Deadhead ..... 10
- D. Hours Worked ..... 10
- E. Monthly Guarantee ..... 10

F.	Changes in Hourly Rate .....	11
G.	Transition Between Aircraft Types with Different Pay Rates .....	11
H.	Additional Work Day Premium Pay .....	12
I.	Standards Check Airman and Designated Examiner Pay .....	14
J.	Line Check Airman and Training Instructor Pay .....	14
K.	New Hire Training Compensation .....	14
L.	Out-base Assignments .....	15
M.	Compensation for Upgrade/Transition Training .....	15
N.	Compensation for Home Based Training .....	15
O.	Training Pay .....	15
P.	Administrative Work .....	15
Q.	Jury Duty .....	15
R.	Bereavement Pay .....	16
S.	General .....	16
	<b>SECTION 4 – PROFIT SHARING .....</b>	<b>17</b>
	<b>SECTION 5 – TRAVEL EXPENSES .....</b>	<b>18</b>
A.	Per Diem .....	18
B.	Hotel Accommodations .....	19
C.	Transportation to Hotel Accommodations .....	20
D.	Travel Expenses .....	20
	<b>SECTION 6 – MOVING EXPENSES .....</b>	<b>21</b>
A.	Eligibility .....	21
B.	Reimbursable Expenses – Domestic Moves .....	22
C.	Reimbursable Expenses – International Moves .....	23
D.	Non-Reimbursable Expenses .....	23
E.	Miscellaneous Allowance .....	24
F.	Crewmember Self-Moves .....	24
G.	Time Limits .....	24
H.	Other Relocation Activities .....	25
I.	General .....	25
	<b>SECTION 7 - VACATION .....</b>	<b>27</b>
A.	Vacation Accrual .....	27
B.	Vacation Pay .....	28
C.	Vacation Bid Procedures .....	28
D.	Base and Position Changes .....	29
E.	Vacation Deferral and Cancellation .....	29
F.	Flying Obligations in a Vacation Month .....	30
G.	General .....	30
	<b>SECTION 8 - DEADHEADING .....</b>	<b>32</b>
A.	Deadhead by Air .....	32
B.	Surface Deadhead .....	32
C.	Alternative Transportation .....	33
D.	Deadhead Pay .....	34
	<b>SECTION 9 - MISCELLANEOUS FLYING .....</b>	<b>35</b>
A.	Engine-Out Ferry Flights .....	35
B.	Verification and Calibration Flights, and Maintenance Acceptance Flights .....	35

C. Other Miscellaneous Flying.....	35
SECTION 10 – MANAGEMENT AND NON-FLYING DUTY .....	36
A. Transfer to Positions not Covered by this Agreement.....	36
B. Flying by Management Officials and Crewmembers Working in Positions not Covered by this Agreement.....	36
C. Crewmembers Working for an Atlas Air Subsidiary.....	37
SECTION 11 - TRAINING.....	38
A. General.....	38
B. Upgrade Training.....	39
C. New-Hire Training.....	40
D. Transition to Different Equipment Type.....	40
E. Failure to Maintain Qualification.....	40
F. Training Periods.....	41
G. Home Study .....	41
H. Line Check Airmen.....	41
SECTION 11(A) – TRAINING INSTRUCTORS .....	43
A. Staffing.....	43
B. Compensation .....	44
C. Training Periods.....	44
D. Crewmember Training Instructor Scheduling .....	44
E. Proficiency Flying.....	45
F. General.....	45
SECTION 12 – HOURS OF SERVICE .....	46
A. General.....	46
B. Duty Period.....	46
C. Duty Period Limitations.....	46
D. Minimum Rest Periods .....	48
SECTION 13 – LEAVES OF ABSENCE .....	49
A. Personal Leave of Absence.....	49
B. Medical Leave of Absence.....	49
C. Family and Medical Leave of Absence .....	50
D. Association Leave of Absence.....	51
E. Military Leave of Absence.....	51
F. Company Offered Leave of Absence.....	51
G. General.....	52
SECTION 14 – SICK LEAVE .....	54
A. Sick Leave Accrual.....	54
B. Sick Leave Usage.....	54
C. Sick Leave Pay.....	55
D. General.....	55
A. Physical Standards .....	58
B. Fitness for Duty.....	58
C. Medical Dispute Resolution Procedures.....	60
SECTION 15(A) – DRUG AND ALCOHOL TESTING .....	68
SECTION 16 – WORKERS' COMPENSATION BENEFITS .....	69
SECTION 17 – MISSING, INTERNMENT, PRISONER OR HOSTAGE BENEFITS .....	70

SECTION 18 – ASSOCIATION REPRESENTATIVES .....	74
A. Admission of Association Officials to Company Property.....	74
B. Association Representatives .....	74
C. Short Term Release for Association Business.....	74
D. Discrimination for Association Activities .....	76
E. General.....	76
SECTION 19 – DISCIPLINE AN DISCHARGE .....	77
A. Standard for Assessing Discipline and Discharge .....	77
B. Procedure for Discipline and Discharge of Crewmembers.....	77
C. Right to Appeal.....	79
D. General.....	80
SECTION 20 – GRIEVANCE PROCEDURE.....	82
A. Right to Utilize Grievance Procedure.....	82
B. Grievance Steps .....	82
C. Time Limits.....	83
D. Association and Company Grievances .....	84
E. General.....	84
SECTION 21 – SYSTEM BOARD OF ADJUSTMENT.....	86
A. Establishment of the System Board of Adjustment .....	86
B. Composition of the System Board .....	86
C. Jurisdiction.....	86
D. Appeals .....	87
E. Selection of the Neutral Arbitrator .....	87
F. Administration of the System Board.....	88
G. System Board Hearings.....	89
H. Expedited Proceedings.....	90
I. Representatives Before the System Board.....	90
J. General Provisions.....	91
SECTION 22 - SENIORITY .....	92
A. General.....	92
B. Seniority List.....	93
C. Protests Regarding Seniority.....	93
D. Loss of Seniority .....	94
E. Probationary Crewmembers.....	94
F. Transfer to Position with an Entity Related to the Company .....	94
G. Transfer to Management or Other Position with the Company .....	95
SECTION 22 (A) – TRANSITION BETWEEN SENIORITY LISTS .....	96
A. Transition from Flight Engineer to Pilot.....	96
B. Transition from Pilot to Flight Engineer.....	97
C. General.....	98
SECTION 23 – BASE AND SYSTEM REDUCTIONS IN FORCE AND RECALL .....	100
A. Base Reductions in Force.....	100
B. System Reductions in Force (Furlough) .....	101
C. Recall from Furlough.....	102
D. General.....	103
SECTION 24 – FILLING OF VACANCIES .....	104

A.	Determination of Bases and Staffing .....	104
B.	Standing Bid System.....	104
C.	Filling of Vacancies .....	105
D.	Bidding Freezes .....	107
E.	Initial Assignment of New Hires .....	107
F.	New Bases and Sub-Bases .....	108
G.	Temporary Assignments .....	108
H.	Crewmembers within One Year of Retirement .....	109
SECTION 25 - SCHEDULING.....		110
A.	Bid Months.....	110
B.	Pattern Construction.....	110
C.	Out-basing.....	111
D.	Bidding and Award/Assignment of Monthly Lines of Work .....	112
E.	Unassigned Time .....	114
F.	Reassignment .....	114
G.	Involuntary Assignment.....	115
H.	Premium Pay for Involuntary Assignments on a Crewmember's Day Off.....	116
I.	Association Scheduling Committee.....	116
J.	Crewmember Contact with the Company.....	116
K.	General.....	116
SECTION 26 - GENERAL.....		117
A.	Notice of Changes to the Crewmember Class and Craft .....	117
B.	Association Access to New Hire Crewmembers .....	117
C.	Company Indemnification of Crewmembers.....	117
D.	Damage to Equipment.....	117
E.	Non-revenue Travel and Jumpseat Privileges.....	118
F.	Savings Clause.....	118
G.	Current Address and Telephone Numbers.....	118
H.	Copies of the Agreement .....	119
I.	Jury Duty.....	119
J.	Time Off Work for Bereavement.....	119
K.	Parking.....	120
L.	Lawsuits and Hearings.....	120
M.	Passports and Visas.....	120
N.	Personnel Files.....	120
O.	Non-Discrimination .....	121
P.	References to Crewmembers .....	121
Q.	Safety Committee.....	121
R.	Unsafe Conditions.....	121
SECTION 27 – INSURANCE BENEFITS .....		122
SECTION 28 - RETIREMENT .....		124
A.	401(k) Plan.....	124
B.	401(m) Crewmember Contributions.....	124
C.	Stock Purchase Plan.....	124
SECTION 29 – AGENCY SHOP AND DUES/SERVICE CHARGE CHECK-OFF .....		125
A.	Conditions.....	125

B. Service Charges and Dues Check-Off .....	126
C. General.....	128
SECTION 30 - UNIFORMS.....	129
A. Required Uniform .....	129
B. Replacement Uniforms .....	129
C. Changes in the Uniform.....	129
D. General.....	130
SECTION 31 – RESERVE CREWMEMBERS.....	131
A. Reserve Utilization.....	131
B. Reserve Categories.....	131
C. Reserve Call-Out.....	131
D. Reserve Contactability and Check-In .....	132
E. Reserve Accommodations and Travel Expenses .....	132
F. Reserve Days Off and Rest.....	133
SECTION 32 – NEW AIRCRAFT.....	134
A. Super Jumbo Lift Aircraft.....	134
B. Jumbo Lift Aircraft .....	134
C. Heavy Lift Equipment.....	134
D. Medium Lift Equipment .....	134
E. Light Lift Equipment .....	134
SECTION 33 – CRAF OPERATIONS .....	135
A. Application.....	135
B. Hostile Area .....	135
C. Assignments to CRAF Operations.....	135
D. Compensation for Participation in CRAF Operations In To or Out of a Hostile Area...	136
E. Benefits Applicable to Participation in CRAF Operations In To or Out of a Hostile Area	136
F. Expenses .....	136
G. Duty Limitations .....	136
H. Other High Risk Areas.....	137
SECTION 34 - DURATION .....	138
<b>LETTERS OF AGREEMENT .....</b>	<b>139</b>
Company and Association Committee Activities .....	139
Crewmember Seniority .....	141
Gateway Travel Program .....	142
Implementation of Crewmember Preferential Bidding System.....	147
No Strike Agreement .....	150
Pre-Contract Disputes .....	152
Professional Standards .....	154
Profit Sharing.....	156
Scheduling Oversight Committee.....	158
Sick Leave Banks.....	160
Stansted Vacancies.....	162
Vacation .....	165
Crewmember Possession and Consumption of Alcohol.....	167
MEMORANDUMS OF UNDERSTANDING.....	174

Family Leave .....	174
Arbitration Panel .....	179



## SECTION 1

### **RECOGNITION, SCOPE, SUCCESSORSHIP AND LABOR PROTECTIVE PROVISIONS**

#### A. Recognition

Pursuant to the certification issued by the National Mediation Board in Case No. R-6654, dated April 28, 1999, the Air Line Pilots Association, International (the Association) has been duly designated and authorized to represent, for the purposes of the Railway Labor Act, as amended, the Flight Deck Crewmembers (“Crewmembers”) employed by Atlas Air, Inc. (the “Company”).

#### B. Scope

1. Except as maybe provided otherwise in this Section or elsewhere in this Agreement or Letter of Agreement between the parties, all present or future flying that is performed by the Company, including flying performed by a Related Entity (as defined below), and whether or not the crewmembers doing such flying are based outside the United States, shall be performed by Crewmembers on the Atlas Air, Inc. Pilot or Flight Engineer seniority lists in accordance with the terms and conditions of this Agreement or any other applicable agreement between the Company and the Association.

2. Notwithstanding paragraph B.1, above, the provisions of this Agreement (and the Association’s representation rights with respect thereto) shall not apply to the Company’s or a Related Entity’s flying or crewmembers if, and to the extent that: (a) the application of this Agreement or any provisions herein is impermissible in light of the applicable laws or regulations of a foreign country as those laws or regulations are presently in effect or may in the future be amended, interpreted, or supplemented, and whether those laws or regulations are administrative, regulatory, legislative, judicial or otherwise in nature, or (b) a foreign governmental authority denies or fails to provide the necessary immigration visas or work permits for Atlas Crewmembers to perform such work. The Company shall use reasonable efforts to assist Crewmembers to obtain the necessary visas and permits. The Company shall promptly notify the Association of any local law or regulation as referred to in this paragraph.

#### 3. Definitions

a. The term “Related Entity” shall mean any air carrier that is: (a) wholly or majority owned (i.e., fifty percent (50%) or more of the equity) by the Company, and (b) that is effectively controlled by the Company.

b. The term “flying” as used in this Section shall mean all revenue and non-revenue flying conducted on the Company’s or a Related Entity’s aircraft, including wet leases for other carriers or entities, or contracting for other carriers or entities (government, military or commercial), but shall not include flying of Company or a Related Entity’s aircraft conducted by other entities pursuant to a dry lease.

c. A “dry lease” shall refer to a situation wherein the Company or a Related Entity does not provide Crewmembers to fly the aircraft that it has leased to another entity.

d. The term “ effective control” shall mean that the Company or a Related Entity has the decisive right, privilege, or authority – by contract or otherwise – to direct, manage, or direct the management of all or a substantial portion of the air carrier joint venture or similar business arrangement.

### C. Affiliated Carriers

Should the Company elect to directly or indirectly sell, lease, or otherwise transfer any aircraft in its control to any airline that is owned, controlled, or operated by the Company or Atlas Air World Wide Holdings, Inc. and such transfer would directly cause a reduction in force of the Crewmembers covered by this Agreement, the Company shall exercise reasonable efforts to obtain the agreement of the receiving airline to allow the flying of such aircraft to be performed by Crewmembers on the Atlas Air seniority list in accordance with the terms of this Agreement.

### D. Successorship

The Company shall require any successor, including, without limitation, any assignee or purchaser, transferee, administrator, receiver, executor and/or trustee to cause the Company (i.e., the airline entity that was acquired) to continue to be bound by all the terms of this Agreement as a condition of any transaction that results in a successor, subject to applicable procedures under the Railway Labor Act. For the purposes of this paragraph, a successor shall be defined as an entity that acquires all or substantially all of the assets or equity of the Company through a single transaction or multi-step related transactions that close within a twelve (12) month period (“Successorship Transaction”). The Company shall provide the Association with written notice of any Successorship Transaction no later than thirty (30) days prior to the closing of the transaction, where practicable, such notice to be subject to any confidentiality restrictions that the Company in its discretion may impose on the Association or legal requirements that may apply.

### E. Labor Protections

1. In the event the Company is acquired and thereafter there is a complete operational merger between (i) the Company and the acquirer, or the Company and another air carrier under the control of the acquirer, or (ii) if the acquirer notifies the Association of its intent to integrate the Crewmember seniority lists of the Company and the acquirer, or the Company and another air carrier under the control of the acquirer, the following shall apply:

a. If the Association represents the Crewmembers of the successor then the Association’s Merger Policy shall be utilized to integrate the two seniority lists.

b. If the Crewmembers of the successor are not represented by the Association then the Company shall use its reasonable efforts to cause the acquiring carrier to provide a seniority integration

procedure either pursuant to Association Merger Policy or Sections 3 and 13 of the Allegheny-Mohawk Labor Protective Provisions, as applicable.

c. The integrated list, including any restrictions or conditions attached thereto, shall not impose any retroactive monetary liability on the part of either pre-merger carrier, nor shall such integrated list require any upgrade or transition training of any crewmember from either carrier.

2. In the event (i) the Company acquires another air carrier and there is a complete operational merger between the Company and such other air carrier, or if the Company notifies the Association of its intent to integrate the Crewmember seniority lists of the respective carriers, or (ii) in the event there is a complete operational merger between the Company and an affiliated air carrier, or if the Company notifies the Association of its intent to integrate the Crewmember seniority lists of the Company and an affiliated air carrier, the following shall apply:

a. Seniority List Integration:

i. If the Association represents the Crewmembers of the carrier to be merged with the Company then the Association's Merger Policy shall be utilized to integrate the two seniority lists.

ii. If the Crewmembers of the two pre-merger carriers are represented by different labor organizations then the two lists shall be merged using Allegheny-Mohawk Labor Protective Provisions, Sections 3 and 13 unless the two labor organizations mutually agree to utilize an alternative method.

iii. If the Crewmembers of the carrier to be merged with the Company are not represented by a labor organization, then the two lists shall be merged using Allegheny-Mohawk Labor Protective Provisions, Sections 3 and 13.

iv. The integrated list, including any restrictions or conditions attached thereto, shall not impose any retroactive monetary liability on the part of either pre-merger carrier, nor shall such integrated list require any upgrade or transition training of any crewmember from either carrier.

b. Collective Bargaining Agreements:

i. If the Crewmembers of the acquired carrier are not represented by a labor organization, then no later than ninety (90) days after the Association's presentation to the Company of a merged seniority list that complies with the provisions of this paragraph E.2, the Company shall cause the crewmembers of the acquired carrier to become subject to and covered by the terms and conditions of this Agreement.

ii. If the crewmembers of the acquired carrier are represented by a labor organization other than the Association, then no later than ninety (90) days after (1) the Association's presentation to the Company of a merged seniority list that complies with the provisions of this paragraph E.2, and (2) a designation by the National Mediation Board of the post-merger representative of the integrated crewmember class and craft, the collective bargaining agreement of the post-merger

representative that was in effect immediately prior to the integration of the class and craft shall become applicable to all crewmembers on the merged seniority list.

iii. If the crewmembers of the acquired carrier are represented by the Association, then the parties shall on a timely basis begin negotiations to merge the two pre-integration collective bargaining agreements into one agreement. If a merged agreement has not been executed within nine (9) months from the date that the Association presents to the Company a merged seniority list that complies with the provisions of this paragraph E.2, the parties shall jointly submit the outstanding issues to binding interest arbitration, The interest arbitration shall commence within thirty (30) days from the conclusion of negotiations contemplated by this paragraph, and a final decision shall be issued within sixty (60) days after the commencement of the arbitration.

3. For the purposes of this paragraph E, “complete operational merger” shall mean the combination of all or substantially all of the assets of the two carriers.

4. Notwithstanding anything in this paragraph E to the contrary, in the absence of a complete operational merger, neither the Company nor any successor shall be under any obligation to integrate the two work forces, and either may operate both workforces independently pursuant to their respective pre-existing collective bargaining agreements (if any).

#### F. Management Rights

1. Except as may be limited by the express provisions of this Agreement, the Company retains the sole and exclusive right to manage and operate its business, including, but not limited to, direct its Crewmember workforce; determine the appropriate number of Crewmembers; hire, promote, and discharge Crewmembers; establish and enforce rules of conduct; maintain discipline and efficiency; introduce new equipment; determine the location(s) of the work force, operations, and facilities; plan, direct and control operations; expand, limit or curtail operations when it deems advisable to do so; sell all or part of the business; sell or lease aircraft or facilities; determine when and where to operate scheduled or unscheduled flights; determine marketing methods and strategies; enter into code-sharing, affiliation or marketing arrangements with other air carriers; and invests (including equity investments) in other business entities, including other air carriers.

2. The Company’s exercise of any retained right in a particular manner, or the non-exercise of such right in any particular manner, shall not operate as a waiver of the Company’s rights hereunder, or preclude the Company from exercising its right(s) in a different manner in the future.

3. The past practices, employment policies, interim agreements, or other understandings established prior to the effective date of this Agreement shall not create any precedent or contractual right(s) in favor of the Association or the Crewmembers it represents, nor shall such create any precedent, contractual, or legal obligation(s) on the part of the Company to continue such practices, policies, agreements, or understandings.

4. Notwithstanding the provisions of paragraphs F.1, F.2, and F.3, above, the Company agrees to engage in constructive dialog with the Association regarding any issue that the Association believes may or has materially impact(ed) the terms and conditions affecting the Crewmembers covered herein.

#### G. Remedies

Any grievance filed by either party alleging exclusively a violation of this Section 1 or the Letter of Agreement referenced in paragraph B.1, above, regarding Stansted vacancies shall be treated in accordance with the provisions of Section 20.D, provided, however, that if the grievance has not been resolved within fourteen (14) days of its submission to the other party it may be referred to the System Board of Adjustment. Unless the parties agree to the use of a particular arbitrator, the arbitrator shall be selected from the standing panel established in Section 21. The parties will endeavor to convene the System Board as soon as practical but in no case in less than thirty (30) days after its submission to the System Board and the Board will be asked to render its decision as within twenty-one (21) days following the close of the hearing unless the parties agree otherwise.

## SECTION 2

### DEFINITIONS

#### A. Active Service

“Active service” shall mean all service with the Company that is compensated via wages, vacation, or sick leave, and any period of leave taken under the provisions of the Memorandum of Understanding between the parties addressing “Family Leave”.

#### B. Administrative Duty

“Administrative duty” is work for the Company other than Crewmember flight duties.

#### C. Agreement

The term “Agreement” shall mean this Collective Bargaining Agreement and any side letters to the Agreement, or any memorandum of understanding made contemporaneous to or expressly made a part of this Collective Bargaining Agreement.

#### D. Base

“Base” means a geographical location to which Crewmembers are assigned for bidding purposes.

#### E. Block Hours

“Block hours” shall mean the period from the time the aircraft blocks out until the aircraft blocks in again. Block in shall be the moment that an aircraft comes to complete rest in the blocks. Block out shall be the time when an aircraft’s brakes are released, and push back begins.

#### F. Captain

A “Captain” is a Crewmember who is in first command of the aircraft and its Crewmembers, and whose primary responsibilities include the manipulation of the controls of the aircraft while underway.

#### G. Check Airman

A “Check Airman” is a Crewmember selected by the Company to perform IOE and other training during line operations or in a simulator.

#### H. Company Credit

“Company credit” shall mean the credit provided by the Company towards a Crewmember’s payment for insurance benefits under the various Company provided insurance programs.

#### I. Crewmember

“Crewmember” shall mean a Pilot or Flight Engineer whose name appropriately appears on either (or both) the Pilot or the Flight Engineer seniority list(s).

#### J. Crew Rest

“Crew rest” shall mean the time between a Crewmember’s release from his last duty period to the later of the time he is scheduled to or actually reports for his next duty period.

K. Day

“Day” shall mean a consecutive twenty-four (24) hour period 0000 to 2359 ZULU.

L. Day free from duty

“Day free from duty” shall mean a consecutive twenty-four (24) hour period for which a crewmember is not scheduled for any assignment and is not in a reserve status awaiting an assignment.

M. Day Off

“Day off” shall mean a scheduled twenty-four (24) hour period measured from 0000 to 2359 ZULU during which a crewmember is not scheduled for any assignment and is not in a reserve status awaiting an assignment.

N. First Officer

A “First Officer” is a Crewmember who is second-in-command of the aircraft and its Crewmembers and whose primary responsibilities are to assist or relieve the Captain in navigation, communication and manipulation of aircraft controls while underway.

O. Flight Engineer

A “Flight Engineer” is a Crewmember who is third in command of the aircraft and whose primary responsibilities are to assist the Captain and First Officer in the analysis, operation and monitoring of the aircraft systems and to inspect the aircraft before flight.

P. GMT (ZULU)

“GMT” or “ZULU” is Greenwich Mean Time (Coordinated Universal Time - UTC) based on a twenty-four (24) hour clock at the zero meridian line.

Q. International Base

An “international base” is a base located outside of the United States.

R. Involuntary Displacement

An “involuntary displacement” shall occur when a Crewmember has been displaced from his current bid position to a new bid position (base or lower seat) that is a lower choice on his standing bid than was the position from which he was displaced.

S. Longevity

“Longevity” is the time a Crewmember has been in active service with the Company as a Crewmember, and shall begin accruing the day the Crewmember begins training and shall continue to accrue uninterrupted except as provided in the Agreement.

T. Out-base Assignment

An “out-base assignment” shall be an assignment, generally for a bid month, to a location other than the Crewmember’s regular base.

U. Pattern

A “pattern” shall be a series of flight assignments, including deadhead assignments, leaving from a Crewmember’s base and returning to a Crewmember’s base.

V. Preferential Bid System

A “preferential bid system” shall mean a system of bidding and assigning a Crewmember’s monthly work assignments, including training, whereby the Crewmember indicates his preferences for his assignments for the month and a bid line is created for him as opposed to the Crewmember bidding from pre-constructed lines of time.

W. Residence

“Residence” means a crewmember’s home address of record with the Company.

X. Status

“Status” shall mean the position to which a Crewmember is assigned, i.e., Captain, First Officer or Flight Engineer.

Y. Sub-base

“Sub-base” shall mean a subset of a base within which Crewmembers are staffed and bid their monthly schedules. Examples of a sub-base would include the ANC 747-200 flying, or the ANC 747-400 flying, each of which are a part of the ANC base.

Z. Vacancy

“Vacancy” is a Crewmember position in a sub-base to which the Company intends to assign an existing Crewmember or new-hire Crewmember.

AA. Work

“Work” shall include a flight assignment, a deadhead assignment, or training (other than home-based training).

AB. Work day

A “work day” shall be any day on which a Crewmember performs work.



SECTION 3

**COMPENSATION**

A. Rates of Pay

1. A Crewmember's hourly pay rate shall be based on his longevity and status, in accordance with the following tables:

Eff. Date

	Capt	FO	Flt Eng
Yr 1	\$99.35	\$62.59	\$62.59
Yr 2	\$103.22	\$72.25	\$72.25
Yr 3	\$107.74	\$75.42	\$75.42
Yr 4	\$113.55	\$79.49	\$79.49
Yr 5	\$120.01	\$84.01	\$84.01
Yr 6	\$126.00	\$88.20	\$88.20
Yr 7	\$132.29	\$92.60	\$92.60
Yr 8	\$136.27	\$95.39	\$95.39
Yr 9	\$140.36	\$98.25	\$98.25
Yr 10	\$144.57	\$101.20	\$101.20
Yr 11	\$146.01	\$102.21	\$102.21
Yr 12	\$147.47	\$103.23	\$103.23

Eff. Date +1

	Capt	FO	Flt Eng
Yr 1	\$105.31	\$66.35	\$66.35
Yr 2	\$109.41	\$76.59	\$76.59
Yr 3	\$114.20	\$79.94	\$79.94
Yr 4	\$120.36	\$84.25	\$84.25
Yr 5	\$127.21	\$89.05	\$89.05
Yr 6	\$133.56	\$93.49	\$93.49
Yr 7	\$140.23	\$98.16	\$98.16
Yr 8	\$144.45	\$101.12	\$101.12
Yr 9	\$148.78	\$104.15	\$104.15
Yr 10	\$153.24	\$107.27	\$107.27
Yr 11	\$154.77	\$108.34	\$108.34
Yr 12	\$156.32	\$109.42	\$109.42

Eff. Date +2

	Capt	FO	Flt Eng
Yr 1	\$111.63	\$70.33	\$70.33
Yr 2	\$115.97	\$81.18	\$81.18
Yr 3	\$121.05	\$84.74	\$84.74
Yr 4	\$127.58	\$89.31	\$89.31
Yr 5	\$134.84	\$94.39	\$94.39
Yr 6	\$141.57	\$99.10	\$99.10
Yr 7	\$148.64	\$104.05	\$104.05
Yr 8	\$153.12	\$107.18	\$107.18
Yr 9	\$157.71	\$110.40	\$110.40
Yr 10	\$162.43	\$113.70	\$113.70
Yr 11	\$164.06	\$114.84	\$114.84
Yr 12	\$165.70	\$115.99	\$115.99

Eff. Date +3

	Capt	FO	Flt Eng
Yr 1	\$118.33	\$74.55	\$74.55
Yr 2	\$122.93	\$86.05	\$86.05
Yr 3	\$128.31	\$89.82	\$89.82
Yr 4	\$135.23	\$94.66	\$94.66
Yr 5	\$142.93	\$100.05	\$100.05
Yr 6	\$150.06	\$105.04	\$105.04

Yr 7	\$157.56	\$110.29	\$110.29
Yr 8	\$162.31	\$113.62	\$113.62
Yr 9	\$167.17	\$117.02	\$117.02
Yr 10	\$172.18	\$120.53	\$120.53
Yr 11	\$173.90	\$121.73	\$121.73
Yr 12	\$175.64	\$122.95	\$122.95

2. If a Crewmember flies in a status other than his bid status he will be paid at rate applicable to the higher status.

3. A Crewmember's monthly pay shall be based on the greater of his hours worked or his applicable guarantee as provided in paragraph E, below.

#### B. Daily Rate

A Crewmember's daily rate shall be his hourly pay rate multiplied by the Crewmember's applicable guarantee, and then divided by the maximum number of regular workdays as provided in Section 25.B.3. The daily rate shall be utilized as provided in this Agreement.

#### C. Deadhead

Deadhead will be paid on a one-for-three (1:3) basis (i.e., three (3) hours deadhead time equals one (1) hour of pay, or credit towards guarantee, as applicable).

#### D. Hours Worked

1. Except as provided below hours worked shall be based on block hours measured from the time a Crewmember blocks out to operate/deadhead on a flight to the time that the flight blocks back in, or the scheduled time for the flight, whichever is greater.

a. In the case of a flight that is cancelled, a block turn-back, or an air turn-back the Crewmember shall be paid, or receive credit towards guarantee, as applicable, only for actual block hours, or as provided in paragraph 2, below, which ever is greater.

b. In the case of a deadhead on commercial aircraft, hours worked will be based on scheduled time only.

2. When a Crewmember reports for flight or deadhead duty at the airport and the flight does not operate he shall be paid, or receive credit towards guarantee, as applicable, no less than two (2) hours.

#### E. Monthly Guarantee

1. A Crewmember with one (1) or more years of longevity shall receive a monthly guarantee of sixty-two (62) hours.

2. A Crewmember with less than one (1) year of longevity shall receive a monthly guarantee of fifty (50) hours, except as provided for and subject to the provisions of paragraph K, below.

3. The monthly guarantee for a Standards Check Airman, Designated Examiner, Line Check Airman and Training Instructor shall be seventy-two (72) hours.

4. The monthly guarantee for a Crewmember assigned to an Out-base shall be one hundred and five (105) hours.

5. For each day a Crewmember assigned to International Reserve his monthly guarantee shall be increased by one half (.5) hour.

#### 6. Adjustments to Guarantee

a. Except as specifically provided otherwise in this Agreement, for each day that a Crewmember is unavailable for regularly scheduled work his monthly guarantee shall be reduced by one eighteenth ( $1/18^{\text{th}}$ ), provided however that beginning the thirty-first month of the Agreement (Eff. Date+30 months) the reduction shall be ( $1/17^{\text{th}}$ ) of the Crewmember's guarantee.

b. For each day in a bid month in which a Crewmember returns to work from a leave of absence or furlough after the thirteenth ( $13^{\text{th}}$ ) day of the bid month in the case of a thirty (30) day bid month or after the fourteenth ( $14^{\text{th}}$ ) day of the bid month in the case of a thirty-one (31) day bid month his monthly guarantee shall be reduced by one eighteenth ( $1/18^{\text{th}}$ ), provided however that beginning the thirty-first month of the Agreement (Eff. Date+30 months) the reduction shall be ( $1/17^{\text{th}}$ ) of the Crewmember's guarantee.

#### F. Changes in Hourly Rate

1. In a month in which a Crewmember changes longevity steps (e.g., second year to third year) the higher hourly rate will be applicable for all work performed in the month.

2. In a month in which a Crewmember changes to a higher status (e.g., upgrade from First Officer to Captain, or transition from Flight Engineer to Pilot) his hourly rate shall be the applicable pay rate for the work he performs in each status. For the purposes of this paragraph, the Crewmember shall not be considered to have performed work in the higher pay status until he successfully completes training, including IOE, for that higher status.

3. In a month in which a Crewmember changes to a lower status (e.g., downgrade from Captain to First Officer, or transition from Pilot to Flight Engineer) his hourly rate shall be the applicable pay rate for the work he performs in each status. For the purposes of this paragraph, at the time that a Crewmember begins any required training for the change in status, such time shall be considered work in that status.

#### G. Transition Between Aircraft Types with Different Pay Rates

1. A Pilot who is assigned for any reason to an aircraft with a pay rate less than the rate applicable to the aircraft to which he is currently assigned will be paid the rate applicable to his "new" aircraft commencing with the date he is assigned to begin training for that aircraft type.

2. A Pilot who is assigned for any reason to an aircraft with a pay more than the rate applicable to the aircraft to which he is currently assigned will be paid the rate applicable to his “new” aircraft commencing with the date he successfully completes training, including IOE, for that aircraft type.

#### H. Additional Work Day Premium Pay

1. For each day in a bid month that a Crewmember who has been awarded/assigned a line of work performs work on what was to be a scheduled day off he shall receive credit towards his guarantee for the actual hours worked and the following:

a. For voluntary work (i.e. open time pick-ups):

His regular hourly rate for any hours worked in excess of guarantee.

b. For the first four (4) involuntary days of work performed on a day off, provided that the Company reassigns the Crewmember to another day off in the bid month for each such day of involuntary assignment:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to one hundred and twenty-five percent (125%) of the Crewmember’s daily rate.

c. For the first two (2) involuntary days of work performed on a day off for each day that the Company does not reassign the Crewmember to another day off in the bid month:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to one hundred and fifty percent (150%) of the Crewmember’s daily rate.

d. For any involuntary days of work in excess of two (2) days but less than five (5) days for which the Company does not reassign the Crewmember to another day off in the bid month:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to one hundred and seventy-five percent (175%) of the Crewmember’s daily rate.

e. For each day of work in excess of four (4) as provided in Section 25.G.6:

i. For the fifth (5<sup>th</sup>) day:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to two hundred percent (200%) of the Crewmember’s daily rate.

ii. For the sixth (6<sup>th</sup>) day:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to two hundred and twenty-five percent (225%) of the Crewmember's daily rate.

iii. For the seventh (7<sup>th</sup>) day and each day thereafter:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to two hundred and fifty percent (250%) of the Crewmember's daily rate.

2. For each day in a bid month that a Reserve Crewmember (i.e. a Crewmember who has not been awarded/assigned a line of flying) performs work on what was to be a scheduled day off he shall receive credit towards his guarantee for the actual hours worked and the following:

a. For voluntary work (i.e. open time pick-ups):

His regular hourly rate for any hours worked in excess of guarantee.

b. No premium pay for the first four (4) involuntary days of work performed on what was originally to be a day off, provided that the Company reassigns the Crewmember to another day off in the bid month for each such day of involuntary assignment.

c. For the first two (2) involuntary days of work performed on a day off for each day that the Company does not reassign the Crewmember to another day off in the bid month:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to one hundred and fifty percent (150%) of the Crewmember's daily rate.

d. For any involuntary days of work in excess of two (2) days but less than five (5) days for which the Company does not reassign the Crewmember to another day off in the bid month:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to one hundred and seventy-five percent (175%) of the Crewmember's daily rate.

e. For each day of work in excess of four (4) as provided in Section 25.G.6:

i. For the fifth (5<sup>th</sup>) day:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to two hundred percent (200%) of the Crewmember's daily rate.

ii. For the sixth (6<sup>th</sup>) day:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to two hundred and twenty-five percent (225%) of the Crewmember's daily rate.

iii. For the seventh (7<sup>th</sup>) day and each day thereafter:

His regular hourly rate for any hours worked in excess of guarantee together with pay over guarantee equal to two hundred and fifty percent (250%) of the Crewmember's daily rate.

3. For the purposes of determining pay due a Crewmember for involuntary days of work as provided for in paragraphs H.1 and H.2, above, a Crewmember shall not be considered to have worked on a day if his pattern has been completed (i.e., returned to his base or released to any applicable alternative travel) prior to 0200 GMT hours of that day except as provided in Section 25.G.6.

4. The premium pay provisions under this paragraph H, shall not apply to a Crewmember while attending new hire, transition, or upgrade/downgrade training. Further, he shall only receive credit towards guarantee and no pay for any hours in excess of guarantee for such training.

#### I. Standards Check Airman and Designated Examiner Pay

A Crewmember assigned to work as Standards Check Airman or Designated Examiner shall be compensated for such work at a rate of one hundred and fifteen percent (115%) of his hourly rate for each bid month that he is assigned to work as a Standards Check Airman or Designated Examiner, except in the case of a individual assigned only part time to such work in which case he shall be compensated for such work at a rate of one hundred and fifteen percent (115%) of his hourly rate for each day that he works as a Standards Check Airman or Designated Examiner. A Crewmember assigned to work as a Standards Check Airman or Designated Examiner for six (6) or more workdays in bid month shall be deemed to have worked the entire bid month in such capacity.

#### J. Line Check Airman and Training Instructor Pay

A Crewmember assigned to work as a Line Check Airman or a Training Instructor shall be compensated for that work at a rate of one hundred and ten percent (110%) of his hourly rate for each bid month that he is assigned to work as a Line Check Airman or Training Instructor, except in the case of a individual assigned only part time to such work in which case he shall be compensated for such work at a rate of one hundred and ten percent (110%) of his hourly rate for each day that he works as a Line Check Airman or Training Instructor. A Crewmember assigned to work as a Line Check Airman or Training Instructor for six (6) or more workdays in bid month shall be deemed to have worked the entire bid month in such capacity.

#### K. New Hire Training Compensation

Until such time as a new hire Crewmember commences his initial operating experience (IOE) or participates in a line observation flight his monthly salary shall be twelve hundred dollars (\$1200.00). However, the Company may in its discretion increase the monthly salary provided a new hire Crewmember in training. While in initial training, a new hire Crewmember shall be eligible for per diem as provided in Section 5 and Company paid hotel accommodations as may be necessary.

#### L. Out-base Assignments

1. If an out-base assignment from the prior bid month carries over into the current bid month but the Crewmember does not work an out-base assignment in the current bid month, any days of carry over shall count towards his required eighteen days of regular work in the current bid month and shall be credited against the Crewmember's guarantee for the current bid month.

2. If a Crewmember's out-base assignment is cancelled after it has commenced, the Crewmember shall be entitled to only his normal monthly guarantee for up to eighteen (18) days of the out-base assignment (seventeen (17) days beginning the thirty-first month of the Agreement (Eff. Date+30 months), and three (3) hours additional guarantee for each day beyond eighteen (18) days (seventeen (17) days beginning the thirty-first month of the Agreement (Eff. Date+30 months), provided that the total guarantee for the out-base assignment shall not exceed one hundred and five (105) hours.

#### M. Compensation for Upgrade/Transition Training

A Crewmember shall not be eligible for any additional compensation above his monthly guarantee multiplied times his hourly rate for any days spent in the bid month in upgrade or transition training.

#### N. Compensation for Home-Based Training

A Crewmember shall be compensated one hundred dollars (\$100.00) for completion of any Company directed home-based training course in excess of one (1) hour and up to four (4) hours, and twenty-five dollars (\$25.00) for each additional hour or partial hour required as part of that same home-based training course. The Company shall determine the time necessary for the completion of home-based training courses. Home based training shall not include any preparatory study that a Crewmember must accomplish in advance of and/or during recurrent training, upgrade training, transition training, and the like.

#### O. Training Pay

Any pay, or credit towards guarantee, as applicable, required under this Agreement for training other than the training described in paragraph H.4, above, shall be at the Crewmember's daily rate, except as provided for a new hire as set forth in paragraph K, above.

#### P. Administrative Work

A Crewmember who performs administrative work will receive four (4) hours of pay, or credit towards guarantee, as applicable, for such work, including administrative work performed on what otherwise was scheduled to be his day off. A Crewmember may not be involuntarily assigned to administrative work except as part of his regular duties.

#### Q. Jury Duty

For each day of paid jury duty as provided in Section 26.I a Crewmember shall only receive credit towards guarantee at his daily rate, such pay not to exceed guarantee.

#### R. Bereavement Pay

For each day of paid bereavement time off as provided in Section 26.J a Crewmember shall only receive credit towards guarantee at his daily rate, such pay not to exceed guarantee.

#### S. General

1. A Crewmember's normal monthly pay shall be dispersed in two (2) equal payments, such disbursements to be made on or about the first (1<sup>st</sup>) or last day of each calendar month and on or about the fifteenth (15<sup>th</sup>) day of each calendar month. Should a regularly scheduled payday fall on a weekend or bank holiday, the pay disbursement shall normally be made on the weekday immediately prior to such weekend day or holiday.

2. The Company, at its discretion, may make pay distributions by electronic direct deposit.

3. The Company shall provide each Crewmember with a pay disbursement record. At the Company's discretion this pay distribution record may be provided either electronically by a secured means or by hard copy mailed to the Crewmember's residence. The salary disbursement record shall include, at a minimum, the following:

a. Total amount of normal pay for the pay period.

b. Total amount of overtime pay for the pay period.

c. Per diem paid.

d. All deductions or withholdings made, including but not limited to federal and state taxes, FICA, insurance premiums, Association dues, and 401k savings withholdings.

4. The Company may, in its discretion, increase the first year rates of pay provided for in this Section.



## SECTION 4

### **PROFIT SHARING**

A. Crewmembers shall be eligible to participate in the Atlas Air, Inc. Profit Sharing Plan (the “Plan”) as such Plan is applicable to Crewmembers and as described in the Letter of Agreement attached to this Agreement.

B. During the term of this Agreement the Company shall be prohibited from making any changes to the Plan that materially reduce the level of participation by Crewmembers or benefits provided to Crewmembers without the concurrence of the Association, except to the extent that such changes are required by law.

SECTION 5

**TRAVEL EXPENSES**

A. Per Diem

1. Except as provided in paragraph 2, below, per diem shall be paid at the following hourly rates:

a. First year of the Agreement: \$2.10

b. Second year of the Agreement: \$2.20

c. Third year of the Agreement: \$2.30

d. Fourth year of the Agreement and thereafter: \$2.35

2. Hourly per diem shall be calculated from the time a Crewmember reports to his base for his assigned pattern until the time he is released from that pattern at his base. If a Crewmember is released from his pattern at other than his base, his per diem shall be calculated as if he had in fact returned to his base per his pattern.

3. In the following instances per diem shall be paid at a daily rate and at the rates provided below:

	Yr. 1	Yr. 2	Yr. 3	Yr. 4+
a. Trng	50.40	52.80	55.20	56.40
b. Admin	50.40	52.80	55.20	56.40
c. Base Res	60.40	62.80	65.20	66.40
(Dom or Int)				
d. Dom Outbase	60.40	62.80	65.20	66.40
e. Int Outbase	78.75	82.50	86.25	88.10

4. Daily per diem shall be calculated from the day (based on Zulu time) the Crewmember reports to his assignment, including any Company provided travel days, through the day (based on Zulu time) he is released from his assignment, including any Company provided travel days but excluding any Gateway Travel time.

5. Should a layover within a pattern extend beyond forty-eight (48) hours, the hourly per diem for that layover period shall be increased by one dollar (\$1.00) per hour for the period of the layover in excess of forty-eight (48) hours. Layover periods shall be calculated from release to report. This increase in per diem shall not apply to those cases when a Crewmember is entitled to daily per diem.

6. Per diem shall not be paid for any time a Crewmember is on layover, reserve, training or administrative duty at his base, including a temporary base. Notwithstanding the foregoing, a Crewmember who has been staffed at a temporary base that is geographically away from his permanent base shall be entitled to per diem while required to be present at his temporary base.

7. Per diem shall be paid in advance by month for out-base assignments, subject to Company reimbursement for any overpayment.

8. There shall be no pyramiding of the per diem entitlements provided for in this paragraph A.

#### B. Hotel Accommodations

1. The Company will provide hotel accommodations for all layovers and for scheduled rest periods of five (5) hours or more (measured from release to scheduled report) that occur away from the Crewmember's base. Generally, hotel reservations shall be made in advance by the Company. Further, hotel accommodations shall be provided to a Crewmember who is staffed at a temporary base for those periods in excess of five (5) hours (measured from release to report) that he is required to be in his temporary base. There shall be no requirement to provide a hotel room for a scheduled layover or rest period that due to operational irregularities is reduced to less than five (5) hours.

2. A Crewmember awarded an out-base shall be provided hotel accommodations, for the duration of the assignment. However, this shall not be construed to require that the Company provide hotel accommodations for the Crewmember at the out-base during those times that he is provided other hotel accommodations while away from the out-base on assignment.

3. All hotel accommodations will be provided on a single occupancy basis, with a private bath.

4. Generally, hotel accommodations will be located within thirty (30) minutes travel time from the arrival airport unless the layover time is scheduled for twenty-four (24) hours or more or no suitable hotel is reasonably available within thirty (30) minutes of the arrival airport.

5. If a Crewmember's duty day has concluded at his base and the duty day (including any deadhead) has exceeded eighteen (18) hours, upon request the Crewmember will be provided hotel accommodations at his base.

6. The Company shall publish to all Crewmembers a list of approved hotels, updated as necessary, together with the policy and procedures to be followed in those instances when, due to operational irregularities or for other reasons hotel accommodations have not been made or are not available as scheduled. That policy shall also include the procedures to be followed by a Crewmember regarding hotel reservations, and hotel room and incidentals payments.

a. A Crewmember shall be responsible for the payment of all personal incidentals, including but not limited to food, beverage, laundry (except in the case of an out-base assignment in which case the Company shall arrange for or reimburse the Crewmember for reasonable laundry and dry cleaning services), personal telephone charges, and in-room entertainment.

b. The Company shall pay for Company business related incidental expenses, such as Company business telephone and FAX calls, and Company business use of Internet services. The Company reserves the right to not reimburse such incurred Company business expenses that are not in accordance with its policies or that are excessive under the circumstances.

7. At the request of either party, representatives of the Company will meet with a committee of up to three Crewmembers designated by the Association as the Association's "Hotel Committee" to discuss matters of concern to either party relating to the selection of hotels.

#### C. Transportation to Hotel Accommodations

1. Generally, the Company will arrange for ground transportation between the airport and the layover or rest facility.

2. In the event Company arranged transportation has not arrived within thirty (30) minutes from the time the Crewmember(s) to be transported could reasonably be expected to have arrived at the pickup point, the Crewmember(s), as a group if applicable, may arrange for reasonable alternative transportation. In such cases the Company will reimburse the Crewmember(s) for the cost of the transportation. The Company reserves the right to not reimburse such transportation expenses that are not in accordance with its policies or that are excessive under the circumstances.

#### D. Travel Expenses

The Company shall publish to all Crewmembers its policy regarding authorized expenditures, the use of corporate and personal credit cards, expense reporting, and travel expense report and reconciliation (TER), including any amendments to that policy that it may make during the term of this Agreement.

## SECTION 6

### MOVING EXPENSES

#### A. Eligibility

1. An “eligible” Crewmember shall be entitled to relocation benefits as provided in this Section in any of the following circumstances, provided he moves his primary residence to within a seventy-five (75) statute mile radius of the base to which he is assigned and he reports to that base on the date specified by the Company:

- a. If the Crewmember has been involuntarily displaced from his current base, and he bids a position on his current aircraft type at his new base; or
- b. If the Crewmember has been involuntarily displaced from his current base, and he cannot hold his current status on his current aircraft type at any base; or
- c. If the Crewmember fills a vacancy as part of the initial staffing (first one hundred and eighty (180) days) of a newly established base or sub-base, and remains in his current status, and on his current aircraft type; or
- d. If the Crewmember is Gateway eligible and he elects a paid move to his current base in exchange for foregoing any further Gateway entitlements.
- e. If the Crewmember has accepted recall from furlough to a base different from the base from which he was furloughed, but on the same equipment type as when furloughed.
- f. If the Crewmember fills a vacancy on his current equipment in his current status at an international base.
- g. If the Crewmember fills a vacancy at a higher status at an international base.
- h. If the Crewmember has been staffed for two (2) or more years at an international base, but in no case less than eighteen (18) months after receiving a paid move, and elects to return to a vacancy at a domestic base.

2. A Crewmember shall not be considered “eligible” for relocation benefits under any of the following circumstances:

- a. When as a new-hire the Crewmember is reporting to his initial base.
- b. Anytime during the Crewmember’s probationary period, provided, however, that at the successful completion of his probationary period the Crewmember shall be eligible for relocation benefits for a move listed in paragraph 1, above, that may have occurred or been triggered while he was a probationary Crewmember.
- c. For a move to a base anytime after the Crewmember has been awarded another base.

d. As the result of any voluntary change of base, including a change of base as a result of an upgrade in status, except as specifically provided in paragraph A.1, above.

e. If the Crewmember's primary residence already is located within a seventy-five (75) statute mile radius of the base to which he is assigned and desires to relocate.

f. If the Crewmember been reimbursed for a move pursuant to paragraphs A.1.c, f, or g, above. In such cases the Crewmember will not be eligible for relocation benefits for a period of two (2) years thereafter, except in the case of an involuntary displacement from his base.

## B. Reimbursable Expenses – Domestic Moves

1. Reimbursable expenses for an eligible move from a domestic base to a domestic base shall be limited to the following:

a. Movement of ordinary household goods of up to twelve thousand (12,000) pounds, by a Company authorized vendor.

b. Full replacement-value insurance for the personal effects to be shipped as provided in paragraphs a, above, to a maximum of five hundred thousand dollars (\$500,000) of coverage, but excluding any insurance for items such as valuable collections, jewelry and cash. Additional coverage may be available through the shipping service provider at the Crewmember's own expense.

c. Reasonable packing and unpacking services and materials.

d. Reasonable storage costs for the goods moved at either the origin or destination point, for a maximum total of forty-five (45) days.

e. Reasonable fees for the normal disconnection and hookup of major appliances.

f. Expenses for meals incurred by the Crewmember and his family during the move from the start of the move until it is completed, but not to exceed thirty (30) days, at the per diem rate set forth in Section 5 of this Agreement for the Crewmember and his spouse, and fifty percent (50%) of such rate for all other covered family members.

g. Reasonable temporary living expenses for a hotel or other temporary accommodations, including required deposits, from the start of the move until it is completed, but not to exceed thirty (30) days. The expenses to be reimbursed shall be limited to the cost of temporary housing as provided by the Company.

h. Mileage for driving one (1) automobile from origin to destination at a rate of twenty (\$.20) cents per mile.

2. The maximum amount of reimbursable moving expenses that the Company shall be obligated to reimburse a Crewmember for a domestic move shall be ten thousand dollars (\$10,000).

3. For the purposes of the relocation benefits provided for in this Section, a base located in Mexico or Canada shall be considered a domestic base.

#### C. Reimbursable Expenses – International Moves

1. Reimbursable expenses for an eligible move from an international base to any other base, or from a domestic base to an international base shall be limited to the following:

a. Sea shipment of household goods limited to a twenty (20) foot container for a single employee and a forty (40) foot container for a family. Services covered for sea shipment shall include packing and loading of household goods, pickup at origination point, overland and overseas transportation, shipping documentation and related fees, host country customs and import duties for essential items upon expatriation, delivery, unpacking and uncrating at one destination point, and normal customs and import duties.

b. Air shipment of personal effects up to five hundred (500) pounds for a single employee and one thousand, two hundred (1,200) pounds for a family. Items included in the air shipment will be limited to those items needed in the four to six (4-6) weeks before the sea shipment is scheduled to arrive.

c. Full replacement-value insurance for the personal effects to be shipped as provided in paragraphs a and b, above, but excluding any insurance for items such as valuable collections, jewelry and cash. Additional coverage may be available through the shipping service provider at the Crewmember's own expense.

d. Reasonable fees for the normal disconnection and hookup of major appliances.

e. Expenses for meals incurred by the Crewmember and his family during the move from the start of the move until it is completed, but not to exceed thirty (30) days, at the per diem rate set forth in Section 5 of this Agreement for the Crewmember and his spouse, and fifty percent (50%) of such rate for all other covered family members.

f. Reasonable temporary living expenses for a hotel or other temporary accommodations, including required deposits, from the start of the move until it is completed, but not to exceed thirty (30) days. The expenses to be reimbursed shall be limited to the cost of temporary housing as provided by the Company.

2. The maximum amount of reimbursable moving expenses that the Company shall be obligated to reimburse a Crewmember for an international move shall be sixteen thousand dollars (\$16,000).

#### D. Non-Reimbursable Expenses

The Company shall not provide reimbursement for the following:

1. Relocation of non-ordinary household goods, including but not limited to the shipment of boats, building materials, non-pet animals or exotic pets, aircraft, large satellite dishes, and firewood.
2. Heavy/bulky hobby equipment (i.e., pianos, universal gyms, etc.), automobiles, boats, other recreational equipment.
3. Jewelry, antiques, works of art, coin/ stamp collections, items of unusual value.
4. Items which are unreasonable to ship due to host country import restrictions and/or excessive shipping or duty costs (i.e., wine/alcohol).
5. Removal or installation of items such as TV antennas, draperies, or carpeting.
6. Disassembly and re-assembly of swimming pools, storage sheds and the like.
7. Cleaning services.
8. Pick up or delivery of items to moved from or to more than one location.
9. Deposits, other than deposits for temporary living expenses as provided in paragraphs B and C, above.

#### E. Miscellaneous Allowance

A Crewmember who is eligible for relocation benefits under this Section shall be entitled to a miscellaneous allowance of five thousand dollars (\$5000.00), less any applicable taxes, to be paid at the time the Crewmember executes his relocation.

#### F. Crewmember Self-Moves

If a Crewmember otherwise eligible for a reimbursable move executes such move himself, and the costs which the Company is required to reimburse are less than the reimbursable costs of the move had such been performed by a designated Company vendor, the Company will pay the Crewmember a bonus equal to the savings incurred but not to exceed one thousand dollars (\$1000.00). In order to be eligible for this bonus the Crewmember must:

1. Notify the Company in writing of his intent to perform the move himself.
2. Provide a copy of the actual bills for all reimbursable expenses, together with the actual bill for any moving truck or trailer utilized.

#### G. Time Limits



For a Crewmember to be eligible for an otherwise reimbursable move, the move must be completed within one (1) year following the day the Crewmember first reports to the base to which he is moving. This time limit may be extended at the discretion of the Company for compelling circumstances. All requests for such extensions must be submitted in writing by the Crewmember to the Company's Senior Vice-President of Human Resources, no later than thirty (30) days in advance of the one (1) year deadline. In no case will a Crewmember who has left the employ of the Company or who has tendered his resignation be provided with a paid move.

#### H. Other Relocation Activities

1. One (1) house-hunting trip, to include round-trip coach class travel for the Crewmember and spouse (or ground transportation mileage expenses at the designated Company rate), together with hotel and per diem living expenses for up to four (4) days shall be provided a Crewmember who has elected a domestic move and for up to six (6) days for a Crewmember who has elected an international move. Authorization for the house-hunting trip must be received in writing, in advance, from the designated Company official responsible for Crewmember moves.

2. The transportation and hotel accommodations for a house-hunting trip must be arranged in advance with the Company. Interline agreements and corporate discounts will be utilized for air travel and overnight accommodations whenever available. It will be the responsibility of the Crewmember to provide all necessary information in a timely manner so arrangements can be made.

#### I. General

1. As a condition of receiving the relocation benefits provided for in this Section, the Crewmember shall be required to sign an agreement providing that if the Crewmember resigns or is discharged for cause within twelve (12) months of receiving relocation benefits as provided herein, he shall be required to repay to the Company the total amount of all relocation benefits provided him. Further, the agreement shall specifically provide that the Company shall have the right to withhold all or part of the Crewmember's final paycheck as partial or whole payment, as applicable, of the relocation benefits that the Crewmember is obligated to repay to the Company.

2. Notwithstanding the provisions of paragraph A.1, above, at the Company's discretion an eligible move to an international base may include the relocation of the Crewmember's primary residence to within a distance from his base greater than seventy-five (75) miles. In making this determination the Company will take into consideration the totality of the circumstances and specifically whether the Crewmember is able to utilize ground transportation to easily and reliably travel to and from his base.

3. A Crewmember eligible for a paid move must submit to the Company all expenses incurred for which he is claiming reimbursement no later than sixty (60) days after the completion of the move.

4. Unless prior written permission is obtained by the Crewmember from the Company, a Company designated vendor must perform all reimbursable moves.

5. Any tax liabilities incurred as a result of any payment made pursuant to this Section are the responsibility of the Crewmember.

6. It shall be the Crewmember's responsibility to obtain all necessary documentation such as work permits and entry clearance for accompanying family members before the Company will begin the Crewmember's household goods shipment.

## SECTION 7

### VACATION

#### A. Vacation Accrual

1. Vacation shall accrue at the following rates:

a. From date of hire through the conclusion of the Crewmember's fifth (5<sup>th</sup>) year of active Company service a Crewmember will accrue fourteen (14) days of vacation for each complete year of active service, prorated in accordance with the following formula for periods of inactive service and for the calendar year in which the Crewmember transitions from the lower rate of accrual to the higher rate of accrual:

Days of active service in the previous calendar year divided by 365, times 14 equals the number of days of vacation accrued to be used in the current calendar year.

Example 1: If a Crewmember is in active service the entire year (not furloughed or ever on a leave of absence) then he will have accrued 14 days of vacation to be used in the following calendar year.

Example 2: A new hire Crewmember commences working on April 1st, or an existing Crewmember is on a leave of absence from January 1st through March 31st. Assuming in each case the Crewmember works the remainder of the calendar year, he will have been in active service for 276 days. This would mean that he will have accrued  $276/365 \times 14$  days of vacation, or 11 days for use in the following calendar year.

b. From the first day of the Crewmember's sixth (6<sup>th</sup>) year of active Company service a Crewmember will accrue twenty-one (21) days of vacation for each complete year of active service, prorated in accordance with the following formula for periods of inactive service and for the calendar year in which the Crewmember transitions from the lower rate of accrual to the higher rate of accrual:

Days of active service in the previous calendar year divided by 365, times 21 equals the number of days of vacation accrued to be used in the current calendar year.

c. In those years when a Crewmember transitions from the lower rate of vacation accrual to the higher rate of vacation accrual, his vacation to be used in the following calendar year shall be the sum of the vacation accrued at each rate, in accordance with the partial year accrual formulas above.

Example: A Crewmember who commenced working July 1, 1995 will have completed five years of active service (assuming no interruptions) on June 30, 2000. Thus, in the calendar year 2000 she or he will have accrued vacation to use in calendar year 2001 as follows:

From Jan. 1, 2000 through June 30, 2000 the Crewmember will have accrued 7 days of vacation for use in 2001:

$$183 / 365 \times 14 = 7$$

From July 1, 2000 through December 31, 2000 the Crewmember will have accrued 11 days of vacation for use in 2001:

$$182 / 365 \times 21 = 10.5 \text{ (rounded to 11)}$$

TOTAL: 18 days

2. A Crewmember shall not accrue vacation while not in active service (i.e., on furlough or any leave of absence except as otherwise specifically provided herein). However, vacation, paid sick leave, and military leaves up to ninety (90) continuous days will be considered active service for vacation accrual purposes.

3. Partial accrued days will be rounded to the nearest whole day (e.g. 3.4=3, 3.5=4).

4. Vacation accrued in the current calendar year may not be used until the following calendar year.

5. A Crewmember may not use any vacation or receive any vacation pay until after he has completed one (1) year of active service.

#### B. Vacation Pay

A Crewmember shall receive pay, or credit towards guarantee, as applicable, for his vacation based on the number of vacation days taken in the month times the Crewmember's daily rate of pay.

#### C. Vacation Bid Procedures

1. The awarding of vacation periods will be based on seniority by sub-base and position.

2. The Company shall determine the vacation weeks for each sub-base available for the following calendar year. These shall be posted for bid no later than the thirty-first (31<sup>st</sup>) day of October. The Company shall have the right to, in its sole discretion, black-out certain weeks of the year when vacation cannot be taken. Such black-out dates may be determined on a sub-base by sub-base basis.

3. Vacation bids for the following calendar year must be submitted no later than twenty (20) days after the posting of available vacation dates, and shall be awarded by the Company no later than fourteen (14) days after bids close.

4. Vacations will be posted for bid in one (1) week blocks, and a Crewmember may bid up to two (2) consecutive weeks of vacation in the same month.

5. Crewmembers who do not bid all or part of their vacation entitlement will be assigned a vacation period(s) by the Company.

6. On a monthly basis the Company will post for each sub-base any vacation periods that are available at that base for the rest of the year. A Crewmember may trade his awarded vacation period(s) for another vacation period(s) published as available at his base. The trade request must be submitted to Crew Staffing in writing prior to the first (1<sup>st</sup>) day of the month prior to the earlier of (a) the month when their vacation is currently scheduled or (b) the month in which the new vacation falls. The Company will publish the results of any vacation trades with open vacation time by the fifteenth (15<sup>th</sup>) day of each month. If two (2) or more Crewmembers wish to trade to the same vacation period the award will be based on seniority.

7. Mutual exchange of vacations may be made between Crewmembers in the same sub-base and position. To make an exchange the Crewmembers must submit a joint request in writing to Crew Staffing no later than the first (1<sup>st</sup>) day of the month prior to the month in which the first vacation period involved in the trade is to be taken.

#### D. Base and Position Changes

If a Crewmember voluntarily changes his sub-base or position after the vacation bids have been awarded he shall re-bid his vacation entitlement from the vacation periods published as available in his new sub-base/position. Any such re-bidding shall be awarded in seniority order amongst those Crewmembers then re-bidding.

#### E. Vacation Deferral and Cancellation

1. Vacation to be used in the current calendar year (accrued in the prior calendar year) may not be carried over into the next calendar year unless the Company expressly elects for operational or other reasons to allow the deferral of vacations. The deferral of vacations into the next calendar year may be extended for specified limited periods and to specific vacation weeks, and may be offered system wide or limited to one or more bases or sub-bases, at the Company's sole discretion.

2. The Company shall have the right, for any reason, to offer Crewmembers the option of electing vacation pay in lieu of time off. This offer of vacation pay in lieu of time off may be extended for specified limited periods, and may be offered system wide or limited to one or more bases or sub-bases, at the Company's sole discretion.

3. For operational reasons the Company may cancel a Crewmember's vacation. Before so doing the Company will first solicit volunteers who are willing to change or fly through their vacation period. If an insufficient number of Crewmembers volunteer then vacations for the needed period(s) will be canceled in reverse seniority order. Unless otherwise agreed between the Company and the individual Crewmember no vacation will be canceled with less than thirty (30) days notice.

a. If a Crewmember's vacation is involuntarily canceled then he will have the following options:

i. Choose, in seniority order, a vacation period(s) from those periods that remain published as available in the Calendar year, or

ii. Elect to be paid for the vacation (in addition to his pay for work performed in the month), or

iii. If the Company elects to offer such, to defer his vacation into the next year to one or more of the vacation weeks that the Company proffers as available.

b. If a Crewmember's vacation is involuntarily canceled and he has incurred non-refundable expenses (e.g. deposits) related to the vacation then the Company, upon receipt of proper documentation, will reimburse the Crewmember for those expenses.

4. If prior to a scheduled vacation a Crewmember incurs a serious medical condition or injury that would have precluded the Crewmember from working during the same time period as the vacation, then, at the Crewmember's option, he may postpone the vacation and choose from the options described in paragraph E.3 a, above. The Company may require confirmation from the Crewmember's doctor of the disabling condition.

#### F. Flying Obligations in a Vacation Month

1. For a month in which a Crewmember is to take vacation, he will be provided with a schedule consisting of flying and/or reserve assignments and days off. Such schedule will be constructed taking into account the Crewmember's seniority and to the extent doing so does not negatively impact operational concerns, the Crewmember's preferences regarding abutting his days off next to his vacation.

2. In the month in which a Crewmember takes a vacation his minimum days off will be prorated as follows:

<u>Days Vacation</u>	<u>Min Days Off</u>
1	12
2	11
3	11
4	10
5	10
6	9
7	9
8	8
9	8
10	7
11	7
12	6
13	6
14	6

#### G. General

1. Upon termination of employment a Crewmember shall be paid only the value of any unused vacation that was to be taken in the current calendar year, provided, however, that a probationary Crewmember shall be entitled to no vacation pay-out. There shall be no entitlement to be paid for any vacation that was accrued in the current calendar year to be taken in the next calendar year, except as provided in paragraph 2, below.

2. In addition to the vacation pay-out provided for in paragraph 1, above, a Crewmember with five (5) or more years of seniority who (a) “retires” from the Company at age sixty (60) or older, or (b) who terminates his employment due to inability to continue to perform the duties of a Crewmember for medical reasons shall also be entitled to a pay-out of any vacation he has accrued to that point for use in the following calendar year.

3. A Crewmember on Military Leave of Absence shall be entitled to use vacation one day at a time for such leave.

4. Vacation pay shall be calculated based on the rate of pay in effect for the Crewmember at the time the vacation is taken or otherwise paid off.

## SECTION 8

### **DEADHEADING**

#### A. Deadhead by Air

1. Deadhead by Air shall include Company directed travel:

- a. From a Crewmember's base to another location for the purpose of an assignment; or
- b. From a location other than a Crewmember's base back to the Crewmember's base at the end of an assignment; or
- c. Between any two locations away from the Crewmember's base.

2. Deadhead travel by air may be on Company aircraft, on commercial passenger carriers, or by charter.

a. The Company shall not deadhead a Crewmember on a U.S. carrier or charter operator that is not FAR 121 or 135 certified.

b. In selecting foreign commercial passenger carriers or charter operators for deadhead travel the Company shall endeavor to insure that the carrier or operator is safe and reliable, and shall favor, but is not required to exclusively use, carriers of countries that have been determined by the FAA's International Aviation Safety Assessment (IASA) program to comply with the standards established by the International Civil Aviation Organization (ICAO). Should the Association have any concerns regarding a specific foreign carrier or charter operator, the parties will meet and discuss the matter.

3. When deadheading on a commercial carrier the Company will provide "business-class" travel (or better) for all individual deadhead segments that depart from or arrive at an international location (a location outside the fifty States). If business-class travel is not available the Crewmember may be required to travel in "coach" class. For such an international deadhead segment that is scheduled for six (6) hours or more that the Crewmember is required to travel in coach class, he shall be entitled to compensation of three hundred dollars (\$300.00). In no case may a Crewmember refuse commercial air travel in coach class if business class travel is unavailable.

#### B. Surface Deadhead

1. Surface deadhead shall be any Company directed non-local (scheduled one (1) hour or more) ground-travel between two airports, including ground travel from a hotel adjacent to an airport to another airport or vice-versa.

2. The following table reflects the airport pairs for which surface deadhead is currently required:



To/Fr	Fr/To	Hrs	Mins
AUH	DXB	2	00
LGW	LHR	1	30
LGW	STN	2	15
LHR	STN	1	45
HKG	MFM	3	30
LUX	AMS	4	00
LUX	FRA	3	00
VCP	GRU	2	00
RMS	FRA	1	30
JFK	EWR	1	00
EWR	JFK	1	00
JFK	BDL	3	00
BDL	JFK	3	00
YUL	YMX	1	00
IGU	AGT	1	00
SHJ	AUH	2	30
MXP	BGY	2	00
MXP	LIN	2	00
GRU	VCP	2	00
BRU	OST	2	00
OST	AMS	3	00
HKG	SZN	3	00
FRA	HNN	2	00
GLA	PIK	2	00

3. If during the life of this Agreement the operation should require surface deadhead on a regular basis between additional airport pairs, the Company shall publish the scheduled surface deadhead time(s) for the new airport pair(s), which shall be based on an assessment of the actual time necessary to travel between the new airport pair(s) by the most expeditious route. Nothing herein shall be construed to prohibit the Company from requiring surface deadhead between airports for which the scheduled surface deadhead time(s) have not yet been published.

4. Should the Company require that a Crewmember surface deadhead between two airports for which no scheduled deadhead time has been published by the Company, the time in deadhead shall be based on a reasonable assessment of the normal surface transportation time required for the most expeditious routing.

5. Transportation to and from a layover hotel shall not be considered surface deadhead.

### C. Alternative Transportation

1. Off-pattern deadhead transportation will be permitted if the cost of providing such is equal to or less than the cost of providing the deadhead transportation on-pattern, and providing such will not disrupt the operation.

2. The request for alternative travel must be made by the Crewmember in a timely manner and as directed by the Company. The decision to allow or disallow an alternative travel request shall be at the Company's sole discretion.

3. A Crewmember must be released by the Company before he can elect to waive a deadhead segment at the end of a pattern.

D. Deadhead Pay

A Crewmember shall be entitled to pay for deadhead in accordance with the provisions of Section 3 of this Agreement.

## SECTION 9

### MISCELLANEOUS FLYING

#### A. Engine-Out Ferry Flights

1. At the Company's discretion, engine-out ferry flights may be performed by qualified Crewmembers, performed by qualified Crewmembers not covered by this Agreement, or contract to be performed by other qualified individuals.
2. A Crewmember may decline training for qualification to perform engine-out ferry flights.
3. A Crewmember who has received training to be qualified to perform engine-out ferry flights may not decline an assignment to perform an engine-out ferry flight.
4. A Crewmember who has received training to be qualified to perform engine-out ferry flights may resign such qualification at any time, provided, however, that once an assignment to perform an engine-out ferry flight has been made, the resignation of his qualification will not be effective until that assignment has been completed.

#### B. Verification and Calibration Flights, and Maintenance Acceptance Flights

At the Company's discretion flights for the purpose of verification or calibration, and maintenance acceptance flights may be assigned to any qualified Crewmember, performed by qualified Crewmembers not covered by this Agreement, or contracted to be performed by other qualified individuals.

#### C. Other Miscellaneous Flying

Other miscellaneous flying may be assigned to any qualified Crewmember, performed by qualified Crewmembers not covered by this Agreement, or contracted to be performed by other qualified individuals.

## SECTION 10

### **MANAGEMENT AND NON-FLYING DUTY**

#### A. Transfer to Positions not Covered by this Agreement

1. The terms and conditions of employment for Crewmembers working in positions not covered by this Agreement shall be within the discretion of the Company and shall not be subject to the terms of this Agreement except as specifically provided.

2. A Crewmember that accepts a position with the Company that is not covered by this Agreement will retain and continue to accrue Crewmember seniority.

3. A Crewmember working in a position not covered by this Agreement shall maintain a system bid position as if he were working as a line Crewmember, and shall participate in any system bids that may occur while he is not otherwise covered by this Agreement. However, the position that such a Crewmember is awarded will be considered a “phantom” position and will not supplant an award of the position to a line Crewmember. All such phantom positions will be so designated on any published bid award.

4. A Crewmember working in a position not covered by this Agreement who elects to return to line duty as a Crewmember shall be returned to the position (base, aircraft and status) he holds as his system bid position. If, however, at the time such a Crewmember returns to line duty his seniority is such that he would be in a furlough status, he shall have the rights of a furloughed Crewmember pursuant to Section 23.

5. If at the time a Crewmember who has been working in a position not covered by this Agreement returns to line duty as a Crewmember he has not completed the training required for the position that he has been awarded, he shall fly in the category he was last awarded and for which he was trained until such time as he completes the required training for his new position.

#### B. Flying by Management Officials and Crewmembers Working in Positions not Covered by this Agreement

1. A Crewmember working in a position not covered by this Agreement shall not be eligible to bid a monthly line of flying except for a bid for the month in which the Crewmember is to return to line duty as a Crewmember.

2. Qualified management officials and Crewmembers working in positions not covered by this Agreement may perform both revenue and non-revenue flying duties without limitation as to total hours flown.

3. If a qualified management official or Crewmember working in a position not covered by this Agreement displaces a Crewmember from awarded or assigned flying, or awarded open time, the displaced Crewmember shall be subject to reassignment in accordance with the following:

a. If the flying to be performed had been assigned to a reserve Crewmember he shall be returned to reserve status.

b. If the flying to be performed had been awarded as part of a Crewmember's awarded or assigned monthly bid line, or awarded open time flying, the Crewmember shall be subject to reassignment subject to the following provisions:

i. The replacement trip(s) must be scheduled to depart no more than four (4) hours earlier than the flying from which the Crewmember displaced was originally scheduled to depart, and

ii. The replacement trip(s) must be scheduled to arrive no later than four (4) hours after the flying from which the Crewmember displaced was originally scheduled to arrive, and

iii. The replacement trip(s) must not be scheduled to arrive or depart on the Crewmember's scheduled day(s) off.

iv. The replacement trip(s) may not make the Crewmember illegal for his next scheduled assignment.

v. If no replacement trip(s) has been assigned to a displaced Crewmember under this Section within thirty (30) hours after the scheduled departure time of his original trip, the Crewmember shall be released from duty until his next scheduled trip. Should operations require that the Crewmember thereafter be assigned to any flight duty, such assignment shall be in accordance with the rules and pay applicable to assignment of a Crewmember to work on a day off.

vi. If the Crewmember has been displaced prior to his originally scheduled report time, he shall not be required to report to his base until such time as the report time for any replacement trip(s) that may be assigned. If the displaced Crewmember does not reside at his base and is required to remain at his base or at the location of the origination point of the trip from which he was displaced pending a possible reassignment as provided in paragraph B.3.b.v, above, the Crewmember will be provided with per diem (and lodging as required).

c. Notwithstanding the provisions of paragraph B.3.b, above, with the Crewmember's concurrence, he may be assigned to any other replacement trip(s) offered by the Company.

4. A Crewmember displaced under this Section will receive pay, or credit towards guarantee, as applicable, equal to the greater of the trip from which he was displaced or any replacement trip to which he was assigned.

### C. Crewmembers Working for an Atlas Air Subsidiary

For the purposes of this Section, a "Crewmember not covered by this Agreement" shall not be construed to include a Crewmember who is working for an Atlas Air subsidiary.

## SECTION 11

### TRAINING

#### A. General

1. The Company shall develop and implement such training programs as it may deem necessary for its Crewmembers, including but not limited to:

a. Initial new-hire training;

b. Upgrade training;

c. Transition / differences training;

d. Recurrent training; and

e. Re-qualification training.

2. The Company's various Crewmember training programs will be set forth in the Atlas Air, Inc. Flight Operations Training Manual (FOTM), which may be amended from time to time at the discretion of the Company.

3. The Company shall provide a Crewmember with transportation to and from training, together with per diem and lodging, for any training that is conducted away from the Crewmember's base. However, this entitlement to transportation, per diem and lodging shall not be applicable to a Crewmember for whom training is required away from his base but who resides within seventy-five (75) miles of the training location.

4. There shall be no obligation on the part of the Company to provide any simulator or other flight training to a Crewmember who has not satisfactorily completed any required ground school training. Further, there shall be no obligation to continue ground, simulator or flight training for a Crewmember who has not satisfactorily demonstrated acceptable progress in such training.

5. The Company may at its sole discretion terminate training for a Crewmember at any time if the staffing and/or operational requirements of the Company have changed.

6. Training will be scheduled based on the needs of the operation, and taking into consideration where possible the seniority of the Crewmembers to be trained in a particular status on a particular aircraft type. If, due to the needs of the operation, a junior Crewmember begins upgrade training on an aircraft type prior to a more senior Crewmember or Crewmembers to be trained on the same aircraft type and in the same status, at the time the junior Crewmember is activated in the higher pay classification the most senior bypassed Crewmember shall likewise be activated in the higher pay status.

7. A Crewmember may be assigned to simulator support duty as needed to provide a complete crew for various training and/or checking events.

8. Airport and route qualification training shall be excluded from the provisions of this Section.

9. For the purposes of this Section “activated” shall mean the time at which the Crewmember operates his first flight in revenue service or is assigned to Reserve in his new status following successful completion of any required Initial Operating Experience (IOE).

10. The provisions contained in this Agreement regarding the number of work days a Crewmember may be required to work in a bid month shall not apply while the Crewmember is in initial, upgrade or transition training, nor shall a Crewmember be entitled to any premium pay as a result of any days in the bid month spent in initial, upgrade, or transition training.

## B. Upgrade Training

### 1. Upgrade to Captain

If a First Officer is unsuccessful in his first attempt to upgrade to Captain, he shall be returned to his last staffed position as a First Officer, seniority permitting, and subject to satisfactory completion of any required re-qualification training. Thereafter, the Crewmember shall be ineligible to bid a Captain vacancy for a minimum of twelve (12) months following his failure to upgrade. If the Crewmember subsequently bids a Captain vacancy and again is unsuccessful, he shall be returned to his last staffed position as a First Officer, seniority permitting, and subject to satisfactory completion of any required re-qualification training, and he shall be considered permanently ineligible for any award as a Captain.

### 2. Upgrade to First Officer

Upgrade to First Officer shall be in accordance with the provisions of Section 22.A.

3. The Company shall have the right to remove a Crewmember from upgrade training at any time it determines that the Crewmember will not be successful in completing the upgrade training. Before making such determination the Company’s training officials shall review the relevant training documents and solicit the recommendations of the Crewmember’s instructor(s).

4. A Crewmember who has successfully completed their applicable upgrade training will continue to operate and be paid in the lower status until they are activated in the higher status.

5. Nothing herein shall preclude the Company from offering a Crewmember upgrade training as part of filling a training class complement. In such cases the offer will normally be made in seniority order. In such a case the following will apply:

a. There shall be no requirement to activate the Crewmember in the higher status until such time as he has been awarded a vacancy in that status and completed any additional required training.

b. The Crewmember shall be subject to the freeze provided for in Section 24, which shall begin to run at the completion of the upgrade training, regardless of when the Crewmember is activated.

c. There shall be no requirement that the Crewmember bid the next vacancy (on the equipment type for which he has been trained) that is available in the higher classification.

#### C. New-Hire Training

The Company shall have the right to remove a Crewmember from new-hire training at any time it determines that the Crewmember will not be successful in completing the training. Before making such determination the Company's training officials shall review the relevant training documents and solicit the recommendations of the Crewmember's instructor(s).

#### D. Transition to Different Equipment Type

If a Crewmember is unsuccessful in his first attempt to transition in his current status from one equipment type to another, he shall be returned to his last staffed position, seniority permitting, and subject to satisfactory completion of any required re-qualification training. Thereafter, the Crewmember shall be ineligible to bid to a vacancy in any status on any other equipment type for a minimum of twelve (12) months following his failure to successfully complete transition training. If the Crewmember subsequently bids a vacancy in his current status on another equipment type and again is unsuccessful in completing the required training, he shall be returned to his last staffed position, seniority permitting, and subject to satisfactory completion of any required re-qualification training, and he shall be considered permanently ineligible for any award on another equipment type in any status as a Pilot but may bid to a position as a Flight Engineer.

#### E. Failure to Maintain Qualification

A Crewmember's failure to complete any required check or training within the time periods allowed will result in the Crewmember being removed from flight status until such time as the required re-qualification training has been successfully completed. Further, a Crewmember who has not performed satisfactorily during any check or recurrent training shall be removed from flight status pending re-qualification. The Crewmember shall thereafter be allowed to return to work only after completion of all required re-qualification training. Except in the case of a failure to complete any required check or training due to factors controlled by the Company (e.g., simulator unavailability, inability of the Company to timely schedule the Crewmember for the required check or training, etc.), if the Crewmember fails to re-qualify after two (2) additional attempts, his employment may be terminated at the discretion of the Company. Further, after the Crewmember's first unsuccessful attempt to re-qualify he shall be removed from pay status until he completes re-qualification. The Company shall endeavor to schedule the Crewmember for his second attempt at re-qualification as soon as operations permit. A Crewmember's second additional attempt at re-qualification as provided for in this paragraph shall be conducted by a



Proficiency Check Airman who is or has been on the Atlas Air Pilot and/or Flight Engineer seniority list(s).

#### F. Training Periods

1. Training periods, which may include multiple events or classroom sessions, shall generally not be scheduled for more than ten (10) hours, including two (2) fifteen (15) minute breaks, but exclusive of a one (1) hour break for lunch/dinner.
2. If a training period not involving simulator training follows a deadhead or flight duty, the Crewmember's total duty period shall not exceed sixteen (16) hours, measured from the beginning of the deadhead or flight duty.
3. If a training period involving simulator training follows a deadhead or flight duty, the Crewmember's total duty period shall not exceed twelve (12) hours, measured from the beginning of the deadhead or flight duty.
4. A Crewmember shall receive a minimum of ten (10) hours free of duty between training periods.
5. In the event of two (2) or more simulator events in a training period, the total time spent training in the simulator(s) shall not exceed six (6) hours. Further, there shall be a break provided between such simulator training events.

#### G. Home Study

The Company may, at its discretion, require various training to be part of a home study course. In such case it shall be the Company's responsibility to prepare and distribute such course material (together with the estimated time to complete the course) to the affected Crewmembers, and it shall be the Crewmember's responsibility to complete such home study course as required.

#### H. Line Check Airmen

1. All Line Check Airmen shall be Crewmembers from the Pilot and/or Flight Engineer seniority list(s), or former Crewmembers who once held a seniority number on either the Pilot or Flight Engineer seniority list and whose names were removed from the seniority list(s) due to loss of medical qualification or as a result of reaching mandatory retirement age pursuant to the FAR's.
2. The Company shall determine the minimum qualifications required for its Line Check Airmen. In addition to such minimum qualifications, a Crewmember shall be considered for a position as a Line Check Airman based on his performance as a Crewmember, any prior airman experience, and his ability to promote a positive working relationship and environment in the cockpit. The staffing, selection, and retention of Line Check Airmen shall be in the sole discretion of the Company.

3. The Company shall determine the number and staffing of its Line Check Airmen. The Company shall either (i) post a notice of any Line Check Airman positions to be filled or (ii) maintain a system that allows qualified Crewmembers to maintain on file with the Company their interest in selection as a Line Check Airman.
4. Nothing herein shall be construed to preclude the Company from having qualified management employees holding a seniority number or have in the past have held a seniority number on either the Pilot or the Flight Engineer seniority list(s) perform Line Check Airmen duties.
5. The Company will schedule meetings with its Line Check Airmen as it may determine is needed to review standardization, training procedures, and other matters relating to Line Check Airman duties.
6. Except for line check flight training conducted by the aircraft manufacturer during the initial aircraft acceptance period in relation to the introduction of a new aircraft type, all line check flight training shall be conducted by Line Check Airmen as provided for in this Section.

SECTION 11(A)

**TRAINING INSTRUCTORS**

A. Staffing

1. Crewmembers assigned each bid month as Ground School Instructors, Simulator Instructors, Proficiency Check Airmen, Air Program Designees, and Designated Flight Engineer Examiners shall hereinafter be referred to as “Crewmember Training Instructors.”

2. The Company shall be obligated to staff in each bid month a sufficient number of CTI to accomplish no less than fifty percent (50%) of the “instructional training hours” for the ground based flight training of Crewmembers (i.e. Pilots and Flight Engineers covered by this Agreement) to be accomplished in that bid month at the Company’s training facilities, but in no case shall the Company be obligated to staff more than eleven (11) such Crewmember Training Instructors in a bid month. The monthly number of Crewmember Training Instructors to be staffed (but not to exceed eleven (11)) shall be determined as follows:

a. A determination shall be made of the number of hours of Crewmember ground based flight training to be conducted in the bid month at the Company’s training facilities. Included in the determination of Crewmember ground based flight training shall be:

i. Initial simulator training

ii. Recurrent simulator training

iii. Transition simulator training

iv. Upgrade simulator training

v. Re-qualification simulator training

b. A determination shall then be made of the number of instructional training hours required to accomplish the ground based flight training hours identified above. (Examples: Two hundred classroom hours of a particular training to be accomplished with a classroom size of twenty students would equate to ten instructional training hours. Two hundred hours of simulator instruction to be accomplished simultaneously with a Captain and a First Officer would equate to one hundred instructional training hours.)

c. The total number of instructional training hours shall be divided by the monthly number of instructional hours a Crewmember Training Instructor would be assigned to accomplish, and that number shall then be divided by two (2).

3. Nothing in this Agreement shall be construed to restrict in any way the Company’s right to hire or otherwise employ “Professional Training Instructors,” who shall not be covered by this Agreement. The Company shall consider the application of any Crewmember interested in

filling a position as a Professional Training Instructor. If a Crewmember is awarded a Professional Training Instructor he shall not be subject to the terms and conditions of this Agreement.

4. A Crewmember who is otherwise unable to perform duties as a Crewmember and who is offered a position as a Professional Training Instructor shall be treated in accordance with paragraph 3, above.

5. For those months that the services of a Crewmember who may from time to time perform duties as a Crewmember Training Instructor are not required in the Training Department, he may be returned to his staffed position as a Crewmember.

#### B. Compensation

A Crewmember Training Instructor shall be compensated as provided in Section 3, Compensation.

#### C. Training Periods

1. Crewmember Training Instructors shall generally be scheduled for no more than one (1) training period per assigned workday.

2. Training periods, which may include multiple events or classroom sessions, shall generally not be scheduled for more than ten (10) hours, including two (2) fifteen (15) minute breaks, but exclusive of a one (1) hour break for lunch/dinner.

3. A Crewmember Training Instructor shall receive a minimum of ten (10) hours free of duty between training periods.

#### D. Crewmember Training Instructor Scheduling

1. The number of regular days of work that may be assigned a Crewmember Training Instructor in a bid month shall not exceed the maximum number of regular work days to be included in a line Crewmember's monthly bid line as provided in Section 25, paragraph B.3, inclusive of any days of deadhead travel.

2. The Company will construct and post the monthly Crewmember Training Instructor lines of work from which Crewmembers selected to perform work as a Crewmember Training Instructor in that month will bid. In constructing such lines of work the Company will consider the Crewmember Training Instructors' preferences for days off. The lines of work will be awarded in seniority order, subject to any required qualifications, or assigned if an insufficient number of bids are received. Generally, the Crewmember Training Instructor schedules for the next bid month will be posted no later than the twenty-fifth (25<sup>th</sup>) day of the current bid month.

3. As the needs of the operation permit and at the Company's discretion the Crewmember Training Instructor lines of work may include work other than work as a Training Instructor,

including but not limited to line flying or administrative work.

4. The Company will not re-assign a Crewmember Training Instructor's day(s) off without his consent.

5. Nothing herein shall preclude the Company from assigning a Crewmember Training Instructor to work on what would have been his day(s) off or to work more than the number of regular work days provided for in paragraph D.1, above in a bid month, provided, however, that he shall be compensated for such work in accordance with the applicable provisions of Section 3. Further, in accordance with the provision of Section 25, a Crewmember Training Instructor shall not be required to involuntarily work more than four (4) of his days off in a bid month.

#### E. Proficiency Flying

A Crewmember Training Instructor shall be required to remain current and qualified for the position and aircraft type he holds pursuant to his standing bid.

#### F. General

1. At the Company's option, a Crewmember regularly performing duties as a Training Instructor may be required to bid his annual vacation periods within his grouping in the Training Department (i.e., Ground School Instructor, Simulator Instructor, etc.) in lieu of bidding such vacation periods as part of the base to which his standing bid entitles him.

2. Nothing herein shall preclude the Company from assigning a Crewmember Training Instructor to training support.

3. A Crewmember Training Instructor who is assigned to perform training duties away from the Miami Training Center or, alternatively, his regularly assigned work location if other than the Miami Training Center, shall be provided lodging and per diem in accordance with Section 5. Further, the Crewmember Training Instructor shall be provided transportation from his base or the Training Center, as applicable, to the location of the assignment and return.

4. If the Company awards a Crewmember a full-time position as a Crewmember Training Instructor and he is currently or thereafter awarded as part of his standing bid a position as a Crewmember at the Miami base, he shall be considered "eligible" for relocation benefits for a move to the Miami area as provided in Section 6. In accepting such relocation benefits the Crewmember shall agree to remain willing to be assigned to Crewmember Training Instructor duties for a minimum of twenty-four (24) months thereafter should the Company desire to continue use his services as such.

5. A Crewmember Training Instructor who is staffed at a base other than Miami and who does not maintain his principle place of residence within seventy-five (75) miles of the Miami Training Center will be provided, for the purpose of completing his training assignments, transportation to Miami from the nearer of either his base or residence, and return, together with lodging and per diem in accordance with Section 5.

SECTION 12

**HOURS OF SERVICE**

A. General

1. Except for Company flight operations, a Crewmember shall not perform any flying that would count towards his FAR regulated block hours or duty time limitations, providing that nothing herein shall be construed to prevent a Crewmember from flying military aircraft as part of any military reserve obligation.

2. The Company will make reasonable efforts to notify a Crewmember as far in advance as possible of a delay that would affect his required report time by two (2) or more hours, consistent with the circumstances and recognizing a desire to avoid unnecessary disruptions to a Crewmember's rest.

B. Duty Period

1. Except as provided in paragraphs 2 and 3, below, a Crewmember's duty period shall commence ("report") and his duty period shall end ("release") as provided in the following table:

Crew	Report Time	Rel Time
Op Crew	1:30 prior to sched dept	30 min's after act block In
Dhd-Comp	1:30 prior to sched dept	30 min's after act block In
Dhd-Comm (Int)	1:30 prior to sched dept	30 min's after sched arr
Dhd-Comm (Dom)	1 hr prior to sched dept	30 min's after sched arr
Grnd Dhd Trans	Sched dept time for Limo	Sched arr

2. If the scheduled departure time of a flight or deadhead segment has been delayed, a Crewmember's report time shall be one and one-half (1.5) hours prior to the revised scheduled departure time if the Crewmember has not already checked in for the flight or deadhead segment and he has been notified of the change.

3. If the Crewmember fails to report as required for a flight or deadhead segment, his report time shall be the time the Crewmember actually checks in for the flight or deadhead segment.

C. Duty Period Limitations

Except as may be further limited by applicable Federal Aviation Regulations (FAR's), the domestic and international flight and duty time limitations shall be as follow:

1. Two Person Crew

a. When the duty period is scheduled to consist solely of an operating flight or flights (i.e., no deadhead), or of a deadhead followed by an operating flight or flights (i.e., deadhead to duty), the maximum scheduled duty period shall be fourteen (14) consecutive hours. As operations require and with the concurrence of the affected Crewmember(s) and the Chief Pilot on Duty, the System Chief Pilot, the Director of Operations, or another properly authorized Company official the duty period may be extended to no more than sixteen (16) hours.

b. When the duty period is scheduled to consist of an operating flight or flights followed by a deadhead (i.e., deadhead from duty), the maximum scheduled duty period shall be twenty (20) consecutive hours, of which no more than fourteen (14) hours of the duty period may relate to the operation of a flight(s). As operations require and with the concurrence of the affected Crewmember(s) and the Chief Pilot on Duty, the System Chief Pilot, the Director of Operations, or another properly authorized Company official the duty period relating to the operation of a flight(s) may be extended to no more than sixteen (16) hours.

## 2. Three Person Crew

a. When the duty period is scheduled to consist solely of an operating flight or flights (i.e., no deadhead), or of a deadhead followed by an operating flight or flights (i.e., deadhead to duty), the maximum scheduled duty period shall be sixteen (16) consecutive hours. As operations require and with the concurrence of the affected Crewmember(s) and the Chief Pilot on Duty, System Chief Pilot, the Director of Operations, or another properly authorized Company official the duty period may be extended to no more than eighteen (18) hours.

b. When the duty period is scheduled to consist of an operating flight or flights followed by a deadhead (i.e., deadhead from duty), the maximum scheduled duty period shall be twenty (20) consecutive hours of which no more than sixteen (16) hours of the duty day may relate to the operation of a flight(s). As operations require and with the concurrence of the affected Crewmember(s) and the Chief Pilot on Duty, the System Chief Pilot, the Director of Operations, or another properly authorized Company official the duty period relating to the operation of a flight(s) may be extended to no more than eighteen (18) hours.

## 3. Augmented Crew (e.g. Normal three Crewmember aircraft augmented to five Crewmembers, and a normal two Crewmember aircraft augmented to four or more Crewmembers)

The maximum scheduled duty period shall be twenty (20) consecutive hours. As operations require and with the concurrence of the affected Crewmember(s) and the Chief Pilot on Duty, the System Chief Pilot, the Director of Operations, or another properly authorized Company official the duty period may be extended to no more than twenty-two (22) hours.

## 4. Deadhead

a. Deadheading at the direction of the Company shall be considered duty.

b. A duty period that consists solely of deadhead will be scheduled not to exceed twenty-four (24) hours. As operations require and with the concurrence of the affected Crewmember(s) and

the Chief Pilot on Duty, the System Chief Pilot, the Director of Operations, or another properly authorized Company official the duty period may be extended.

c. At the end of his pattern a Crewmember may waive any applicable duty time limits in order to deadhead back to his base/home as may be applicable.

5. Notwithstanding the duty time limitations set forth above for an operating crew, if the aircraft's automatic pilot system is fully inoperative the crew shall not be scheduled to operate that aircraft for more than eight (8) hours, or ten (10) hours actual, in a duty period.

#### D. Minimum Rest Periods

1. Except as provided in paragraphs 2 and 3, and 4, below, and to the extent that the FAR's otherwise require, a Crewmember shall be provided a minimum of ten (10) hours of rest between duty periods. This rest period can be shortened with the concurrence of the Crewmember and if permitted by the FAR's, but in no case to less than eight (8) hours.

2. Notwithstanding the provisions of paragraph 1, above, a Crewmember's rest period may not be shortened to below ten (10) hours immediately following any duty period that has been extended pursuant to the provisions of paragraph C, above.

3. If a Crewmember has been scheduled to deadhead for twenty-four (24) hours or more, he shall thereafter be provided with at least sixteen (16) hours of rest.

4. If a Crewmember has operated as part of an Augmented Crew that was scheduled to operate a flight for more than twelve (12) hours, he shall upon return to his base be provided a period of rest that is at least twice the total number of hours he has flown since his last rest period at his base. Such rest shall be taken at the Crewmember's base, which may include any out-base or temporary base to which he may be assigned.

5. Crewmember "rest" shall be the time between release from the Crewmember's last duty period to report for his next duty period, provided that any transportation to and from lodging shall be local in character (e.g. one (1) hour or less). It shall be the Crewmember's responsibility to notify the Company of any circumstances that have adversely affected his receiving the minimum rest period required under this Section (e.g., excessive time spent clearing customs/immigrations, lost luggage, ground transportation or lodging issues, etc.).



## SECTION 13

### LEAVES OF ABSENCE

#### A. Personal Leave of Absence

When the operational requirements at a requesting Crewmember's base permit, as determined in the Company's sole discretion, the Crewmember may be granted a personal leave of absence.

1. A personal leave may be granted for a minimum of one complete bid month and a maximum of three (3) bid months.
2. Requests for an initial personal leave or an extension of a previously approved personal leave must be in writing to the Crewmember's Base Chief Pilot, and submitted no later than the fifth (5th) day of the bid month preceding the bid month in which the leave is to commence.
3. Properly submitted personal leave requests will be considered and granted by base, in seniority order. Personal leave requests will be granted or denied, as applicable, no later than the fifteenth (15th) day of the bid month preceding the bid month in which the leave is to commence.
4. During a personal leave of absence the Crewmember shall retain and continue to accrue seniority, but will only retain and not accrue any additional longevity.
5. Once a personal leave has been granted, the leave request may not be withdrawn nor may the granting of the leave be retracted without the mutual consent of both the Company and the Crewmember. Further, the Company may not require a Crewmember to return to work before the expiration of a properly granted personal leave without the Crewmember's consent, nor can the Crewmember return to work before the expiration of a properly granted personal leave without the Company's consent.

#### B. Medical Leave of Absence

A Crewmember shall be placed on long-term medical leave if, after thirty (30) days, he remains unable to perform his duties due to sickness, injury, or pregnancy.

1. The length of the leave shall extend until the day the Crewmember actually returns to work, is placed on furlough in accordance with the provisions of Section 23, has been found to be permanently unable to return to work, or is terminated. For the purpose of this section, "return to work" shall mean fit and available to accept a flight assignment or re-qualification training, as applicable.
2. If a Crewmember is unable to return to work after five (5) years from the date his long-term medical leave commenced or twice his length of service with the Company, whichever is shorter, his employment with the Company shall be terminated.

3. A Crewmember must provide his Base Chief Pilot documentation evidencing his initial or continuing inability to perform the duties of a Crewmember within ten (10) days following request for such. Failure to provide the required documentation in a timely fashion unless otherwise excused from doing so may result in a denial of a leave of absence for the Crewmember. The Company will provide a form for the Crewmember to utilize for his doctor or doctors to provide the following information:

- a. A diagnosis of the Crewmember's disabling condition;
- b. A statement of physical limitations, quantified where possible;
- c. The prognosis for the Crewmember's recovery; and
- d. A statement of treatment.

4. A Crewmember who does not return to work within seven (7) days after he is no longer precluded from performing the duties of a Crewmember due to sickness, injury, or pregnancy will lose all seniority and be considered to have resigned his employment with the Company.

5. While on a long-term medical leave a Crewmember shall continue to accrue seniority. Longevity will continue to accrue only for the ninety (90) day period following the Crewmember's first day missed due to illness, injury, or pregnancy.

6. A Crewmember on a long-term medical leave of absence shall continue to be eligible for insurance benefits (as if he was actively at work) through the last day of the month in which the one hundred and eightieth (180th) day of his absence from work due to illness or injury falls. Thereafter, any further medical benefits shall be pursuant to entitlements under COBRA.

7. The Company may require that a Crewmember requesting to return to work from a Long Term Medical Leave provide medical documentation from his doctor supporting the Crewmember's assertion that he is no longer impaired by sickness, injury, or pregnancy from performing the duties of his job.

8. A Crewmember on a Long Term Medical Leave shall be paid any remaining accrued sick leave as provided in Section 14. Further, at the Crewmember's option, he may after exhausting his short term sick leave accrual elect to be paid any unused vacation entitlement that he may have for the current calendar year in accordance with Section 14.

9. Nothing in this Section shall be construed to abrogate in any way the rights, entitlements and obligations granted or imposed on the Company and the Crewmember in Section 15. Any disputes regarding Crewmember's eligibility for a long-term medical leave or return to work from a long-term medical leave shall be resolved using the procedures set forth in Section 15.

### C. Family and Medical Leave of Absence

Family and Medical Leave will be granted in accordance with the Memorandum of Understanding attached hereto.

#### D. Association Leave of Absence

The Company may grant a leave of absence to a reasonable number of Crewmembers for whom the Association requests a leave for the purpose of Association business expected to last for ninety (90) days or more, or for the Crewmember to accept a full time elected or appointed position with the Association.

1. The minimum time for which a leave for Association business will be granted is one complete calendar bid month.
2. The Association shall make any request for a Crewmember to be placed on an Association Leave in writing to the Company's senior human resources official responsible for Crewmember labor relations. Unless such request is received on or before the fifth (5th) day of the calendar month prior to the bid month in which the leave is to begin, the granting of the leave will be subject to the needs of the service as determined in the sole discretion of the Company.
3. An Association leave granted under this paragraph, shall be treated for pay and benefits purposes in accord with the applicable provisions of Section 18.C.
4. During such a leave, a Crewmember's, seniority and longevity shall continue to accrue as if he had remained in active service. Further, such Crewmember(s) shall be eligible to bid his seniority for vacancies, upgrades, and other purposes as if actively at work. When such a Crewmember(s) returns from leave for Association business, the Association's obligation under Section 18.C to repay the Company for any Pay and Benefits will cease when the Crewmember is again qualified on the aircraft to which he will be regularly assigned.

#### E. Military Leave of Absence

1. A Crewmember will be granted time off for military service or reserve duty in accordance with the Uniformed Services Employment and Reemployment Rights Act and any applicable state laws regarding National Guard duty.
2. A Crewmember requesting a military leave shall notify his Base Chief Pilot of the anticipated dates of the leave as soon as known to the Crewmember. Such notice shall be in writing and include a copy of any Orders and/or military training schedule.
3. For the first ninety (90) days of a military leave of absence the Crewmember and his eligible dependents shall remain eligible for non-revenue and reduced rate travel privileges. Thereafter, non-revenue travel privileges will be extended only in the case of a family emergency, and in the sole discretion of the Company.

#### F. Company Offered Leave of Absence

Nothing herein shall be construed to prohibit the Company from offering leaves of absences to Crewmembers. Before offering such leaves the Company will discuss the terms of the Company offered leave program with the Association. The terms of a Company offered leave of absence shall not conflict with the terms and conditions of this Agreement without the express agreement of the Association.

#### G. General

1. Except as may be otherwise provided in this Agreement, after the first thirty (30) consecutive days of a leave of absence a Crewmember shall no longer be eligible for medical insurance or other benefits (except for any insurance entitlements under COBRA) and all non-revenue travel privileges will cease. However, nothing herein will be construed to prohibit the Company from providing a Crewmember on a leave of absence or his eligible family members non-revenue travel privileges on a trip-by-trip basis when, in the Company's sole discretion, compelling special circumstances warrant such.

2. Vacation and sick leave will not accrue for any bid month in which a Crewmember is on a leave of absence that results in his being entitled to less than fifty percent (50%) of his monthly guarantee.

3. A Crewmember on a leave of absence of any kind must obtain written permission from the Company before he engages in any employment with another airline and before he begins working in a job where the duties may be inconsistent with the medical condition that led to the issuance of a Long Term Medical Leave for the Crewmember or the recovery from that medical condition. Failure to obtain the required written permission will result in the termination of the Crewmember's employment with the Company.

4. The position and base to which a Crewmember returns following a leave of absence shall be in accordance with the provisions of Sections 23 and 24.

5. Failure to return to work as required following a leave of absence may be treated as a resignation of the Crewmember's employment with the Company.

6. If a Crewmember's scheduled vacation falls during a time when the Crewmember is on a leave of absence, he may elect to:

a. move the vacation to another period, if available; or

b. be paid for the vacation. However, if the Crewmember elects to be paid it shall not affect his inactive status, shall not entitle the Crewmember to any vacation or sick leave accrual, and shall not entitle the Crewmember to any insurance benefits or non-revenue travel privileges.

7. A Crewmember returning from a leave of absence shall be considered in active status on the earlier of his first day he is available for flight duty or the day he begins any training necessary to return him to active flight duty.

8. Unless specifically provided otherwise, all leaves of absence shall be unpaid. Further, if a Crewmember is on a leave of absence for a part of a bid month, his guarantee for that month will be reduced on a pro rata basis to the extent that the Crewmember is not available for work the required regularly scheduled number of work days for that bid month.

9. For other than a military leave of absence, all leaves for a Crewmember who has not completed twelve (12) months of active service will be at the discretion of the Company.

10. Except as may be otherwise specified above, all requests and other required notifications regarding a leave of absence shall be made or provided to the Crewmember's Base Chief Pilot, or in the case of an Instructor to his Fleet Manager.

11. A Crewmember returning from a leave of absence shall not be required to pay for any training required to return him to active service.

## SECTION 14

### SICK LEAVE

#### A. Sick Leave Accrual

Crewmember will begin to accrue sick leave following completion of his new hire training (including initial operating experience requirements (IOE)) as follows:

1. One (1) day of short-term sick leave for each month of active service. The maximum number of short-term sick leave days that a Crewmember shall be allowed to accrue shall be twenty-four (24) days.
2. Two (2) days of catastrophic sick leave for each month of active service, together with one (1) additional day of catastrophic sick leave for each month of active service during which a crewmember's short-term sick bank is at the maximum number of days allowed. There shall be no maximum number of catastrophic sick leave days that a Crewmember shall be allowed to accrue.
3. A Crewmember shall be considered to have been in active service for sick leave accrual purposes during any month for which he has been available for work (i.e., not on a leave of absence (excluding the first ninety (90) days of military leave), not on furlough, and not on paid or unpaid sick leave) for fifteen (15) or more days, or has in fact worked fifty percent (50%) of the required regularly scheduled workdays.
4. Each Crewmember's hourly sick leave balance accrued as of the effective date of this Agreement will be carried forward and converted to short term sick leave days by dividing the number of sick leave hours accrued by three (3), rounded up or down, as applicable, to the nearest whole day.
5. At the effective date of this Agreement each Crewmember will be credited with a catastrophic sick leave bank of days equal to the Crewmember's hourly sick leave balance accrued as of the effective date of this Agreement divided by three (3) and then multiplied by two (2), rounded up or down, as applicable, to the nearest whole day.

#### B. Sick Leave Usage

1. One day shall be deducted from the Crewmember's short-term sick leave bank and paid to the Crewmember for each day of regularly scheduled duty missed as a result of the Crewmember's absence due to either sickness or injury, including any down line absences. A Crewmember may not maintain a deficit short-term sick leave bank.
2. If a Crewmember remains unable to report for duty due to sickness or injury for more than thirty consecutive (30) days and he has exhausted his short-term sick leave bank, he shall thereafter be entitled to utilize his catastrophic sick leave bank.

a. Usage of a Crewmember's catastrophic sick leave bank shall be at the rate of one day for each day of scheduled duty for which a Crewmember is absent due to either sickness or injury, or, if he has not been assigned a monthly schedule of duty, at a rate equal to the maximum number of regular work days that a Crewmember may be required to work each month pursuant to the terms of Section 25, prorated for the month in which the Crewmember returns to duty.

b. If a Crewmember has utilized his catastrophic sick leave bank and thereafter returned to duty, the requirements of paragraph B.2, above, must again be met before the Crewmember may again draw from his catastrophic sick leave bank unless within thirty (30) days of his return to duty the Crewmember becomes unable to report for duty for the same sickness or injury which originally entitled him to draw from his catastrophic sick leave bank.

c. A Crewmember may not maintain a deficit catastrophic sick leave bank.

3. To end a period of sick leave, a Crewmember must notify Crew Scheduling of his ability to return to work.

a. If the Company elects to assign the Crewmember to duty on the day that the Crewmember advises that he is fit to return to work (including a specific pattern, reserve, or training), the Crewmember shall not be charged with sick leave usage for that day.

b. If the Company does not assign the Crewmember to duty on the day that the Crewmember advises that he is fit to return to work, the Crewmember shall be charged with sick leave usage for that day and shall be considered off sick leave on the following day.

c. For the purposes of this paragraph "day" shall refer to a day measured using Greenwich Mean Time (GMT).

4. There shall be no obligation on the part of the Company to return a Crewmember to any pattern or trip that he may have originally been assigned and a portion of which the Crewmember missed due to sickness or injury.

#### C. Sick Leave Pay

1. Short-term sick leave shall be paid at the rate of one hundred percent (100%) of the Crewmember's daily rate for each day of short-term sick leave used.

2. Catastrophic sick leave shall be paid at the rate of fifty percent (50%) of the Crewmember's daily rate for each day of catastrophic sick leave used.

#### D. General

1. A Crewmember unable to report for duty as scheduled due to sickness or injury shall be required to contact Crew Scheduling and advise them of such as soon as possible after the Crewmember becomes aware that he is not fit to report to work. Unless otherwise excused from

doing so, the Crewmember must call Crew from reporting Scheduling on each subsequent day for which the sickness or injury precludes him for duty.

2. At any time that the Company has a reasonable basis to believe that a Crewmember may be misusing or has misused sick leave the Company may require that the Crewmember provide a written medical statement from a licensed and accredited physician confirming that the Crewmember was, and, as appropriate, is unable to perform his duties due to sickness or injury. Such confirmation shall include a diagnosis of the Crewmember's disabling condition, a statement of the Crewmember's physical limitations (quantified where possible), a prognosis for the Crewmember's recovery, and a statement of treatment.

3. Failure by the Crewmember to timely provide a written medical statement as provided in paragraphs 2, above, shall result in a revocation in the Crewmember's entitlement to use his sick leave bank for the absence, retroactive to the first day of absence due to the purported sickness or injury. This paragraph shall not be construed to preclude the Company from additionally taking appropriate disciplinary action for any abuse or misuse of sick leave.

4. Nothing in this Section shall be construed to preclude or affect the Company's right to discipline or discharge a Crewmember for fraudulent use or abuse of sick leave.

5. Nothing in this Section shall abrogate any of the rights or entitlements provided the Company and/or the Crewmember in Section 15 of this Agreement.

6. An upgrade change of pay status (i.e. First Officer to Captain) will not be effective while a Crewmember is in a sick leave status.

7. If a Crewmember becomes sick or injured while working away from his base the Company will pay for any required emergency or urgent medical treatment that may be required. Further, as circumstances may warrant, the Crewmember will be returned at Company expense to his base or residence. All other down line medical services shall be obtained and processed in accordance with normal medical insurance procedures.

8. A Crewmember utilizing catastrophic sick leave shall not bid a monthly schedule. For the month that a Crewmember returns to work after utilizing catastrophic sick leave, the Crewmember shall be assigned a line of time as provided for in Section 25.

9. The Company shall regularly make available to each Crewmember a summary of his accrued short term and catastrophic sick leave accruals.

10. At any time following the expiration of a Crewmember's short term sick leave accrual he may utilize any vacation to which he may be entitled in the current calendar year in lieu of using any catastrophic sick leave to which he may be entitled for the length of his vacation.

11. If a Crewmember is in a transition leave of absence as provided for in Section 22.A, his sick leave accruals will be frozen but available to him should he be awarded a position and return to work as a Flight Engineer.



12. If a Crewmember accepts a position with an entity related to the Company as provided for in Section 22 he shall continue to accrue sick leave subject to appropriate adjustments for any time spent on sick leave or in a non-accruing status while working at the related entity. Such sick leave shall be available to the Crewmember upon his return to work in a position covered by this Agreement.

13. If a Crewmember accepts a position with the Company not covered by this Agreement he shall continue to accrue sick leave as provided for herein subject to appropriate adjustments for any time spent on sick leave or in a non-accruing status while working in such position. Such sick leave shall be available to the Crewmember upon his return to work in a position covered by this Agreement.

## SECTION 15

### **PHYSICAL STANDARDS AND MEDICAL EXAMINATIONS**

#### A. Physical Standards

1. The physical standards required of a Crewmember shall be the standards required by the Federal Aviation Administration (as outlined in 14 CFR Part 67 and as may be amended), including its waiver policy, for the medical certificate that the Company requires for the position that the Crewmember holds.
2. Each Crewmember may select the Aviation Medical Examiner of his choice for meeting the requirements set forth in this Section. The Crewmember shall provide a copy of his Airman's Medical Certificate to the Company no later than the twentieth (20<sup>th</sup>) of the month in which his prior certificate is scheduled to expire. The cost of such examinations shall be borne by the Crewmember.
3. If a Crewmember does not or cannot meet the standards for the medical certificate required by the Company for his position, he must immediately notify his Base Chief Pilot and Crew Scheduling. Thereafter, such a Crewmember, other than a probationary Crewmember, will be permitted to bid only vacancies in a status that his seniority and medical certificate will permit him to hold under the Company's requirements until such time as he regains the class of medical certificate required for his former position.

#### B. Fitness for Duty

1. The Company may require a Crewmember to submit to a fitness for duty examination by a Company designated Aviation Medical Examiner, under the following circumstances:
  - a. Upon a finding by an Aviation Medical Examiner or any other physician that the Crewmember does not meet the standards for the class of medical certificate required by the Company for the position that the Crewmember holds; or
  - b. When the Company has reliable information that raises a reasonable concern regarding a Crewmember's ability to safely and/or fully perform all of his duties, or that the Crewmember's present medical condition has changed the status of his medical certificate. In such a case the Company shall provide to the Crewmember the information it is relying on to require the fitness for duty examination, provided it shall not be required to provide to the Crewmember any information regarding the source of that information; or
  - c. When the Crewmember has asserted to the Company that he is either physically or mentally unable to safely or completely perform the duties of his job or otherwise has a medical condition that renders him unable to lawfully exercise the privileges of his Airman's Medical Certificate.
2. Any medical examination required under this Section shall be performed by an Aviation Medical Examiner and, if necessary to further evaluate the Crewmember's physical or mental

condition, other physicians as directed by the Aviation Medical Examiner. The cost of the examination(s) shall be borne by the Company.

a. The location of all such examinations shall be within the metropolitan area of the Crewmember's base unless a different mutually agreeable location is selected. If the examination is to be conducted at a location other than near the Crewmember's base or near the Crewmember's residence the Company will provide the Crewmember transportation and any reasonably required hotel accommodations, together with per diem. However, a Crewmember who fails to cooperate in the scheduling of any required examination under this paragraph, or cancels a scheduled examination without the agreement of the Company, will be removed from pay status and, as may be applicable, shall be ineligible for the further use of any accrued sick leave.

b. Within five (5) days of the Company's receipt of the Aviation Medical Examiner's report a copy of the report shall be sent to the Crewmember via overnight mail, by electronic means (if acceptable to both the Company and the Crewmember) or by hand delivery.

3. A Crewmember required to undergo an examination by a Company designated Aviation Medical Examiner pursuant to paragraph B.1.b, above, shall be withheld from service with pay until the Aviation Medical Examiner has submitted his report to the Company.

a. If as a result of such medical examination the Company's Aviation Medical Examiner determines that the Crewmember is not able to hold and/or exercise the medical certificate required by the Company for the position that the Crewmember holds then the Crewmember shall be removed from pay status, provided, however, that he shall be entitled to use any accrued sick leave and accrued vacation as provided for in Section 14, and may invoke the provisions of paragraph C, below.

b. If as a result of such medical examination the Company's Aviation Medical Examiner determines that the Crewmember is able to hold and exercise the medical certificate required by the Company for the position that the Crewmember holds then the Crewmember shall be returned to duty.

4. A Crewmember required to undergo an examination by a Company designated physician pursuant to paragraph B.1.a or c, above, shall be withheld from service without pay, except for any accrued sick leave and accrued vacation as provided for in Section 14, until the Aviation Medical Examiner has submitted his report to the Company.

a. If as a result of such medical examination the Company's Aviation Medical Examiner determines that the Crewmember is able to hold and exercise the medical certificate required by the Company for the position that the Crewmember holds then the Crewmember shall no longer be entitled to use any accrued sick leave, and shall be returned to duty, provided, however, that the Crewmember shall be entitled to invoke the provisions of paragraph C, below.

b. If as a result of such medical examination the Company's Aviation Medical Examiner determines that the Crewmember is not able to hold or exercise the medical certificate required

by the Company for the position that the Crewmember holds then the Crewmember shall be entitled to use any accrued sick leave and accrued vacation as provided for in Section 14 until the earlier of:

- i. His accrued sick leave and accrued vacation have been exhausted;
- ii. He becomes able to hold and exercise the medical certificate required;
- iii. He accepts another position with the Company.

### C. Medical Dispute Resolution Procedures

In the case of a dispute arising from paragraph B.3.a or B.4.a, above, between the Crewmember's Aviation Medical Examiner and the Company's Aviation Medical Examiner regarding a Crewmember's mental or physical fitness for duty, the Crewmember may invoke the following procedures.

1. The Crewmember must within seven (7) days after being provided the findings of the Company's Aviation Medical Examiner submit to his Base Chief Pilot a written request that the Company's Aviation Medical Examiner and his Aviation Medical Examiner select a third, impartial Aviation Medical Examiner to resolve the dispute. Failure to request the selection of a third, impartial Aviation Medical Examiner within the seven (7) day time limit provided shall render the findings of the Company's Aviation Medical Examiner final and binding.
2. Following timely receipt of the Crewmember's request, the Company's Aviation Medical Examiner will be asked to contact the Crewmember's Aviation Medical Examiner for the purpose of selecting a third, impartial Aviation Medical Examiner. If for any reason the Crewmember's Aviation Medical Examiner declines to participate in this process, the Crewmember may select another Aviation Medical Examiner to participate in the selection of the third, impartial Aviation Medical Examiner on the Crewmember's behalf.
3. Within three days of the appointment of the third, impartial Aviation Medical Examiner, both the Company's and the Crewmember's Aviation Medical Examiners will submit their findings, together with the findings of any other medical examiners involved, to the third, impartial Aviation Medical Examiner.
4. All written communications by either the Company's or Crewmember's Aviation Medical Examiner made to the third, impartial Aviation Medical Examiner will be copied to the other party's Aviation Medical Examiner as well. Further, no verbal or written communication regarding the merits of the Company's position or Crewmember's position in the dispute shall be made to the third, impartial Aviation Medical Examiner by either the Company or the Association.
5. After receipt of the medical records referenced above, the third, impartial Aviation Medical Examiner will, if he deems it necessary, examine the Crewmember and, if necessary refer the Crewmember to any medical specialist required in order for the third, impartial Aviation Medical

Examiner to make a determination regarding the Crewmember's ability to hold or exercise the medical certificate required by the Company for the position that the Crewmember holds. Any expenses incurred by the Crewmember in complying with this paragraph shall be paid by the Association.

6. Within seven (7) days following his review of the records provided and any examination(s) of the Crewmember deemed necessary by the third, impartial Aviation Medical Examiner, he shall render a final and binding determination regarding the dispute.

7. If the Crewmember has been withheld from service involuntarily by the Company and is found by the third, impartial Aviation Medical Examiner to be able to hold and exercise the medical certificate required by the Company for the position that the Crewmember holds then he will be pay protected by the Company for the period that he was withheld from service and his sick leave account will be restored.

8. If the Crewmember has been withheld from service involuntarily by the Company and is found by the third, impartial Aviation Medical Examiner to be unable to hold or exercise the medical certificate required by the Company for the position that the Crewmember holds then his sick leave accrual will be reduced to the extent that he was receiving pay.

9. If the Crewmember has withheld himself from service and is found by the third, impartial Aviation Medical Examiner to be able to hold and exercise the medical certificate required by the Company for the position that the Crewmember holds then he will be returned to duty and required to repay the Company for any sick leave he received while the medical dispute was pending.

10. If the Crewmember has withheld himself from service and is found by the third, impartial Aviation Medical Examiner to be unable to hold or exercise the medical certificate required by the Company for the position that the Crewmember holds then he will be paid his accrued sick leave and accrued vacation on a retroactive basis to the extent he could have utilized such pursuant to Section 14 but for the dispute regarding his fitness for duty and he shall also be entitled thereafter to use his remaining accrued sick leave and/or vacation as provided for in Section 14.

11. The Company shall be responsible for the costs of its doctor(s) and the Crewmember shall be responsible for the costs of his doctor(s). The Company and the Association shall share equally the cost of the third, impartial Aviation Medical Examiner and any other medical specialist that he may have required in rendering his decision.

12. Any unjustifiable delays in the completion of these procedures that are the result of the action or inaction of the Crewmember shall render the Crewmember ineligible for continued pay status or the use of any accrued sick leave, as applicable.

13. Forms to be utilized for the engagement of the third, impartial Aviation Medical Examiner and required release of medical information are included hereto as Appendices A, B, C, D, and E.

To: (The Company's Aviation Medical Examiner), (applicable date)

and: (The Crewmember's Aviation Medical Examiner)

Dear Dr.(The Company's AME), and Dr.(The Crewmember's AME):

Your respective findings differ regarding (Crewmember's) ability to hold or exercise the Airman medical certificate required by Atlas Air, Inc., for (his/her) position as a flight deck crewmember. In accordance with our established procedures for resolution of this dispute, you are requested to confer and jointly select a third, impartial Aviation Medical Examiner who will review your respective findings, examine (Crewmember), if he determines that such is necessary, engage any specialists as required, and render a final and binding determination regarding the dispute.

Please promptly:

1. Confer with each other and select the impartial Aviation Medical Examiner; and
2. Notify each of us as to whom you have selected.

After we receive that notification and as soon as the selected impartial AME accepts the engagement, we will advise you of that acceptance so that you can then forward the specified medical information to that physician. An authorization for that purpose signed by (Crewmember) is enclosed. Please complete the form by filling in the selected Examiner's name and address.

To preserve the integrity of such impartial Examiner's review, you are requested to refrain from any *ex parte* oral or written communication with such Examiner regarding the Crewmember's medical case. Of course, you are free to converse with such Examiner in each other's presence or together via telephone conference call.

Thank you for your cooperation in helping to resolve this matter expeditiously.

Sincerely,

(For: Atlas Air, Inc.) (For: Air Line Pilots Association, Int'l)

## Appendix B

To: Dr. (the third, impartial AME) (applicable date)

You have been jointly selected by Dr.(Company's AME) and Dr.(Crewmember's AME) to resolve a dispute regarding (Crewmembers') ability to hold and exercise a (Class I or Class II, as appropriate) Airman Medical Certificate as required by Atlas Air, Inc., for (his/her) position as a flight deck crewmember. You will be receiving a copy of the findings of Dr.(Company's AME) and Dr.(Crewmember's AME) regarding their examinations of (Crewmember). Your task is to review those findings, examine (Crewmember) at your discretion, engage any specialist(s) as you deem appropriate and render an unequivocal determination regarding (Crewmember's) ability to hold and exercise a (Class I or Class II, as appropriate) Airman Medical Certificate for his position as a flight deck crewmember.

It is very important that your examination and determination be completely impartial. We have cautioned Dr.(Company's AME) and Dr.(Crewmember's AME) against any *ex parte* communication with you regarding the Crewmember's medical case. Of course, joint telephone conference calls are perfectly acceptable. Likewise, you should have no *ex parte* communications, written or oral, regarding the Crewmember's medical case with any official, employee or representative of either Atlas Air, Inc., or the Air Line Pilots Association, Int'l. Again, joint telephone conference calls with representatives of both parties are acceptable.

This is not a Worker's Compensation Claim. Nor is (Crewmember) applying for any Airman Medical Certificate. The standards against which (Crewmember's) condition is to be judged are current FAA standards for his class of Airman Medical Certificate, as contained in 14 CFR Part 67, including the FAA's waiver policy.

Please provide a written report of your findings to (Crewmember), (ALPA Contract Administrator), and (designated Company recipient). Requisite Medical information release forms executed by (Crewmember) are enclosed. Also enclosed is an executed medical information release form authorizing any specialist(s) whom you would call upon to provide their records to you.

Time is of the essence as Atlas Air, Inc., and (Crewmember) desire to resolve this dispute as quickly as possible.

We recognize that you may have a question about some aspect of this process. If you call either of the signatories to this letter, a telephone conference call will be arranged at your convenience and we can then jointly address your concern(s).

Your fees and expenses in connection with this engagement, including the fees and expenses of any specialist(s) you may determine to engage to assist you in making your determination, will be borne one-half each by Atlas Air, Inc., and (Crewmember). Thus, you should send your bill, indicating each one-half share to:

(Atlas Air, Inc., Designated Recipient) and (Crewmember)

(Address)      (Address)

Thank you in advance for your acceptance of this engagement and your willingness to help resolve this dispute.

Sincerely,  
Atlas Air, Inc.                      ALPA Contract Administrator  
(Address and Phone #)              (Address and Phone #)

Enc: Medical information release forms



## Appendix C

### AUTHORIZATION TO RELEASE MEDICAL INFORMATION

I, (Crewmember) hereby authorize Dr. (name and address of Company's AME or Crewmember's AME, as applicable) to release (his/her) findings regarding my current ability to hold and exercise a (Class I or Class II, as appropriate) Airman Medical Certificate to Dr. (name and address of third, impartial AME).

This authorization expires thirty (30) days from the date which appears below.

Crewmember          Date

**Appendix D**

**AUTHORIZATION TO RELEASE MEDICAL INFORMATION**

I, (Crewmember) hereby authorize Dr. (name(s) and address(es) of specialist(s)), to release (his/her) records/findings regarding my current ability to hold and exercise a (Class I or Class II as appropriate) Airman Medical Certificate to (name and address the third, impartial AME).

This authorization expires thirty (30) days from the date which appears below.

Crewmember      Date

## Appendix E

### AUTHORIZATION TO RELEASE MEDICAL INFORMATION

I, (Crewmember) hereby authorize Dr. (name and address of the third, impartial AME), to release (his/her) findings regarding my current ability to hold and exercise a (Class I or Class II, as appropriate) Airman Medical Certificate to the (Crewmember), (the Atlas Air, Inc., Designated Recipient), and (the ALPA Contract Administrator) to the addresses which appear below.

This authorization expires thirty (30) days from the date which appears below.

Crewmember    Date  
(Address)

(Atlas Air, Inc., Desig Recip)  
(Address)

(ALPA Contract Administrator)

(Address)

SECTION 15(A)

**DRUG AND ALCOHOL TESTING**

A. A Crewmember shall be subject to drug and alcohol testing as required by applicable Federal Regulations and by Company policy in effect as of the effective date of this Agreement, which may be modified from time to time as required by such regulations and other applicable law. No other changes to the policy applicable to Crewmembers shall be made without the consent of the Association.

B. At the request of either party, representatives of the Association and representatives of the Company will meet to discuss the Company's administration of its drug and alcohol testing programs. The Company agrees to provide the Association with notice and an opportunity to consult prior to implementing any material changes to such programs consistent with paragraph A, above.

C. A Crewmember's responsibility with regard to the possession and/or consumption of alcohol while on Company aircraft, while deadheading on commercial aircraft, and while in uniform shall be as set forth in the Letter of Agreement to this Agreement captioned "Crewmember Possession and Consumption of Alcohol."

D. A Crewmember who has been required to undergo "Reasonable Cause/Reasonable Suspicion Testing" as set forth in the Company's Drug and Alcohol policy will be provided the basis, including the date, time, and location of the observations relied on for the determination to require such testing, no later than seven (7) days after the test has occurred.

## SECTION 16

### **WORKERS' COMPENSATION BENEFITS**

The parties acknowledge that the Company presently maintains a workers' compensation insurance policy providing certain coverage and benefits for its employees, including its Crewmembers. A Crewmember shall be covered under the Company's workers' compensation insurance policy and shall be eligible to submit a claim for benefits. The Company shall have the right in its sole discretion to self insure (in whole or in part), to modify or to discontinue its worker's compensation insurance policy or to change its insurance carrier for workers' compensation insurance at any time during the life of this Agreement. If the Company discontinues its workers' compensation insurance policy a Crewmember shall have the right to seek whatever alternative benefits to which he may be entitled and provided under applicable state and federal laws, or the laws of any United States territory or possession.

## SECTION 17

### **MISSING, INTERNMENT, PRISONER OR HOSTAGE BENEFITS**

A. Any Crewmember who, while engaged in the Company's operations becomes involuntarily interned or held as a prisoner or hostage by any person, group or is held by a foreign government entity, or becomes involuntarily missing, shall be entitled to compensation and benefits continuation as if he had continued working, including but not limited to:

1. Monthly compensation at the rate applicable to the Crewmember as if he was in fact working, based upon the applicable minimum monthly guarantee;
2. Continuation of the insurance benefits applicable to the Crewmember (including those extended to the Crewmember's family), subject as before to the required employee contributions;
3. Continuation of 401(k) deductions from the Crewmember's monthly compensation and the Company's matching contributions on behalf of the Crewmember;
4. Continued sick leave and vacation accrual;
5. Continued seniority and longevity accrual.

B. The compensation listed above shall be deposited to an interest bearing account (pass book savings interest rate or better) on behalf of the Crewmember unless he has completed and filed with the Company the form attached to this section as Appendix A, in which case such compensation shall be paid as he has directed therein.

C. If it cannot be determined whether a Crewmember has been detained in a manner that would trigger the compensation and benefits provided for in this Section, such compensation and benefits shall be paid retroactively if eligibility is later confirmed. Any dispute(s) regarding the application of this Section may bypass the grievance procedures set forth in Section 20 and be submitted directly to the System Board of Adjustment provided for in Section 21. Such dispute(s) shall be heard and resolved as expeditiously as possible.

D. If the death of the Crewmember is established by any means, or there is sufficient evidence that a reasonable person would conclude that the Crewmember has died, the compensation and benefits set forth in paragraph A, above, shall cease and any death benefits to which the Crewmember is entitled shall be concurrently paid.

E. If it cannot be determined that the Crewmember is alive but there is insufficient evidence for a reasonable person to conclude that the Crewmember has died, but there has been no legal finding of the Crewmember's death, the compensation and benefits listed in paragraph A, above, will be paid for the shorter of a period of twenty-four (24) months from the time the Crewmember was last known to be alive, or to when the Crewmember's death has been legally or otherwise

confirmed. If at the end of the twenty-four (24) month period the Crewmember's status still cannot be confirmed then any death benefits to which he may be entitled shall be paid.

F. At the time an eligible Crewmember's compensation and benefits are terminated pursuant to paragraphs D or E, above, the vacation accruals to which he was entitled shall be paid as compensation as he has directed in Appendix A to this Section. If the Crewmember has not completed and filed Appendix A with the Company, then the accruals will be paid to his estate.

G. In the case of a Crewmember who has not completed and filed Appendix A with the Company and for whom compensation has been held in an interest bearing account pursuant to paragraph B, above, such compensation shall be paid to the estate of the Crewmember at the time death benefits, if any, are to be paid pursuant to this Section.

H. If a Crewmember for whom death benefits have been triggered pursuant to this Section is later determined to be alive and eligible for the compensation and benefits listed in paragraph A, above, such compensation and benefits will be paid on a retroactive basis, less any death benefits already paid. Further, such compensation and benefits will continue for the period that the Crewmember continues to qualify for such. If the death benefits paid the Crewmember are greater than the compensation that would have been paid the Crewmember had no presumption or finding of death been made, then the Crewmember shall be obligated to refund the excess to the Company.

I. The compensation and benefits provided for in this Section shall not apply to any Crewmember:

1. whose gross misconduct led to his internment;
2. who engaged in activities that he knew or should have known were illegal under the laws of the country in which such took place;
3. who voluntarily entered an area that he was directed to avoid by the Company, the U.S. government, or the foreign government with jurisdiction over the area entered by the Crewmember;
4. who consciously and deliberately disregarded the customs of the locality, the violation of which could be reasonably be expected to lead to the Crewmember's internment by the lawful authorities of the locality, or the Crewmember being taken and held hostage by any local person or group; or
5. who is held by law enforcement or governmental officials in the United States, its possessions, or territories, except as provided in paragraph J, below.

J. Notwithstanding anything to the contrary contained in this Section, the compensation and benefits specified in Paragraph A, above, shall continue for any Crewmember who as a result of any action taken pursuant to and in accordance with Company instructions, policy and

procedures becomes interned or held as a prisoner by law enforcement or governmental officials of any foreign country or the United States, its possessions, or territories.



**Appendix A**

**SECTION 17**

**DESIGNATION OF BENEFICIARY(S)**

(see the complete beneficiary form in full agreement)

To Atlas Air, Inc.;

You are hereby directed to pay all monthly compensation allowable to me pursuant to Section 17 of the collective bargaining agreement between Atlas Air, Inc. and the Crewmembers in the service of Atlas Air, Inc., as represented by the Air Line Pilots Association, International, as follows:

The balance, if any, and any amounts accruing after death of all persons named in the above designation shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

The foregoing direction may be modified from time to time by signed letter by the undersigned, and such modification shall become effective upon the Company's receipt of such letter.

Payments made by the Company pursuant to this direction will fully release the Company from the obligation of making any further payments with respect thereto.

## SECTION 18

### **ASSOCIATION REPRESENTATIVES**

#### A. Admission of Association Officials to Company Property

The Company shall admit a reasonable number of officially designated representatives of the Association to those areas of its property where Crewmembers generally congregate (i.e. Crewmember break rooms) and to the various offices of the Company for the purpose of meetings with management officials and administering this Agreement.

#### B. Association Representatives

1. The Association shall notify the Company in writing and in a timely manner of the designation and/or election of its various representatives.

2. Any Crewmember required to be present at Company direction for an investigatory meeting which may lead to disciplinary action or disciplinary hearing as provided for in Section 19 shall, upon request, be entitled to the presence of an Association representative if one is reasonably available. If no Association representative is reasonably available then the Crewmember may ask another Crewmember to attend the meeting with him.

#### C. Short Term Release for Association Business

1. A request for the release from duty of a Crewmember for an expected period of ninety (90) days or less shall be considered a short term release for Association business, and shall be handled in accordance with the following. Any other request for the release from duty of a Crewmember for Association business shall be considered a request for an Association leave of absence, and shall be handled in accordance with the applicable provisions of Section 13.

2. Requests from the Association for the short term release from duty of a Crewmember to attend to Association business shall be made to the Director of Flight Operations, with a copy to the Director of Crew Resources, and a copy to the Director of Human Resources, Flight Crew. Such requests shall be submitted on an agreed upon form setting forth Crewmember's name, dates and duration for which release is requested, and signed by the President of the Association or by an officer of the Atlas Air Master Executive Council (MEC). These requests shall be transmitted to the Company by hand, facsimile, or e-mail, and as far in advance of the dates for which time off is requested as practicable.

3. The Company will use its best efforts to accommodate all properly submitted release requests, subject to operational needs as determined in the Company's sole discretion. As soon as practicable, but not later than two (2) business days following receipt of a request for release for Association business, the Director of Flight Operations, or his designee, shall advise the Association through the Atlas Air MEC whether the release request can be accommodated.

4. Any response denying or limiting a request shall include a statement of the reasons why the request is being denied or limited. If a request is denied or limited on account of Crewmember availability issues, the Crewmember for which the release has been requested may, on his own, attempt to arrange for another Crewmember to fly his trip(s). However, the Company must approve such an arrangement in advance to ensure that both Crewmembers will be legal and otherwise available to fly their remaining assignments during their bid period. Requests for the removal of a Crewmember from flying pursuant to this Section shall not be unreasonably requested or denied.

5. The Association shall notify the Company promptly when a release for Association business has been canceled or the period of the originally requested release has been shortened or extended. Any desired extension to the release period originally requested must be approved by the Company.

6. Each Crewmember upon returning from a release for Association business earlier than that originally requested and approved, or an Association representative on the Crewmember's behalf, shall contact Crew Scheduling immediately to advise that the Crewmember is no longer on Association business.

7. A Crewmember removed from flying for Association business of ninety (90) days or less shall be kept whole as to pay (excluding per diem) and all other applicable employment benefits as if he had not been released from and had performed the duty for which he was scheduled. Further, such Crewmember shall continue to accrue seniority and longevity as if he had not been removed from duty, and shall be eligible to bid his seniority for vacancies, upgrades and other purposes as if actively at work.

8. Each month the Company shall send an itemized invoice to the Association for reimbursement of all wage payments made to Crewmembers to keep them whole pursuant to this Section, together with an override in the percentages set forth below to cover all payroll and benefit costs to the Company related to the released Crewmember, including but not limited to payroll taxes, FICA, health insurance, other fringe benefits, if any, and payroll related expenses:

a. Eff. Date: Twenty-five per cent (25%)

b. Eff. Date+1: Twenty-five and one quarter percent (25.25%)

c. Eff. Date+2 and beyond: Twenty-five and one half percent (25.5%)

9. The invoices referenced in paragraph 8, above, shall be sent directly to the Association's Accounting Department with a copy to the Atlas Air MEC Chairman. ALPA shall pay the submitted invoice in full within thirty (30) days of receipt. The parties agree to work cooperatively to resolve any disagreements regarding a submitted invoice, and the development of any procedures that would facilitate the auditing of or accounting for approved releases.

10. In the event that ALPA does not fully reimburse the Company its costs as submitted, including disputed costs, Atlas Air shall have the option to immediately terminate its required

compliance with this Section, without recourse to the Association, until such time as the Association has fully reimbursed the Company for the costs submitted.

11. ALPA agrees to and shall indemnify and hold the Company harmless from any challenge or claim of any kind by any Crewmember released pursuant to this Section for Association business, including but not limited to a claim regarding the amount the Crewmember should have been paid while on Association business. The Company shall promptly notify the Association of any such claims of liability made against the Company.

#### D. Discrimination for Association Activities

The Company agrees that no Crewmember will be discriminated against by the Company, its officers or its agents on account of lawful activities on behalf of the Association that are not in violation of any provision of this Agreement.

#### E. General

To the extent permitted by law and as otherwise authorized by Company policy, representatives of the Association who are also an employee of the Company will be provided no cost, round trip, space-available transportation on Company aircraft for the purpose of attending Association meetings with management.

## SECTION 19

### **DISCIPLINE AND DISCHARGE**

#### A. Standard for Assessing Discipline and Discharge

1. No Crewmember that has successfully completed his probationary period as defined in Section 22 shall be disciplined or discharged except for just cause. In determining whether there is just cause to discipline or discharge a Crewmember, the Company, and the Atlas Air Crewmember System Board of Adjustment, as applicable, shall give due consideration to the rules, regulations, and policies disseminated by the Company, as those rules, regulations and policies may from time to time be amended, together with an assessment of the gravity of the offense in question, the Crewmember's seniority and his work record.

2. The Company shall have the right to discipline or discharge a probationary Crewmember for any reason not in violation of applicable law, and nothing in this Agreement shall be construed to extend to a probationary Crewmember the right to utilize the Atlas Air Crewmember System Board of Adjustment to arbitrate a grievance concerning such discipline or discharge, or to require that a probationary Crewmember's discipline or discharge be based on just cause.

#### B. Procedure for Discipline and Discharge of Crewmembers

A Crewmember shall not be disciplined or discharged without previously having been issued a "notice of hearing letter" and afforded the opportunity to attend a hearing before his Base Chief Pilot or, in the case of an Instructor, his Fleet Manager, or their designees, provided the Crewmember is reasonably available for the hearing or has not made himself unavailable for the hearing.

##### 1. Notice of Hearing Letter

a. The Company shall issue to the Crewmember a "notice of hearing letter" before conducting any discipline or discharge hearing. Such notice of hearing letter shall inform the Crewmember of the time and place of the hearing and the matter to be discussed, including the specific acts of misconduct or omission alleged and as applicable any Company rules, regulations, or policies alleged to have been violated. The notice of hearing letter must also specifically reference that discipline or discharge may be assessed and that the Crewmember is entitled to the presence of an Association representative. However, the issuance of the notice of hearing letter is intended only to advise the Crewmember of the substance of the charge against him and shall not inhibit nor limit the Company's position in the case in any way.

b. The notice of hearing letter must be issued within forty-five (45) days from the date the Company first had or should have had sufficient knowledge of (i) the events on which the discipline or discharge may be based, and (ii) that those events may constitute just cause for the discipline or discharge of the Crewmember involved. However, should the Company's investigation of the matter be ongoing it may, upon written notice to the Crewmember and the Association, extend this forty-five (45) day period by an additional forty-five (45) days. As part of its notice of extension of the time for issuing the notice of hearing letter, the Company shall

also provide to the Crewmember a statement regarding the acts of alleged misconduct or omission currently under investigation. Provided, however, that if the events upon which discipline may be based involve actions by a Crewmember that are part of an ongoing criminal investigation or could lead to criminal charges, these time limits for the issuance of a notice of hearing letter shall not apply. Further, nothing in this paragraph shall be construed to limit the Company's authority to impose progressive discipline or discharge on the basis of prior events.

c. At the time the Company issues a notice of hearing letter to a Crewmember it shall at the same time issue a copy of the letter to the Association.

## 2. The Hearing

a. The hearing will be scheduled to begin no earlier than five (5) days and no later than fifteen (15) days from the time of the Crewmember's receipt of the notice of hearing letter. Provided, however, that in the case of a Crewmember suspended without pay as provided below, the hearing will commence no later than ten (10) days after the first day of the Crewmember's suspension from service unless the Crewmember is unavailable. If the hearing does not timely commence as required, then the suspended Crewmember will be returned to pay status, provided, however, that he will remain subject to disciplinary action for the offense in question.

b. To the extent reasonably possible and to the extent that doing so will not affect the Crewmember's legality for duty or otherwise disrupt the operation, at the request of the Crewmember the hearing will be scheduled to occur on a day that the Crewmember, if not held out of service, is otherwise scheduled to be at his base.

c. If the Crewmember for whom a hearing is to be held cannot be contacted after reasonable efforts have been made, or he is unavailable for the hearing, then the Company shall meet with the Association to discuss the matter before assessing any discipline to the Crewmember or discharging him from the Company.

d. If an Association representative is not reasonably available, the Crewmember may be accompanied to the hearing by any available Crewmember of his choice.

e. If the Company agrees the Crewmember and/or the Association representative may participate in the hearing by telephone. Further, Company officials other than the official conducting the hearing may also participate in the hearing by telephone.

f. If the Company agrees, a Crewmember may waive his entitlement to the hearing provided for in this Section.

## 3. Crewmember's Status During an Investigation and Pending the Results of a Hearing

a. A Crewmember may be held out of service during an investigation that may lead to the assessment of discipline or discharge. Except as provided in paragraph b, below, the Crewmember's pay shall not be reduced as a result of any scheduled regular days of work missed trip(s) during this period.

b. A Crewmember may be held out of service without pay during an investigation that may lead to the assessment of discipline or discharge only for acts of violence, intentional or other malicious destruction of Company property, suspected violation of the Company's drug and alcohol policy, theft, gross insubordination, or other gross misconduct.

c. A Crewmember held out of service pending an investigation that may lead to discipline or discharge shall continue to participate in the normal bid line procedure for subsequent bid periods as if he were not subject to an investigatory suspension. Any compensation that may be later determined to be due him shall be based on the presumed award of a bid line in accordance with normal procedures.

#### 4. Results of the Hearing

a. The Company will issue its decision within fourteen (14) days following the close of the hearing, except in the case of a Crewmember that has been held out of service without pay in which case the decision shall be rendered within seven (7) days following the close of the hearing. If the Company fails to issue its decision within the specified time frame, the Crewmember shall be deemed exonerated.

b. Any decision by the Company to discipline or discharge a Crewmember shall be in writing, with a copy to the Association.

c. If a Crewmember has been withheld from service and/or notified that a hearing is to be held regarding any action or inaction on his part and the Crewmember is subsequently completely cleared of all of the charge(s) against him the following shall apply:

i. To the extent not prohibited by law or applicable regulations, all Company records regarding the Crewmember, including the Crewmember's personnel and training files, shall be purged of all references to the charge(s).

ii. The Crewmember will receive back pay or credit, as applicable for any awarded trip(s) missed because of attendance at the hearing or time he was withheld from service without pay.

iii. The Crewmember shall receive his daily rate for each day the Crewmember attended the hearing on what otherwise would have been a day off.

iv. If the Crewmember has been exonerated and he has Gateway privileges, the Company will pay his reasonable expenses incurred in travel to attend any Company required hearing under this Section.

d. If a Crewmember has been withheld from service and is subsequently assessed discipline intended to result in a monetary penalty less than the pay loss suffered in connection with the hearing process, the Crewmember shall be restored for the pay loss incurred that exceeds the intended monetary value, if any, of the discipline assessed.

#### C. Right to Appeal

A Crewmember or the Association may appeal any adverse action taken under this Section, in accordance with the procedures set forth in Section 20.

#### D. General

1. The number of witnesses or representatives that will be released from duty at the request of the Association to appear at a hearing under this Section shall not unduly interfere with the operations of the Company. As necessary, additional meeting dates may be scheduled.

2. The Company and the Association will be responsible for the compensation, travel, and other expenses of their respective witnesses and representatives for hearings and any other meetings held under this Section. To the extent permitted by law and as otherwise authorized by Company policy, the Company will provide a Crewmember no cost, round trip, space-available transportation on Company aircraft to attend a hearing or other meeting held under this Section.

3. The time limits contained in this Section may be extended by written or oral agreement between the parties. As soon as practicable oral agreements to extend a time limit shall be confirmed in writing by the party who requested the extension. In the event a time limit contained in this Section, or any mutually agreed extension thereof, expires on a weekend or Company holiday, the time limit shall be extended to the next business day.

4. All notices, decisions, correspondence and other written communications required herein to be sent to the Association shall be sent to the Association's designated Contract Administration Office. All notices, decisions and other written communications required herein shall be sent by such means so as to insure delivery and receipt.

5. Hearings under this Section shall generally be held at the Crewmember's base, or, in the case of an instructor, at the Miami Training Center unless the Crewmember and the Company, or the Association and the Company if the Crewmember has asked the Association to represent him in the matter, agree otherwise.

6. A stenographic or other recording of the hearings or any other meeting provided for in this Section shall not be made unless the parties mutually agree to do so, in which case the costs of such will be borne equally between the parties.

7. The issuance of advisory letters to all Crewmembers, or a class of Crewmembers, intended only to communicate policy, procedures or work rules that if violated could lead to discipline, do not constitute the assessment of discipline and are not subject to the provisions of this Section.

8. Individual counseling sessions and the documentation of such counseling sessions do not constitute the assessment of discipline and are not subject to the provisions of this Section. Documentation of a counseling session will be treated as follows:

a. Documentation of a counseling session shall include a specific notation that the counseling did not constitute the assessment of discipline.



b. Documentation of a counseling session will not be placed in the Crewmember's personnel file and/or training file, but may be otherwise retained by the Company and considered as part of the Crewmember's work record.

c. Documentation of a counseling session shall not be divulged, communicated, or distributed outside of the Company without the written consent of the Crewmember, except as may be required by any governmental agency or authority, as required by the Pilots' Record Improvement Act of 1996, or as may be otherwise required by law.

## SECTION 20

### GRIEVANCE PROCEDURE

#### A. Right to Utilize Grievance Procedure

Any Crewmember, or group of Crewmembers as provided in paragraph B.1.b, below, who has a grievance concerning the application or interpretation of this Agreement, or a grievance concerning a Company action which he believes violates this Agreement, or who believes he has been unjustly disciplined or discharged, may use this grievance procedure to grieve such matter. Prior to the filing of a grievance involving the application or interpretation of this Agreement, or an action of the Company purporting to violate this Agreement, the Crewmember(s) or an Association representative must first make an attempt to resolve the matter informally through discussions or other communications with appropriate Company personnel. Further, either the Association or the Company may initiate a grievance as provided in paragraph D, below.

#### B. Grievance Steps

##### 1. Step 1

a. The grievance must be submitted on a form provided by the Association, signed by the affected Crewmember, or by an Association representative on behalf of the Crewmember, and shall state in reasonable detail the facts upon which the claim is based, the section(s) of the Agreement and or Company work rule(s) in question, and the relief sought. The grievance shall be submitted to the Crewmember's Base Chief Pilot or, in the case of an instructor, to the instructor's Fleet Manager. No grievance will be accepted or considered that is submitted more than forty-five (45) days after the date the Crewmember knew or should have known of the problem, or lack of action giving rise to the grievance.

b. If the grievance of two (2) or more Crewmembers involves the same facts or incident and alleged violation of this Agreement, then such grievances may be filed by the Association as a "group grievance" on behalf of the affected Crewmembers, subject to all other provisions of this Section.

c. A Step 1 meeting, if requested by the Company, the Association, or the grievant, will be held as soon as practicable but in no case later than ten (10) days after the Base Chief Pilot or the Fleet Manager, as applicable, receives the written grievance. The meeting will be conducted by the Base Chief Pilot or the instructor's Fleet Manager, as applicable, or their designees. Within seven (7) days after the meeting, or if no meeting is to be held then within ten (10) days after receipt of the grievance, the management official hearing the grievance will issue a written decision to the grievant, with a copy to the Association.

d. In matters relating to discipline and discharge, the procedures set forth in Section 19 will serve as Step 1 of this grievance procedure.

##### 2. Step 2

a. A grievance that has not been resolved at Step 1, or a grievance relating to discipline or discharge, may be appealed by the Crewmember to the Vice President of Flight Operations. Such appeal must be in writing on a form provided by the Association and signed by the grievant or by an Association representative on his behalf. The appeal must be postmarked or received no later than fourteen (14) days after the Association's receipt of the Company's Step 1 written decision or in the case of a disciplinary or discharge grievance no later than fourteen (14) days after the grievant received written notification of the discipline or discharge.

b. A Step 2 meeting, if requested by the Company, the Association, or the grievant, will be held by the Vice President of Flight Operations, or his designee, within fourteen (14) days of receipt of the written appeal.

c. Within seven (7) days after the meeting, or if no meeting is to be held then within ten (10) days after receipt of the grievance, the Vice President of Flight Operations, or his designee, will issue a written decision to the grievant, with a copy to the Association.

### 3. Step 3

a. In the event a grievance has not been resolved at either Steps 1 or 2, the Association, only, may appeal the grievance to the Atlas Air Crewmember System Board of Adjustment, in the manner provided for in Section 21, paragraph D. The appeal must be in writing, addressed to, and received in the office the Company's Human Resources Department (attention: Labor Relations) no later than thirty (30) days after the date the Step 2 decision was received by Association's designated Contract Administration Office.

b. The Atlas Air Crewmember System Board of Adjustment shall be constituted and shall function in accordance with the provisions of Section 21 of this Agreement.

### C. Time Limits

1. Any time limits prescribed in this Section may be waived by mutual agreement of the Company and the grievant or Association. As soon as practicable oral agreements to extend a time limit shall be confirmed in writing by the party who requested the extension.

2. In the event a time limit contained in this Section, or any mutually agreed extension thereof, expires on a weekend or Company holiday, the time limit shall be extended to the next business day.

3. The failure of a Crewmember, or the Association on behalf of the Crewmember, to grieve or to appeal any adverse decision (in whole or in part) within the prescribed time limits provided, including any mutually agreed upon extensions to such time limits, or to make himself reasonably available for a properly scheduled meeting unless the grievant has waived his right to attend the meeting, shall cause the action or decision of the Company challenged to become final and binding.

4. If any meeting or decision required of the Company under the provisions of this grievance procedure is not held or issued within the time limits provided, including any mutually agreed

upon extensions to such time limits, the Crewmember and the Association may consider the grievance denied and appeal it to the next step of the procedure, and until such time as the Company has provided the meeting or decision required, the time limits for the grievant and/or the Association to file an appeal to the next step of this procedure, or to the System Board of Adjustment, shall be tolled.

#### D. Association and Company Grievances

In the case of a grievance covering all or substantially all Crewmembers, or a class of Crewmembers (an "Association grievance"), or in the case of a grievance initiated by the Company (a "Company grievance"), the party filing the grievance shall submit such to the other in writing. In the case of an Association grievance the matter shall be submitted to the Company's Vice President of Flight Operations and in the case of a Company grievance the matter shall be submitted to the Chairman of the Atlas Air MEC. Within thirty (30) days of the submission of either an Association or a Company grievance, the Atlas Air MEC Chairman will meet with the Company's Vice President of Flight Operation and the Company's senior official responsible for Crewmember labor relations, or their designees, to discuss the matter. If the grievance cannot be resolved as a result of this meeting then within thirty (30) days following such meeting, the grievance may be appealed to the Atlas Air Crewmember System Board of Adjustment.

1. An Association grievance shall identify all affected Crewmembers that the Association knows are affected by the grievance as of the time the grievance is filed, and the Association shall update this information to the Company on a timely basis throughout the pendency of the grievance. The grievance shall also include all information known by the Association bearing on the identity of additional potential group members.
2. No remedy awarded an Association grievance shall provide for monetary compensation for any Crewmember who knew or should have known of the facts giving rise to the grievance more than forty-five (45) days prior to the date on which the Association grievance was filed and did not file his own grievance.

#### E. General

1. A decision rendered pursuant to this Section may not add to, subtract from, or alter in any way the Agreement, but may only interpret it. Disputes resolved at Step 1 or below shall be non-precedential.
2. The number of witnesses or representatives summoned to appear at any step of the grievance procedure shall not unduly interfere with the operations of the Company. As necessary, additional meeting dates may be scheduled.
3. A stenographic or other recording of the meetings provided for in this Section will not be made unless the parties mutually agree to do so, in which case the costs of such will be borne equally between the parties.

4. Unless the Company so agrees, the grievant and the Association are precluded from raising in subsequent steps of the grievance procedure alleged violation(s) of the Agreement, issues involving the application of Company rules, or additional claims based on facts or incidents not raised as part of the grievance submitted at Step 1. Such issues may only be submitted as new grievances subject to all time limits, jurisdictional restrictions, and any other pertinent provisions of this Agreement. However, nothing herein shall preclude the grievant or the Association from raising at any step of this grievance procedure any section or provision of this Agreement that either the grievant or the Association believes supports their position in the underlying grievance.
5. Unless the Association so agrees, the Company is precluded from raising new charges in disciplinary and discharge matters that were not raised at Step 1.
6. A Crewmember will have the right to be accompanied at each meeting held pursuant to this grievance procedure by an Association employee and/or an Association representative who is an Atlas Air Crewmember.
7. The Association shall defend, indemnify and hold the Company harmless from and against any and all claims and/or liabilities arising from a lawsuit filed by a Crewmember which are based in whole or in part on the Association's refusal to file an appeal of the Crewmember's grievance to the Atlas Air Crewmember System Board of Adjustment.
8. All notices, decisions, correspondence and other written communications required herein to be sent to the Association shall be sent to the Association's designated Contract Administration Office. All notices, decisions and other written communications required herein shall be sent by such means so as to insure delivery and receipt.
9. All meetings provided for in this Section will be held at reasonable times at the general offices of the Company or at the Crewmember's base, as applicable, unless mutually agreed otherwise. At the request of the Company or the Association, any meeting provided for herein to discuss a grievance not involving discipline or discharge may be held by telephone conference. For grievances involving discipline or discharge, the waiver of any meeting provided for herein in favor of a telephone conference must be by mutual agreement.
10. The Company and the Association will be responsible for the compensation, travel, and other expenses of their respective witnesses and representatives for meetings held at any step of this grievance procedure. To the extent permitted by law and otherwise authorized by Company policy, the Company will provide a Crewmember no cost, roundtrip space-available transportation on Company aircraft to attend meetings held under this Section.

## SECTION 21

### **SYSTEM BOARD OF ADJUSTMENT**

#### A. Establishment of the System Board of Adjustment

In compliance with Section 204, Title II of the Railway Labor Act, as amended, the parties hereby establish the Atlas Air Crewmember System Board of Adjustment (the "System Board").

#### B. Composition of the System Board

The System Board shall consist of three (3) members. One member shall be designated by the Association and one member shall be designated by the Company. The third member shall be selected as provided in paragraph E, below, and shall serve as chairperson of the Board. The parties may by mutual agreement waive participation of the Association and Company designees to the Board in specific cases.

#### C. Jurisdiction

1. As provided by the Railway Labor Act, the Board shall have jurisdiction over disputes between a crewmember(s) covered by this Agreement and the Company, or between the Company and the Association, growing out of the interpretation or application of any of the terms of this Agreement, or amendments hereto.
2. Notwithstanding the provisions of paragraph 1, above, the System Board's jurisdiction is limited to hearing only those matters which have been properly appealed to it by either party, are within the scope of this Agreement, and which have been properly handled through the prior steps of the grievance procedure set forth in Section 19 and/or 20 of this Agreement, as applicable. However, by mutual agreement the parties may waive any or all prior steps of the grievance procedure and proceed directly to the System Board.
3. The jurisdiction of the System Board shall not extend to proposed changes to this Agreement nor may any decision rendered pursuant to this Section add to, subtract from, or alter in any way this Agreement. Nothing in this Agreement shall be construed to confer jurisdiction upon the System Board to consider the grievance of a probationary Crewmember concerning discipline or discharge.
4. The System Board shall have the authority to issue rulings, and make awards including reinstatement and actual wage, benefit, or seniority losses directly attributable to the Company's violation of this Agreement. Monetary awards may be granted by the System Board only upon evidence produced as part of the arbitration proceedings. Nothing in this Agreement shall be construed to confer upon the System Board's jurisdiction to award consequential or punitive damages. The System Board shall have the authority to order a party to comply with any provision of this Agreement.
5. In determining any monetary sum to be awarded, the System Board is required to consider any

monetary amounts earned or received by the grievant or grievants that mitigate an award otherwise properly allowable. The Company has the right to proof of mitigation or lack thereof by the grievant(s).

#### D. Appeals

1. The System Board shall consider any grievance or appeal properly submitted by either the Association or the Company.

2. Each submission to the System Board must contain:

a. the question or questions in issue, including the specific Section(s) of this Agreement alleged to have been violated;

b. a statement of facts;

c. the grieving party's position;

d. the position of the other party as the submitting party understands it;

e. the relief sought.

3. Unless otherwise mutually agreed, grievances shall be scheduled for hearing by the System Board in the following order:

a. grievances appealing the termination of a crewmember;

b. grievances filed by the Association on behalf of all or substantially all crewmembers, and grievances filed by the Company;

c. grievances appealing a disciplinary suspension of two (2) weeks or more;

d. all other disciplinary grievances;

e. all other grievances.

4. The grievances within a category listed in paragraph D.3, above, shall be scheduled on a first-appealed, first-scheduled basis using the date the grievance was appealed to the System Board. If two (2) or more grievances of the same category are appealed to the System Board on the same date, the grievances will be given priority within category based on the lowest grievance number assigned by the Association to such grievances.

#### E. Selection of the Neutral Arbitrator

There will be a standing panel of ten (10) arbitrators for the term of this Agreement from which the parties will select the neutral arbitrator to sit as the System Board or in the case of a three

person System Board, as chairperson.

1. Each party will appoint five (5) persons to the standing panel, each of whom must be a member of the National Academy of Arbitrators with expertise and experience in airline labor arbitration unless the parties mutually agree to waive these requirements as to one or more appointees.
2. The names of the arbitrators appointed to the standing panel will be placed on a list in random order established by a random drawing of each arbitrator's name. Once established, the list of arbitrators will be set forth in a side letter to this Agreement.
3. In the event an arbitrator appointed to the standing panel is unable or unwilling for any reason to continue service on the panel, that arbitrator may be removed from the panel and replaced with another qualified arbitrator by the party that appointed the arbitrator being replaced. The side letter of arbitrators shall be amended, placing the newly appointed arbitrator in the position on the list that was occupied by the arbitrator that he replaced.

#### F. Administration of the System Board

1. Unless the parties agree to use a particular arbitrator from the standing panel, or have agreed to utilize another means of selecting an arbitrator from the panel, grievances to be scheduled shall be assigned to arbitrators in the order in which their names appear on the standing panel. Either party may initiate the scheduling of a grievance for arbitration by notifying the arbitrator to be assigned the grievance in writing of the following information. A copy of the written submission to the arbitrator shall be sent to the other party at the same time that it is sent to the arbitrator.
  - a. That the arbitrator has been selected on the basis of his name appearing on a standing panel inclusive to this Agreement.
  - b. The name and number of the grievance, and whether it is a contract dispute or a discipline/discharge matter.
  - c. The scheduling party's estimated number of days required to hear the grievance.
  - d. The city in which the hearing is likely to be held.
2. The arbitrator will be asked to provide to both parties his available dates for hearings for the next sixty (60) days. If the earliest available date provided by the arbitrator is more than sixty (60) days from the date of the initial request then either party may elect to bypass that arbitrator and proceed to the next arbitrator listed on the standing panel and repeat the applicable procedures.
3. Upon receipt of the arbitrator's dates of availability, the parties will confer regarding a mutually agreeable date or dates for the hearing. If no date has been agreed upon within fourteen (14) days from the date the arbitrator provided his dates of availability then either party may



request in writing, with a copy to the other party, that the arbitrator schedule the hearing. Upon receipt of such a request the arbitrator will schedule the hearing.

4. The above listed provisions providing for notifications and communications with the arbitrator shall not be construed to permit any unauthorized ex parte communication with the arbitrator regarding the nature or merits of the grievance to be heard.

5. Notwithstanding the foregoing, the parties may waive the standing panel and utilize any system mutually agreeable for the selection of a neutral arbitrator to hear a particular case, including mutual agreement as to a particular individual or the use of a panel of neutral arbitrators obtained from an appropriate agency and utilizing the alternate strike method.

#### G. System Board Hearings

1. The parties will endeavor to convene the System Board for a particular grievance as soon as possible after it has been appealed to the System Board.

2. The System Board will meet at a mutually agreeable facility in Westchester County, New York unless the parties agree to meet elsewhere.

3. A stenographic or other recording of the hearing may be made at the request of either party or upon mutual agreement of the parties. Except in the case of a mutual agreement, the cost of the stenographic or other recording shall be borne by the requesting party and such recording shall be for the exclusive benefit for such party. In the case of a mutual agreement for recording of the hearing the costs of such shall be borne equally by the parties. Nothing shall preclude the arbitrator from making or requesting a recording of the hearing for the arbitrator's exclusive use.

4. The number of employee witnesses and representatives summoned to appear at any one time shall not be greater than that which can be spared without interfering with the Company's operations. Additional hearing dates will be scheduled as necessary. However, upon receipt of at least fourteen (14) days advanced notice the Company shall release the Association's System Board member to the extent necessary to allow him to attend meetings of the Board.

5. Unless the parties mutually agree otherwise, the Association and the grievant are precluded from raising before the System Board, and the System Board is precluded from considering, alleged violation(s) of the Agreement not raised in either Step 1 or Step 2 of the grievance process or additional claims based on facts or incidents not raised in the original grievance. Any such new issues or claims may only be submitted as new grievances subject to all time limits, jurisdictional restrictions, and any other pertinent provisions of this Agreement. However, nothing in this paragraph shall be construed to preclude the Association and/or the grievant from raising procedural matters before the System Board that were not raised at either Step 1 or Step 2 of the grievance process.

6. Unless the parties mutually agree otherwise, the Company is precluded from raising before the System Board new charges in discipline and discharge matters not raised at Step 1 of the grievance procedure.

7. Notwithstanding anything to the contrary contained in paragraphs 5 and 6, above, the parties shall not be precluded from raising any procedural or jurisdictional issues before the System Board that were not raised in the original grievance or at the earlier steps of the grievance procedure.

8. The System Board will be asked to issue its decision in writing as soon as reasonably possible, but in no case more than sixty (60) days after the hearing(s) conclude. Further, either party may request that the System Board issue its decision orally or with a brief written decision after the taking of evidence and the conclusion of oral arguments, with a comprehensive written decision to follow.

#### H. Expedited Proceedings

It is the goal of the parties to expedite the grievance procedure. Therefore, written briefs will generally be avoided in favor of oral opening and closing arguments, and lengthy written decisions from the System Board will be discouraged. Towards this end, with the mutual agreement of the parties the following procedures may be employed for any one or more grievances:

1. The parties will select one or more neutral arbitrators to hear all grievances then pending before the System Board to be heard under this expedited procedure.
2. Each arbitrator selected will sit as a one person System Board, to hear as many as three (3) grievances in one sitting.
3. No pre-hearing or post-hearing briefs will be permitted, nor will a stenographic or other recording of the proceedings be made, other than by the neutral arbitrator for his exclusive use.
4. The neutral arbitrator(s) shall issue a “bench” decision following closing oral arguments for each grievance heard. No later than seven (7) days after the close of the proceedings, he or she will issue a written decision for each grievance comprised of a statement of the issue and the neutral arbitrator’s award. Within fourteen (14) days after the date of the neutral arbitrator’s written award either party may request that the neutral arbitrator write and issue within thirty days of the request a more complete written decision. This written decision shall include a detailed statement of the facts together with the basis for the neutral arbitrator’s decision and award. The requesting party shall be responsible for any additional fees from the neutral arbitrator associated with the request.

#### I. Representatives Before the System Board

1. The Company and the Association shall be the only parties to the System Board.
2. The Company shall designate the persons or persons who may present its arguments and evidence to System Board. The Association shall designate the persons or persons who may

present its arguments and evidence to System Board, and, at its discretion, who may present any arguments and evidence on behalf of the grievant.

## J. General Provisions

1. A majority decision of the System Board, or of the arbitrator when the participation of the Company and Association designees to the System Board has been waived, regarding matters properly before the Board shall be final and binding.

2. Each System Board member shall be free to discharge his duty in an independent manner and each witness shall be free to testify without fear that her or his individual relations with the Company, Association, or fellow employees may be affected in any manner by an action taken in good faith as a member of a System Board or as a witness.

3. Nothing herein shall be construed to limit, restrict, or abridge the rights and privileges accorded the crewmembers covered by this Agreement, the Association, the Company or any of their respective representatives under the provisions of the Railway Labor Act, as amended.

4. The expenses of conducting the System Board and compensation and reasonable expenses of the neutral arbitrator shall be borne equally by the Company and the Association. Unless mutually agreed otherwise, in the event of a cancellation of a scheduled System Board the party responsible for the cancellation shall bear the burden of any associated cancellation fees.

5. The Company and Association will be responsible for the compensation, travel and other expenses of their respective System Board members, witnesses and representatives as each may determine is appropriate.

6. To the extent permitted by law and otherwise authorized by Company policy, the Company will provide the grievant and other crewmembers no cost, space-available roundtrip transportation on Company aircraft to attend hearings and other meetings of the System Board.

7. The time limits contained in this Section may be extended by the mutual agreement of the parties. Any oral agreements to extend such time limits will be confirmed in writing as soon as practicable by the party that requested the extension. In the event a time limit or mutually extension of a time limit expires on a weekend or Company holiday, the time limit shall be extended to the next business day.

## SECTION 22

### SENIORITY

#### A. General

1. Except as may otherwise be provided in this Agreement, seniority will govern with respect to upgrade and downgrade, reduction in force (furlough), recall from furlough, domicile and aircraft assignments due to expansion or reduction in aircraft and/or domicile staffing, normal monthly line and pattern awards, and vacation bidding as provided in Section 7.

2. There shall be two seniority lists comprised of the "Flight Engineers" list and the "Pilots" list.

a. Seniority as a Flight Engineer shall be based on the individual's length of service as a Flight Engineer, beginning with the date the individual commenced training with the Company as a Flight Engineer, and his relative position in that Flight Engineer training class.

b. Seniority as a Pilot shall be based on the individual's length of service as a Pilot, beginning with the date the individual commenced training with the Company as a Pilot, and his relative position in that Pilot training class.

c. For both the Flight Engineers and Pilots seniority lists, when two or more individuals begin training on the same date, the oldest shall be placed first on the applicable seniority list first. If two or more such individuals have the same birth date their placement on the applicable seniority list will be determined using the last four digits of their social security numbers, with the individual having the greater number placed on the list first.

d. An individual on the Flight Engineer seniority list who accepts a position with the Company as a Pilot will be placed on the Pilot seniority list in accordance with the provisions of paragraphs b and c, above, provided, however, that he shall also continue to accrue seniority as a Flight Engineer in accordance with this Section.

e. An individual on the Pilot seniority list who accepts a position with the Company as a Flight Engineer will be placed on the Flight Engineer seniority list in accordance with the provisions of paragraphs a and c, above, provided, however, that he shall also continue to accrue seniority as a Pilot in accordance with this Section.

3. Except as may be otherwise provided in this Agreement, seniority as a Flight Engineer and/or a Pilot will continue to accrue during the individual's uninterrupted period of employment with the Company.

4. The promotion of a junior Crewmember over a more senior Crewmember as may be allowed under this Agreement shall not effect either Crewmember's relative position on the applicable seniority list(s).

## B. Seniority List

1. The Company shall maintain both the Flight Engineer and Pilot seniority lists, which will include all Flight Engineers and Pilots employed by the Company as of the date the lists are published. The Flight Engineer and Pilot seniority lists as of the date of the signing of the Agreement are attached hereto as Appendix A.

2. The official Flight Engineer and Pilot seniority lists will be published and posted by the Company on March 1<sup>st</sup> and September 1<sup>st</sup> of each year. Posting of the list shall include placement of the lists on an appropriate bulletin board in each domicile. At the same time the Association shall post the lists as provided to it by the Company on its web-site. Each list will contain the names of all Crewmembers holding seniority on each list and, at a minimum, the following information for each Crewmember shown, current as of the February 15<sup>th</sup> for the March 1<sup>st</sup> posted lists and August 15<sup>th</sup> for the September 1<sup>st</sup> posted lists:

- a. Date of hire as a Pilot or Flight Engineer, as applicable, and relative seniority number.
- b. Position held (Captain, First Officer, or Flight Engineer), including aircraft type.
- c. Current domicile.
- d. Status (i.e., active, leave of absence, management).

## C. Protests Regarding Seniority

1. A Crewmember shall have a period of thirty (30) calendar days after the posting of the seniority lists to protest to the Company his relative seniority position or other incorrect posting that affects his seniority on either list, as applicable. Provided, however, that a Crewmember on vacation, leave of absence, or furlough shall be permitted fourteen (14) calendar days after return to duty to submit a protest as allowed herein. A Crewmember failing to file a written protest within the time limits provided herein shall be bound by the list as posted and shall have no further recourse.

2. A Crewmember protesting his position on either or both seniority lists shall submit the protest in writing to the Company's Vice President of Flight Operations or his designee, with a copy to the Association. Only protests relating to errors or changes occurring after the last required semi-annual posting of the official seniority lists shall be subject to this or any other protest procedure, including the grievance procedure set forth in Sections 20 and 22.

3. The Company will present all properly submitted seniority protests to the Association for its review and position regarding how the protest should be resolved.

- a. If the Company agrees with the resolution of the seniority protest proposed by the Association then the seniority list(s) will be amended accordingly and the protest resolution will become final and binding on all parties and for all purposes.

b. If the Company does not agree with the resolution of the seniority protest proposed by the Association then the Association may submit the matter directly to the System Board of Adjustment provided for in Section 21 of this Agreement. Should the protest be so submitted, the Board shall be asked to hear the matter as expeditiously as possible and its decision in the matter will be final and binding on all parties and for all purposes.

#### D. Loss of Seniority

A Crewmember will forfeit all seniority rights and his name will be removed from the applicable seniority list(s) as may be specifically provided elsewhere in this Agreement and when he:

1. is discharged and the discharge is upheld or unchallenged;
2. retires or dies;
3. resigns his employment with the Company;
4. does not return to work upon the expiration of a leave of absence;
5. has been on continuous leave for a period in excess of that provided for the leave he was granted in Section 13 (Leaves of Absence) of this Agreement;
6. has been on furlough for a period in excess of that provided in Section 23 (Reduction in Force, Furlough, and Recall) of this Agreement; or
7. forfeits his Crewmember seniority but remains an employee with the Company.

#### E. Probationary Crewmembers

A Crewmember will be considered a probationary Crewmember until such time as he has completed 365 days of active service with the Company as a Crewmember, beginning with the date the Crewmember commenced training with the Company as either a Pilot or Flight Engineer, as applicable.

#### F. Transfer to Position with an Entity Related to the Company

1. A Crewmember that has completed his probationary period and subsequently transfers to a position with an entity related to the Company (e.g., an international subsidiary, joint venture, etc.) shall retain and continue to accrue seniority on the Pilot and/or Flight Engineer seniority list(s), as applicable.
2. A Crewmember that transfers to a position with an entity related to the Company before he has completed his probationary period will retain but not accrue any further seniority on either the Flight Engineer or Pilot seniority list(s), as applicable. Further, such a Crewmember will be required to complete his probationary period in accordance with paragraph D, above, upon his return to a position covered by this line Agreement.

3. If a Crewmember while working in a position with an entity related to the Company is discharged, his name shall be removed from the applicable Crewmember seniority list(s) and he shall have no right to return to line flying.

4. The Company in its discretion may require a Crewmember who transfers to a position with an entity related to the Company to remain at such entity for a predetermined length of time before he can exercise his rights pursuant to Section 24 to bid to a position covered by this Agreement. If a Crewmember has completed the required length of service and he is unable pursuant to Section 24 to bid and hold a position covered by this Agreement he may remain with the entity related to the Company or, at his option, resign such position, in which case he will be considered to be in a furloughed status under this Agreement with recall rights pursuant to Section 23, but not entitled to the pay benefits provided for therein.

5. If a Crewmember who has transferred to an entity related to the Company is subsequently laid off or furloughed from the related entity, or who is involuntarily reduced in status to a position lower than the position that the Crewmember held when first staffed at the related entity, the Crewmember shall be entitled to exercise the rights provided to him pursuant to Section 23, provided, however, that he shall not be entitled to the pay benefits provided for therein if unable to hold a position covered by this Agreement.

#### G. Transfer to Management or Other Position with the Company

1. A Crewmember that has completed his probationary period and subsequently transfers to a management or any other position with the Company not covered by this Agreement shall retain and continue to accrue seniority on the Pilot and/or Flight Engineer seniority list(s), as applicable. Such an individual shall exercise his seniority if and when he elects to return to a position covered by this Agreement and subject to his meeting all qualifications for the position to which he is attempting to return.

2. A Crewmember that transfers to a management or other position with the Company not covered by this Agreement before he has completed his probationary period will retain but not accrue any further seniority on either the Flight Engineer or Pilot seniority list(s), as applicable. Further, such an individual will be required to complete his probationary period in accordance with paragraph D, above, upon his return to a position covered by this Agreement.

3. The parties recognize and agree that a Crewmember who is discharged from the Company while working full time in a management or other position not covered by this Agreement shall be removed from the applicable Crewmember seniority list(s) and shall have no right to return to any position covered by this Agreement.

## SECTION 22 (A)

### **TRANSITION BETWEEN SENIORITY LISTS**

#### A. Transition from Flight Engineer to Pilot

A Flight Engineer may bid for vacant First Officer position as provided for in this paragraph.

1. In order to be eligible to submit such a bid, the Flight Engineer must possess the minimum qualifications for the First Officer position, as established by the Company, and have successfully completed the simulator evaluation required by the Company of Flight Engineers desiring to transition to First Officer.
2. It is the Flight Engineer's sole responsibility to obtain the minimum qualifications for the First Officer position and to complete the required simulator evaluation. The Flight Engineer will not receive any compensation for time spent, or reimbursement of any expenses incurred, in obtaining such minimum qualifications or completing such simulator evaluation.
3. A Flight Engineer who is qualified to bid for the First Officer position may exercise his seniority to bid for a vacant First Officer position that otherwise would be filled by the Company through the hiring of a new Crewmember, but does not have the right to displace any incumbent First Officer. Nothing herein shall be deemed to require the Company to fill a vacant First Officer position.
4. A Flight Engineer who is awarded a First Officer position pursuant to this Section shall be placed on the Pilot seniority list in accordance with Section 22 paragraph A.2. However, if the upgrading Flight Engineer does not successfully complete the required First Officer training for any reason, his name will be removed from the Pilot seniority list.
5. A Flight Engineer who is awarded a First Officer position pursuant to this section and who does not successfully complete all required training, or who declines an opportunity to participate in the necessary training, shall retain his position as a Flight Engineer. However, such Flight Engineer's right to bid in the future for vacant First Officer positions will be governed by the following provisions:
  - a. The Flight Engineer shall be ineligible to bid for a First Officer position for a period of one (1) year after the date on which he returns to active service as a Flight Engineer following re-qualification training for the Flight Engineer position, if any.
  - b. After the expiration of the one (1) year period referenced in paragraph 5.a, above, the Flight Engineer will again be eligible to bid for a vacant First Officer position consistent with the provisions of this Section. If the Flight Engineer is again awarded a First Officer position, his position on the Pilot seniority list will be in accordance with the provisions of Section 22, paragraph A.2, provided, however, that the date he shall be considered to have commenced training as a Pilot shall be considered this attempt at First Officer training, not his earlier attempt.



c. If the upgrading Flight Engineer again does not successfully complete all required training he will retain his position as a Flight Engineer, but shall be ineligible to ever bid again or otherwise be awarded a First Officer position. Further, his name shall again be removed from the Pilot seniority list.

6. A Flight Engineer that is awarded a First Officer position shall be ineligible to bid for a Captain position until he has satisfied the minimum qualifications for the Captain position as established by the Company.

## B. Transition from Pilot to Flight Engineer

A Pilot may bid for a vacant Flight Engineer position as provided for in this paragraph.

1. In order to be eligible to submit such a bid, the Pilot must possess the minimum qualifications for the Flight Engineer position, as established by the Company.

2. Any Pilot desiring to bid to a Flight Engineer vacancy must so advise the Company in writing no less than one hundred eighty (180) days before he reaches any mandatory Pilot retirement age.

3. It is the Pilot's sole responsibility to obtain the minimum qualifications for the Flight Engineer position. The Pilot will not receive any compensation for time spent, or reimbursement of any expenses incurred, in obtaining such minimum qualifications.

4. A Pilot who is qualified to bid for the Flight Engineer position may exercise his seniority to bid a vacant Flight Engineer position that otherwise would be filled by the Company through the hiring of a new Crewmember, but does not have the right to displace any incumbent Flight Engineer. Nothing herein shall be deemed to require the Company to fill a vacant Flight Engineer position.

5. A Pilot who is awarded a Flight Engineer position pursuant to this Section shall be placed on the Flight Engineer seniority list in accordance with Section 22, paragraph A.2. However, if the downgrading Pilot does not successfully complete the required Flight Engineer training for any reason, his name will be removed from the Flight Engineer seniority list.

6. A Pilot who meets all requirements and submits a valid bid for a Flight Engineer position under this Section and who is not awarded a Flight Engineer vacancy prior to reaching the mandatory retirement age shall have the right to be placed on a transition leave of absence for the purpose of enabling the Pilot to bid for vacant Flight Engineer positions in the future that otherwise would be filled by the Company through the hiring of new Crewmembers. This transition leave of absence is governed by the following provisions:

a. Prior to the date on which he reaches any mandatory Pilot retirement age, the Pilot must submit to the Chief Pilot a written request to be placed on a transition leave of absence.

b. The transition leave of absence will begin on the date of the Pilot's attainment of the mandatory retirement age, and will have a maximum duration of twenty-four (24) months. The transition leave of absence will terminate on the earlier of: (i) the date on which the Pilot begins or declines to begin the required training for the Flight Engineer position if he is awarded any such position, or (ii) twenty-four (24) months from the start of the transition leave of absence if the Pilot is not awarded a vacant Flight Engineer position during said period.

c. The transition leave of absence will be unpaid. During the month in which the transition leave of absence begins, the Pilot's minimum monthly guarantee shall be reduced by one-thirtieth for each day of the month on which the Pilot is on the transition leave of absence. The same pro-rata shall be applicable to any month in which a Pilot on transition leave of absence returns to duty as a Flight Engineer.

d. A Pilot on transition leave of absence may continue Company provided medical insurance, but only pursuant to the requirements of the Consolidated Omnibus Budget and Reconciliation Act (COBRA) and only so long as he pays the required monthly premiums and administrative fees charged by the Company.

e. If two (2) or more Pilots are in a transition leave status at the time that a Flight Engineer vacancy becomes available, the vacancy shall be awarded as follows:

i. First to the Pilot with the most Flight Engineer seniority, if any.

ii. If no Pilot in a transition leave status has any Flight Engineer seniority, then the vacancy shall be awarded to the Pilot with the most Pilot seniority, regardless of how long the Pilot has been in the transition leave.

7. A Pilot who loses the required medical certificate to continue as a Pilot but who is otherwise medically qualified to fill a position as a Flight Engineer shall be entitled to bid a Flight Engineer vacancy, subject to all provisions of this Section.

8. A Pilot working as a Flight Engineer shall remain on the Pilot seniority list unless he has reached the mandatory retirement age for Pilots in which case his name shall be removed from the Pilot list.

9. A Pilot who is awarded a vacant Flight Engineer position under this Section and who does not successfully complete all required training or who declines a Flight Engineer vacancy award for which he has bid will not be eligible to bid again for a vacant Flight Engineer position. If the Pilot had already reached the mandatory Pilot retirement age, he will be deemed to have retired and his name will be removed from the Pilot seniority list and the Flight Engineer list, as applicable.

C. General

1. The minimum qualifications established by the Company for a Flight Engineer to be eligible to transition to a First Officer position shall be no more stringent than the Company requires for a new-hire First Officer.

2. The minimum qualifications established by the Company for a Pilot to be eligible to transition to a Flight Engineer position shall be no more stringent than the Company requires for a new-hire Flight Engineer.

## SECTION 23

### **BASE AND SYSTEM REDUCTIONS IN FORCE AND RECALL**

#### A. Base Reductions in Force

1. If the Company decides to reduce the number of Pilots or Flight Engineers staffed at a permanent sub-base, the most junior Pilot or Flight Engineer, as applicable, in the sub-base shall be displaced from his current position.

2. A displaced Crewmember will be awarded a new position in the system based on his standing bid on file, subject to any bidding freezes to which he may be subject pursuant to Section 24 of this Agreement, and seniority permitting. However, in the case of a displacement such freezes shall be modified as follows:

##### a. Captains

i. A displaced Captain subject to the freeze set forth in Section 24.D.1.a shall be permitted to bid another Captain position in the following order:

a) To a Captain position on his same aircraft type at any base.

b) To a Captain position on a different aircraft type at his current base.

c) To a Captain position on a different aircraft type at any base.

ii. A displaced Captain subject to the freeze set forth in Section 24.D.1.a shall be permitted to bid a First Officer position in the following order:

a) To a First Officer position on his same aircraft type at his current base.

b) To a First Officer position on his same aircraft type at any base.

c) To a First Officer position on a different aircraft type at his current base.

d) To a First Officer position on a different aircraft type at any base.

iii. A displaced Captain subject to the freeze set forth in Section 24.D.1.a may combine his displacement rights to a Captain or First Officer position in the priority orders set forth above.

##### b. First Officers

i. If a displaced First Officer does not have sufficient seniority to remain a First Officer on his current aircraft at any base then the freeze set forth in Section 24.D.1.c shall be modified so as to allow the Crewmember to bid a First Officer position in another aircraft type but at his current base.

ii. If a displaced First Officer does not have sufficient seniority to hold a position as a result of the waiver provided in paragraph b.i, above, then the freeze shall be further modified so as to allow him to bid as a First Officer to another aircraft type at any base.

c. Probationary Crewmembers

The modification to freezes set forth above shall not apply to a probationary Crewmember, who in the case of a displacement shall remain subject to the freeze set forth in Section 24.D.1.g.

d. Training Failure Freeze

The freeze set forth in Section 24.D.1.d shall be waived only if the Crewmember can no longer hold his current status on his current aircraft at any base in the system, but the affected Crewmember shall remain subject to all other applicable freezes except as modified herein.

e. Relocation Freeze

The freeze set forth in Section 24.D.1.e shall be waived to the same extent and in the same manner as provided in paragraph 2.a.i, ii, and iii in the case of a Captain and as provided in paragraph 2.a.ii in the case of a First Officer.

3. If a displaced Crewmember has failed to bid a position that his seniority allows him to hold, he shall be treated in accordance with the provisions of Section 24, paragraph B.5. If a displaced Crewmember can no longer hold any position in the system then he shall be furloughed in accordance with the provisions of paragraph B, below.

4. In exercising his rights under paragraph 2, above, a displaced Crewmember shall not be restricted to filling existing vacancies but may displace another more junior Crewmember so long as the junior Crewmember is not working in a position in a higher pay status than that of the displacing Crewmember. Such a subsequently displaced Crewmember shall have the same displacement rights as provided for in this Section.

B. System Reductions in Force (Furlough)

1. If the Company decides to reduce the total number of Pilots or Flight Engineers in the system, it shall furlough the most junior Pilot(s) and/or Flight Engineer(s), provided, however, that nothing herein shall be construed to limit the Company's right to terminate the employment of a probationary Crewmember in lieu of furlough.

2. Each Crewmember to be furloughed shall be so notified a minimum of thirty (30) days prior to the effective date of the furlough, or receive pay in lieu thereof (based on his applicable guarantee). This provision shall not apply to a Crewmember with less than one year of seniority as of the date the furlough is to be effective.

3. A Crewmember's furlough date may be extended provided he is given fourteen (14) days notice of such. If the Crewmember does not receive the required fourteen (14) days of notice, he may be extended only with his concurrence.

4. A furloughed Crewmember in pay status at the time of the furlough who has one (1) or more years of service shall receive furlough pay equal to thirty (30) times his current base hourly rate of pay. A Crewmember who is not in a pay status at the time of his furlough will not be eligible for any furlough pay, nor will a displaced Crewmember whose seniority would have allowed him to retain a position on the system and who has instead elected to be furloughed pursuant to paragraph A.2, above.

5. Notwithstanding the foregoing, at its discretion the Company may solicit more senior volunteers from the sub-base (s) at which a Crewmember subject to a furlough is staffed. In such a case the most senior volunteer(s) shall be furloughed from the system and shall have the furlough rights provided for herein.

#### C. Recall from Furlough

1. Furloughed Crewmembers shall be required to keep a standing bid on file as provided for in Section 24. A furloughed Crewmember may change his standing bid at any time and such change will be effective the day after it is received by Crew Staffing. The Company shall notify those Crewmembers in a furlough status of the opening or closing of any base or sub-base at the same time such notice is provided to active Crewmembers.

2. Recall of furloughed Crewmembers shall be in seniority order and based on the furloughed Crewmembers' standing bids on file. If a furloughed Crewmember has not listed a particular recall preference (base, seat, equipment) on his standing bid he will not be recalled to a vacancy in that preference and he will be bypassed in favor of a more junior Crewmember who has indicated a willingness to be recalled to that position, or a new-hire, as applicable.

3. Once notified of recall in accordance with a Crewmember's standing bid, a furloughed Crewmember must accept such within seven (7) days or he will be considered to have resigned his employment with the Company and his name shall be removed from the Pilot and/or Flight Engineer seniority lists. Further, in order to accept recall a Crewmember must be able to report for duty or training, as applicable, no later than twenty-one (21) days after he has been notified of his recall.

4. At the time a furloughed Crewmember accepts recall he shall mail or FAX to the Company a copy of a current FAA medical certificate that is required for the position to which the Crewmember has been recalled. If the Crewmember does not have a current required FAA medical certificate he shall not be eligible for recall and shall remain in a furlough status until such time as he regains the required medical certificate and is again recalled.

5. A recalled Crewmember shall be guaranteed a minimum of thirty (30) days of continuous employment or pay in lieu thereof.

6. A furloughed Crewmember who accepted recall in a timely manner but fails to report for duty as required will be considered to have resigned his employment with the Company and his name shall be removed from the Pilot and/or Flight Engineer seniority lists.

#### D. General

1. The provisions of this Section shall not apply if the need to reduce the staffing at a base or to furlough is occasioned by a strike, work stoppage, act of God, or any other circumstances over which the Company has no control.

2. At the time a Crewmember is furloughed he shall be paid any unused vacation to which he was entitled in the current calendar year.

3. A Crewmember will continue to accrue seniority but not longevity while on furlough.

4. A furloughed Crewmember's recall rights will expire five (5) years from the effective date of the Crewmember's furlough at which time his name will be removed from the Pilot and/or Flight Engineer seniority list(s), as applicable.

5. For the purposes of any notice or other communications required of the Company in this Section it will be sufficient for the Company to direct such to the Crewmember's most recent address on file with Crew Staffing. It shall be the Crewmember's responsibility to inform Crew Staffing of his current address and telephone number, and any changes to such during the term of his furlough.

6. All insurance benefits to which a furloughed Crewmember may have been eligible while in active service will terminate effective with the start of the Crewmember's furlough except for medical benefits which will continue for an additional thirty (30) days. Thereafter, the Crewmember may continue such benefits at his cost pursuant to COBRA.

NOTE: Language to be inserted in Section 2, Definitions

The term "sub-base" as used in this Agreement shall mean a subset of a base within which Crewmembers are staffed and bid their monthly schedules. Examples of a sub-base would include the ANC 747-200 flying, or the ANC 747-400 flying, each of which are a part of the ANC base.

## SECTION 24

### FILLING OF VACANCIES

#### A. Determination of Bases and Staffing

1. The Company shall have the right, in its sole discretion, to open and close a base or sub-base, to determine the location for all bases, and to determine the number of positions to be staffed at each base and sub-base.

2. The Company shall provide written notice to the Association's Master Executive Council of its intention to open a base at least ninety (90) days prior to the anticipated opening date. However, if the decision to open the new base is made less than ninety days before its scheduled opening date, the Company shall notify the Association's Master Executive Council as soon as practicable after the decision has been made.

3. The Company shall provide written notice to the Association's Master Executive Council of its intention to close a base at least ninety (90) days prior to the anticipated closing date. However, if the decision to close the base is made less than ninety (90) days before its scheduled closing date, the Company shall notify the Association's Master Executive Council as soon as practicable after the decision has been made.

4. Every Crewmember not in a furloughed status shall hold a position (base, seat and equipment type) within the Company's designated base system, subject to the provisions of paragraph C.7, below.

#### B. Standing Bid System

1. The Company will establish and maintain a "standing bid system." The Company shall use the standing bid system to fill vacancies, to process base and sub-base reductions in force, and to process recalls.

2. Each Crewmember, including a Crewmember who has transferred to an entity related to the Company as provided for in Section 22, must maintain a standing bid with the Company, regardless of the Crewmember's status. The standing bid shall be used by a Crewmember to:

a. Advise the Company of his desire to maintain or change position, equipment or base.

b. In the case of a base or sub-base closure or reduction, to advise the Company of the Crewmember's exercise of his options under Section 23.

c. In the case of a furloughed Crewmember, to advise the Company of his recall preferences as provided for in Section 23.



3. A Crewmember may change his standing bid at any time by properly submitting a new standing bid to Crew Staffing. It shall be the Company's responsibility to make available the required form and to effectively communicate the manner in which it can be submitted.
4. A properly submitted standing bid or amended standing bid will be considered on file with the Company and effective the day after the standing bid has been received by Crew Staffing.
5. If a Crewmember has not submitted a standing bid or his standing bid reflects insufficient choices to accommodate his seniority, his first bid preference shall be considered to be his existing position. If his current position is eliminated or his seniority no longer entitles him to hold the position then he shall be considered to have bid the following:
  - a. His current position on his current aircraft type, regardless of base; then
  - b. The highest paying status for which he is qualified on his current aircraft type at his current base; then
  - c. The highest paying status for which he is qualified on his current aircraft type at any base; then
  - d. To the highest paying status he can hold on any aircraft type, regardless of base.

#### C. Filling of Vacancies

1. At the time the Company elects to fill a vacancy it shall utilize the standing bids of all Crewmembers on file as of that date, regardless of the effective date of the bid award. Except as provided in paragraph F, below, for the establishment of a new base, there shall be no requirement that the Company post any vacancy before it is awarded. Therefore, it is the responsibility of each Crewmember to maintain a complete and up-to-date standing bid on file at all times.
2. Vacancies shall be filled in seniority order based on the standing bids of "eligible" and "qualified" Crewmembers on file the day that the Company elects to fill a vacancy.
  - a. For a Crewmember to be considered "eligible," the Crewmember must not be subject to a "freeze" as set forth in paragraph D, below, as of the date the bid to be awarded is to be effective, or be subject to the restrictions set forth in paragraph I, below.
  - b. A "qualified" Crewmember shall be a Crewmember who possesses the required qualifications for the vacancy to be filled, but such required qualifications shall not include any upgrade or transition training that may be necessary. Qualifications shall be determined by the Company and shall include but not be limited to:
    - i. Medical qualifications
    - ii. Experience in status

iii. Experience in aircraft type

iv. Satisfactory Route and Procedure evaluations

v. Flight Engineer upgrade qualifications as referenced in Section 22(A)

3. If no eligible and qualified Crewmember has bid the vacancy to be filled, then at the Company's option it may fill the vacancy utilizing any one of the following:

a. Waive any freeze that otherwise makes the most senior Crewmember bidding the vacancy ineligible for such.

b. Modify the required qualifications for the position

c. Leave the vacancy open.

d. Implement the procedures of Section 23 and assign a Crewmember to the vacancy.

e. Fill it with a new hire Crewmember.

4. The award of a vacancy shall include the date that the award is to be effective. In no case shall the effective date be less than thirty (30) days after the bid has been awarded, provided, however, that this thirty (30) day requirement shall not be construed to preclude the Company from requiring the affected Crewmember to begin training.

5. Generally, vacancy bids will be awarded no later than the tenth (10<sup>th</sup>) day of the month immediately prior to the month in which the award is to be effective. The effective date of a vacancy award shall be no earlier than the first day of the bid month following the month in which the award was made.

6. Vacancies created as the result of a Crewmember being awarded a vacancy ("secondary" vacancies) shall be filled at the Company's discretion, in accordance with the provisions of this Section.

7. Vacancies awarded to any of the following listed Crewmembers will be treated as a "phantom" bid. In such a case, the vacancy may, at the Company's discretion, also be awarded to the next most senior eligible and qualified Crewmember with a standing bid on file for the position.

a. A Crewmember working in a position not covered by this Agreement as provided for in Section 10.

b. A Crewmember on a leave of absence as provided for in Section 13 that is not expected to return to active duty on or before the effective date of the bid award.

c. A Crewmember working full time as a Training Instructor or in a similar position that precludes full time line flying.

#### D. Bidding Freezes

1. Except as provided in Section 23 and in paragraph 2, below, the following bidding freezes shall apply:

a. A Captain shall be ineligible to bid to any position on a different equipment type, or to change status on his current aircraft type, for a period of three (3) years after he has commenced any initial, upgrade or transition training on his current awarded equipment, provided that if he does not complete such training this freeze shall not attach.

b. A First Officer or Flight Engineer shall be ineligible to bid to a higher status on the same or a different equipment type for a period of one (1) year after he has been activated as a First Officer or Flight Engineer, as applicable.

c. A First Officer shall be ineligible to bid to a First Officer position on a different aircraft type. If as a result of the provisions of this paragraph a vacancy has not been awarded, the Company may fill it with a new hire Crewmember.

d. A Crewmember who is (i) awarded a bid to another status on his current equipment type or (ii) awarded a bid in any status but on another equipment type, and who, after commencing the required training for any reason fails to complete such training for his new position shall be returned, seniority permitting, to his original position and shall be ineligible to bid to a new position (status or equipment type) for a period of one (1) year.

e. Except in the case of a bid for an upgrade if no upgrade opportunity exists at the Crewmember's base, and except as may be provided in Section 23, a Crewmember shall be ineligible to bid to a different base for a period of two (2) years after the Company has provided him with a paid move pursuant to the provisions of Section 6.

f. A Crewmember who transfers to an entity related to the Company may be subject to a bidding freeze as provided in Section 22.

g. A probationary Crewmember shall be ineligible to bid to a different status on his current equipment type or to any status on a different equipment type.

2. A Crewmember may be released from a bidding freeze at the discretion of the Company.

#### E. Initial Assignment of New Hires

The Company may make initial assignments for new hire Crewmembers. The Company may permit all or a portion of a new hire class to bid on those vacancies not otherwise assigned by the Company to a member of that new hire class.

## F. New Bases and Sub-Bases

Should the Company elect to establish a new Crewmember base or sub-base (other than a temporary base as provided for in paragraph G, below) the following procedures will apply:

1. The Company shall issue a notice announcing the establishment of the new base or sub-base. The notice shall include the following:
  - a. The location of the base or sub-base.
  - b. The number and type of positions to be staffed, by equipment type and status.
  - c. The effective date of the bid award for the initial vacancies to be filled at the new base or sub-base.
2. In order to provide a Crewmember an opportunity to update his standing bid, the notice provided for in paragraph 1, above, shall be posted at least thirty (30) days prior to the date of the bid award for the initial vacancies to be filled at the new base or sub-base.
3. Vacancies at the new base will be filled using the standing bids on file and as otherwise provided in this Section.

## G. Temporary Assignments

1. Nothing in this Section shall be construed to preclude the Company from making temporary assignments to an existing base or establishing a temporary base (including sub-bases) in order to meet operational requirements.
2. To fill a temporary assignment at an existing sub-base or to fill a vacancy at a temporary base or sub-base, the Company will first solicit volunteers. Voluntary temporary assignments will be offered in seniority order to the most senior qualified Crewmember(s) from the sub-base(s) selected by the Company, based on operational needs.
3. If there is an insufficient number of qualified volunteers from the sub-base(s) the Company based on operating needs, it shall have the right to assign the most junior qualified Crewmember from such sub-base(s) to the temporary assignment.
4. Normally, involuntary temporary assignments to an existing sub-base shall not last more than four (4) consecutive bid periods, and involuntary assignments to a temporary base or sub-base shall not continue for more than six (6) bid periods. Thereafter, the Company may assign the next most junior qualified Crewmember to the sub-base.
5. A new base or sub-base shall be treated as “temporary” if, at the time it is established, it is not intended to exist for more than twelve (12) months. However, should operations require that the temporary base or sub-base continue beyond twelve months, it may be treated as a temporary base or sub-base for an additional six (6) months.

6. A Crewmember who has been temporarily assigned, whether voluntarily or involuntarily, to a temporary base or an existing base that is not located at his awarded base, will be entitled to the following:

- a. Per diem as provided in Section 5.
- b. Deadhead travel as provided in Section 8.
- c. Hotel accommodations as provided in Section 6.
- d. Compensation as provided in Sections 3 and 4.

7. Crewmembers shall utilize their Company seniority to bid flying assignments while temporarily assigned to an existing sub-base or assigned to a temporary base or sub-base.

8. At the end of a temporary assignment, the Crewmember shall be returned to the sub-base to which he is permanently assigned pursuant to the provisions of this Section.

9. While assigned to a temporary base or sub-base a Crewmember's standing bid shall remain effective and he shall remain eligible for an award pursuant to that standing bid.

#### H. Crewmembers within One Year of Retirement

1. A Crewmember who is within one (1) year of mandatory retirement due to loss of medical qualification may maintain a standing bid without any additional restrictions, but will be awarded only vacancies in his current equipment type and status.

2. A Crewmember who, but for the provisions of paragraph 1, above, would have been awarded a vacancy in a higher status than his current status will be paid at the rate of pay to which he would have been entitled had his bid to the higher status been awarded.

## SECTION 25

### SCHEDULING

#### A. Bid Months

Unless otherwise agreed, there shall be twelve (12) bid months, based on the calendar months with the following exceptions:

1. January shall be a thirty- day (30) month, extending from January 1 through January 30.
2. February shall be a thirty-day (30) month, extending from January 31 through March 1.
3. March shall be thirty-day (30) month, extending from March 2 through March 31.

#### B. Pattern Construction

1. It shall be in the Company's discretion to determine the flying to be assigned to each sub-base, and nothing herein shall be construed to preclude the Company from assigning flying to a sub-base that includes a deadhead segment to or from another sub-base.
2. The Company shall construct the monthly patterns for each sub-base, which shall generally include most of the then known flying for the bid month. As provided in paragraph I, below, the Association's Scheduling Committee may provide input regarding the monthly patterns.
3. With the exception of an out-base assignment, a Crewmember's monthly line, whether bid or assigned, will not include more than eighteen (18) days of work, provided, however, that such maximum will be reduced to seventeen (17) days effective beginning the thirty-first (31<sup>st</sup>) month of the Agreement (Eff. Date+30). This maximum number of regular workdays will not be reduced to provide days off in a bid month in which a Crewmember returns to work from a leave or absence or furlough after the first day of the bid month.
4. The patterns for each sub-base will be compiled and distributed by the Company no later than 2359Z of the twenty-first (21<sup>st</sup>) day of the month prior to the month to be bid. The means of distribution shall be at the Company's discretion, which may include but is not limited to exclusive use of electronic means (e.g., posting on the Company's web site or e-mail) or any other means of distribution that the Company has determined is reasonably likely to provide the bid package information to the Crewmember in a timely fashion.
5. Except for patterns assigned to a Crewmember on an out-base assignment, all patterns shall begin and end at the Crewmember's base.
6. Except in the case of out-base assignments, a Crewmember's days off shall be scheduled to occur between patterns and at the Crewmember's base. This requirement shall not be applicable to days free from duty as may be required by applicable FARs.

### C. Out-basing

1. At the Company's discretion, it may offer out-basing assignments which generally may last up to thirty-three (33) consecutive days, inclusive of travel to and from the out-base location(s), generally commencing with the first day of a bid month. However, nothing herein shall preclude the Company from offering out-base assignments with a duration of longer than thirty-three (33) consecutive days.
2. An out-base assignment will have no scheduled or required days off except as may be required by applicable FARs.
3. The Company shall offer out-basing assignments by system-wide seniority to qualified Crewmembers (including but not limited to qualifications relating to equipment type, seat, visa requirements and other necessary qualifications for the out-base assignment to be filled) unless it determines that such method of assignment would result in a staffing shortage or other operational issues at one or more bases or sub-bases. In this event the award of an out-base assignment may be limited to Crewmembers staffed at a base or sub-base where the award of an out-base assignment will not create such staffing shortage or other operational issues.
4. The Company may post out-basing assignments at any time, and shall not be required to include out-basing assignments as part of the assignment of monthly bid lines.
5. Out-base assignments shall generally be posted for a minimum of five (5) days, and the posting shall include the date that the bid will close. The posting shall specify the initial location of the out-base assignment, which may be moved as operations require during the duration of the out-base assignment.
6. Out-base assignment shall be voluntary, provided, however, that once the bid period has closed a Crewmember may not withdraw his bid for the out-base assignment.
7. The Company may decline a Crewmember's bid for an out-base assignment for any bid month in which the Crewmember may be required to attend training, is scheduled for vacation, or is subject to any other conflict.
8. A Crewmember who has already been awarded a bid line of time for the month shall not be precluded from thereafter bidding an out-base assignment that is subsequently posted for the same month which, if awarded, will supercede his bid line for the month.
9. The Company shall have the right to cancel an out-base assignment. In such a case the following shall apply:
  - a. If the out-base assignment is cancelled prior to the award of the monthly bid lines the Crewmember will be awarded a regular bid line in accordance with the bidding procedures set forth in this Section.

b. If the out-base assignment is cancelled after the monthly bid lines have been awarded but before the out-basing assignment has begun, the Crewmember shall be assigned his monthly flying at the Company's discretion, in compliance with all the pertinent provisions of this Section.

c. If the out-base assignment has been cancelled after it has commenced, the Crewmember shall be given a new assignment or returned to his base. If the out-base assignment has lasted for more than the maximum required number of regular work days in the bid month as provided in paragraph B.3, above, the Crewmember shall be considered to have completed his regular work for the month, and the out-base compensation that he is due pursuant to the terms of Section 3 shall be appropriately pro rated. If the out-base assignment has lasted less than the maximum required number of regular work days in the bid month as provided in paragraph B.3, above, he shall be assigned further work at the Company's discretion but not to exceed the maximum required days of regular work for the month, including the time while out-based.

10. A Crewmember who has already been awarded an out-basing assignment shall not bid for a line of flying for the month in which his out-basing assignment is to occur. The out-based Crewmember shall be assigned his flying at the discretion of the Company for the duration of his out-base assignment.

#### D. Bidding and Award/Assignment of Monthly Lines of Work

##### 1. Bidding

a. The Company shall determine the manner in which bids are to be submitted which may include requiring submission by electronic means (e.g., use of the Company's web site or e-mail), FAX, or any other means that the Company has determined is reasonably likely to insure timely and accurate conveyance of the Crewmember's bid.

b. Unless a later date is specifically specified by the Company in the bid package or otherwise, to be effective a Crewmember's bid must be received no later than 2359Z of the twenty-fourth (24<sup>th</sup>) day of the month prior to the month to be bid.

c. In order to be eligible to bid a Crewmember must:

i. Be on active pay status (including vacation or sick leave); or

ii. Have advised his Chief Pilot, prior to the close of the bid, of a date certain for return to work from a leave of absence that is prior to the first day of the month being bid; or

iii. Be in a furlough status but with a recall date on or before the first day of the month being bid; and

iv. Have completed any IOE requirements and have been released to line flying prior to the closing of bids for the month to be bid.



d. A Crewmember may allow another Crewmember to bid on his behalf.

## 2. Bid Awards/Assignments

a. A preferential bidding system shall be utilized to award/assign monthly lines of work.

b. The preferential bidding system shall be constructed and implemented in such a way so as to provide for the following:

i. A Crewmember shall not be awarded/assigned a monthly line that requires him to work more than the maximum number of regular work days set forth in paragraph B.3, above, in the bid month.

ii. A Crewmember will not be awarded/assigned a monthly line of work that includes a conflict with a pattern to which he has already been assigned.

iii. A Crewmember will not be awarded/assigned a monthly line of work that includes patterns for which he is not current or qualified, including but not limited to visa requirements and any special landing qualifications.

iv. A Crewmember will not be awarded/assigned a monthly line of work that includes patterns that conflict with his scheduled vacation.

v. A Crewmember shall not be awarded/assigned a monthly line of work that provides for less than two (2) scheduled days off between patterns, including the Crewmember's last pattern from the prior bid month, unless the Crewmember has submitted a bid preference for such.

vi. For any month in which a Crewmember is to attend training, he shall not be awarded/assigned a monthly line of work that includes a pattern that is scheduled to conflict with such training, provided, however, that notwithstanding anything contained in this Section to the contrary training may be scheduled on what otherwise would have been the Crewmember's day off, subject to the additional compensation provided for in Section 3.

c. In the absence of any unusual circumstances, the monthly bid lines will be awarded no later than 2359Z of the twenty-fifth 25<sup>th</sup> day of the month prior to the month to be bid.

d. A Crewmember who was not eligible to bid but who returns from a leave of absence or furlough on or after the first day of the bid month shall, seniority permitting, be provided a line of time from time available in open time and/or reserve days as necessary.

e. If an insufficient number of bids was received to protect the patterns to be flown and/or the reserve periods to be covered then the Company may place the uncovered patterns/reserve periods in open time or assign them in whole or in part, in compliance with the pertinent provisions of this Section.

f. If a Crewmember does not timely submit his bid preferences, or he does not submit sufficient

preferences to be awarded a line based on his seniority, or for any other reason he cannot be awarded a line of time based on his bid and seniority, he shall be assigned his monthly flying at the Company's discretion, in compliance with the pertinent provisions of this Section.

g. Check Airmen Lines

i. The preferential bidding system shall allow for patterns reserved for only Check Airmen and from which the Check Airmen at each sub-base will be assigned their monthly line of work, based on seniority and the preferences they submit. Such patterns will be set aside at the discretion of the Company but only to the extent necessary to accomplish Check Airmen related training. If an insufficient number of Check Airmen bid for the posted Check Airmen patterns, the uncovered Check Airmen patterns will be assigned in reverse seniority order to the Check Airmen in the sub-base. If there is an excess number of Check Airmen in the sub-base for any particular bid month, only the Crewmembers who will be performing Check Airmen duties in the bid month will be awarded Check Airmen patterns.

ii. The preferential bidding system shall award the companion patterns (First Officer or Flight Engineer, as applicable) to the patterns that have been awarded to a Check Airman so as to accommodate IOE and other Check Airman related training requirements.

E. Unassigned Time

The Company may assign patterns not contained in a bid line or otherwise not assigned in any of the following manners. Further, such assignment may result in a Crewmember being required to work on what would otherwise have been a day off.

1. To a Crewmember when subject to reassignment in accordance with paragraph F, below.
2. As a full or partial line of flying for a Crewmember with enough seniority to have held a line if he had been eligible to bid who has returned to work from a leave of absence during the current bid month.
3. To a reserve Crewmember.
4. To a Crewmember who volunteers for extra flying.
5. To management officials or Crewmembers working in positions not covered by this Agreement as provided in Section 10.
6. To insure that a Crewmember maintains currency and to achieve any other regulatory compliance.
7. As may otherwise be needed to protect the operation.

F. Reassignment

1. The Company shall have the right to reassign a Crewmember from a pattern to which he has already been assigned to a different pattern or reserve under any of the following circumstances. Further, such assignment may result in a Crewmember being required to work on what would otherwise have been a day off.

a. To protect or otherwise enhance the operation.

b. If the Crewmember has any portion of a pattern cancelled.

c. If the Crewmember's cannot complete his assignment due to an equipment substitution, illegality, scheduling error, or misconnect.

d. As provided in Section 10.

2. Except as provided in paragraph 4, below, if such reassignment results in the Crewmember working on what otherwise was to be a day off, he shall be appropriately compensated in accordance with the provisions of Section 3.

3. Except as provided in paragraph 4, below, a Crewmember awarded/assigned a line of work for the bid month will not have his days off moved without his consent.

4. In the case of a Reserve Crewmember the Company may reassign up to four (4) days off provided, however, that if the reserve Crewmember is assigned to more than the maximum number of regular work days as provided in paragraph B.3, above, he shall receive appropriate additional compensation in accordance with Section 3.

#### G. Involuntary Assignment

1. A Crewmember shall be considered to be "involuntarily assigned" when to protect the operation he is required operate a flight, deadhead or sit reserve on a scheduled day off.

2. A Crewmember may not refuse an involuntary assignment unless the assignment would be in violation of applicable FAR's or he is unavailable due to sickness or injury.

3. If a Crewmember is unavailable for an involuntary assignment due to sickness or injury, he will not be entitled to use any sick leave for such absence.

4. Where operationally and economically reasonably feasible the Company shall attempt to utilize a volunteer before involuntarily assigning a trip or pattern.

5. A Crewmember shall not be involuntarily assigned during his awarded vacation or on any scheduled days off that fall immediately before or after his awarded vacation, provided however that this paragraph shall not be construed to prohibit the Company from requiring the Crewmember to complete a pattern that may have been extended into such days off immediately prior to said vacation.

6. Unless a Crewmember volunteers to do so, he shall not be required to work on more than four (4) of his days off in a bid month and he shall be scheduled to arrive at his base no later than 2359Z of the fourth day.

#### H. Premium Pay for Involuntary Assignments on a Crewmember's Day Off

Except as provided in paragraph F.4, above, a Crewmember who works on what was to have been a day off shall be compensated for such as provided in Section 3.

#### I. Association Scheduling Committee

The Association may designate a Scheduling Committee of up to three (3) persons to meet periodically with designated officials of the Company to discuss and provide input regarding matters relating to scheduling. The Company and the Association's Scheduling Committee shall work in concert to improve scheduling efficiency and Crewmember quality of life, and maximize operational productivity and efficiency as each may be affected by scheduling matters.

#### J. Crewmember Contact with the Company

1. A Crewmember may be required to contact the Company regarding his assignment, positioning or other matters twenty-four (24) hours prior to a flight assignment.
2. A Crewmember may be required to contact Crew Scheduling or be contactable by Crew Scheduling at any time during a pattern, including but not limited to immediately prior to each flight leg, after each flight leg, during a layover or at the end of his pattern.
3. During a layover, unless otherwise advised by Crew Scheduling, the Crewmember must be contactable within four (4) hours unless specifically released from this requirement by Crew Scheduling for a longer period of time.

#### K. General

In the event of a major disruption to the operation outside of the Company's control (including but not limited to disruptions caused by weather, natural disaster, or action by a governmental agency affecting the Company's ability to operate its aircraft) the Company may temporarily suspend the provisions of this Section in whole or in part to the extent necessary to maintain the highest level of service possible and to return the operation to normal operations in the most expeditious manner. In such event the Company will work closely with the Association and the parties will confer as soon as practicable at the request of either to discuss the situation and any attendant issues. It is understood that the provisions of this paragraph will be implemented only under the extreme circumstances described herein, and that any dispute arising from the decision to implement the provisions of this paragraph may be handled as an Association Grievance and if not resolved pursuant to Section 20 will be expedited for resolution by the System Board of Adjustment.

## SECTION 26

### GENERAL

#### A. Notice of Changes to the Crewmember Class and Craft

The Company will provide the Association on a timely basis with the following information regarding changes to the Crewmember class and craft:

1. A list of all newly hired Crewmembers, including the new hires' names, dates of hire, home address, employee number, seniority number, social security number and position for which hired.
2. A list of all Crewmembers that have been removed from pay status in excess of thirty (30) days.
3. A list of all Crewmembers that have been assigned to a position with the Company outside the Crewmember class and craft when such assignment has lasted or is expected to last in excess of thirty (30) days.

#### B. Association Access to New Hire Crewmembers

Representatives of the Association will be provided an opportunity (a minimum of two (2) hours) to meet with and address the Company's new hire Crewmembers during their first week of Company indoctrination training. The Association will advise the Company in advance as to who its representative(s) will be at these meetings. Any costs for such meetings, other than for the facility if the meeting is held in Company facilities, shall be the responsibility of the Association.

#### C. Company Indemnification of Crewmembers

The Company shall indemnify, hold harmless and defend a Crewmember, and his estate, as applicable, who, as a result of the performance of his duties within the scope of his employment, is named as a defendant, is subject to a claim, or is subpoenaed as a witness, in any legal proceeding relating to the performance of those duties. This provision shall apply to both civil actions for money damages and to criminal complaints. It is expressly understood and agreed that these obligations on the part of the Company do not apply to claims or proceedings arising from a Crewmember's reckless or willful misconduct.

#### D. Damage To Equipment

A Crewmember shall not be required to pay for the cost of aircraft damaged, Company equipment lost or damaged, or other property lost or damaged while performing his duties as a Crewmember. It is expressly understood that this exemption does not apply to damage or loss as a result of a Crewmember's reckless or willful misconduct.

## E. Non-revenue Travel and Jumpseat Privileges

1. Crewmembers and their eligible dependents and spouses shall receive non-revenue travel privileges. Such privileges will be in accordance with Company policy, as such policy may from time to time be amended. Eligibility for such travel privileges shall commence with the Crewmember's completion of his new hire training. If the Company is able to obtain reduced rate travel privileges from other air carriers, such reduced rate travel privileges will be extended to Crewmembers and qualifying retired Crewmembers, together with their respective dependents and spouses, to the extent the carrier providing such allows.
2. Should the Company extend non-revenue travel privileges on its aircraft to retired employees on a general basis, such non-revenue travel privileges shall be extended on the same basis to qualifying retired Crewmembers.
3. Unless otherwise assigned for Company business use, Atlas Crewmembers shall have priority claim to the cockpit jumpseat(s) for personal travel.
4. The Company will confer with the Association before making any material changes to either its employee non-revenue/reduced rate travel policy or its jumpseat policy.
5. The Captain of record may, at his discretion and in compliance with applicable FAR's, grant or deny a request by an individual otherwise authorized to occupy the cockpit jumpseat, except in the case of (i) an eligible Crewmember or other eligible Company employee on personal business; (ii) an eligible crewmember or other eligible employee of an "entity related to the Company" on personal business; or (iii) an individual properly assigned by the Company to the cockpit jumpseat, in which case the use of the cockpit jumpseat may be denied only if the Captain of record reasonably believes that allowing such individual to occupy the cockpit jumpseat will jeopardize the safety of the flight. For the purposes of this Section an "entity related to the Company" shall include but not be limited to the Company's holding company, entities owned or controlled by the holding company, and joint venture partners of the Company or its holding company.

## F. Savings Clause

Should any part of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation or court decision, the remaining provisions of the Agreement will remain in full force and effect. Further, in the event it is found that any provision of this Agreement is in violation or potential violation of any applicable law or regulation the parties will meet in a timely manner and confer for the purpose of curing the violation or potential violation in such a way which requires the least change, least disruption of the existing circumstances, and least additional cost to the Company, if any.

## G. Current Address and Telephone Numbers

Each Crewmember must maintain and provide to the Company a current address, telephone number and emergency contact number.

#### H. Copies of the Agreement

The Company shall provide each Crewmember with a copy of this Agreement within sixty (60) days after it's signing. New Crewmembers shall be provided copies of this Agreement during their Company indoctrination training. The cost of printing this Agreement shall be borne by the Company.

#### I. Jury Duty

1. A Crewmember shall be excused from his regular duties on days when he is required to be present for jury duty. When a Crewmember is summoned for jury duty he shall promptly notify Crew Scheduling of such and shall provide a copy of the summons or other documentation to his Base Chief Pilot.

2. When deemed operationally necessary by the Company, the Crewmember will fully cooperate in attempting to obtain a waiver or rescheduling of the jury duty assignment.

3. A Crewmember summoned for jury duty shall not be required to perform any duties with the Company from the time he reports for jury duty until all obligations under the summons are satisfied unless temporarily released from such obligations (other than weekends) for period(s) of time sufficient to meet scheduled duties with the Company.

4. A Crewmember who has fulfilled the conditions of paragraphs 1 and 2, above, shall receive pay for work missed to due to jury duty.

5. While on jury duty a Crewmember shall remain responsible as if actively at work for maintaining his system staffing standing bid and monthly schedules.

6. A Crewmember will retain and continue to accrue seniority and longevity for all purposes while on jury duty.

#### J. Time Off Work for Bereavement

1. In the event a Crewmember suffers a death in his immediate family that requires a release from assigned duty he shall immediately notify his Base Chief Pilot who upon request will grant the Crewmember four (4) paid days off from any assigned duty. The four (4) days of bereavement time off will begin to run once the Crewmember is returned to his base, home, or other location as provided for in paragraph 4, below.

2. For the purpose of this Section, immediate family shall include the Crewmember's spouse, children (including stepchildren and adopted children), mother, father, stepparents, father and mother in-law, siblings, grandparents, and grandchildren.

3. At the sole discretion of the Crewmember's Base Chief Pilot, a Crewmember may be granted additional, unpaid time off for the bereavement of an immediate family member, and he may be granted unpaid time off for the bereavement of other than an immediate family member.

4. If the Crewmember is away from his base on assignment at the time of the death of an immediate family member he will be provided with expeditious travel to his home or base, at the Crewmember's option, at the Company's expense. Alternatively, the Crewmember will be provided transportation to another location than his base or home to the extent such the cost of such transportation will not exceed the cost of transportation to the Crewmember's home or base.

#### K. Parking

The Company shall provide at no cost to the Crewmember automobile parking at his base station.

#### L. Lawsuits and Hearings

A Crewmember requested by the Company or by an entity related to the Company to be a witness on behalf of the Company in a lawsuit or otherwise appear and/or testify on behalf of the Company at a legal proceeding or other hearing shall receive his normal monthly salary together with any additional compensation due him in accordance with the provisions of Section 3 for the days in excess of the maximum number of work days to be included in a Crewmember's monthly bid line as provided in Section 25, paragraph B.3, inclusive of any travel, that he is required to be a witness or otherwise appear on behalf of the Company or an entity related to the Company, together with either repayment for his reasonable, actual expenses, or per diem and lodging, at the Company's option.

#### M. Passports and Visas

1. Each Crewmember shall be required to maintain and carry with him a current and valid United States passport or approved foreign passport and alien registration card. Should the Company require that a Crewmember maintain two (2) valid passports, the Company shall pay the cost of the second passport.

2. It is the responsibility of each Crewmember to obtain and maintain current visas as may be required for each destination or transit country. The Company will assist the Crewmember in obtaining such visas upon presentation to the Company by the Crewmember any and all required completed forms and other paperwork. Further, the Company will reimburse the Crewmember for the reasonable mail and/or overnight delivery charges and visa fees that the Crewmember incurs in obtaining the required visas.

#### N. Personnel Files

After giving reasonable notice of his desire to do so, a Crewmember, and/or an Association Representation with written authorization from the Crewmember, may review the Crewmember's personnel file and training records during the normal business hours of the



Company and in the presence of a Company representative. Copies of any requested documents from either the personnel file or training records will be provided upon request. The Company may require the Crewmember to pay a reasonable fee for such copies.

#### O. Non-Discrimination

Neither the Company nor the Association shall discriminate against any Crewmember on account of such Crewmember's age, color, creed, disability, national origin, race, religion, sex, or veteran's status.

#### P. References to Crewmembers

Any reference in this Agreement to Crewmembers in the male gender, including but not limited to the use of masculine pronouns, is intended to include both male and female Crewmembers unless specifically specified otherwise.

#### Q. Safety Committee

As part of the parties' commitment to safety, there will be established a joint safety committee, made up of no more than three (3) representatives from the Association and three (3) representatives of the Company. This committee will meet at the request of either party to discuss issues relating to flight and Crewmember safety.

#### R. Unsafe Conditions

Nothing in this Agreement will be construed to require a Crewmember to take any action if he reasonably believes that such action will result in substantial and imminent risk of harm to the Crewmember or his equipment.

## SECTION 27

### INSURANCE BENEFITS

A. Crewmembers shall be eligible to participate in those insurance benefit programs that have been established for Crewmember participation as of the date of the signing of this Agreement according to the terms and conditions of those benefit programs then in effect. Those benefit programs are delineated and described in the Company's publication: Atlas Air Benefits 2002. The terms and conditions of those benefit programs regarding deductibles, co-payments, exclusions or limitations to coverages, maximum payouts, out-of-pocket maximums, lifetime maximums and the like may not be materially altered during the term of this Agreement without the concurrence of the Association, provided, however, that the Company shall have the right to modify or add to those programs consistent with this Section, including but not limited to the right to change its insurance carrier(s), the right to self-insure, and the right to change plan administrator(s).

B. Should the Company elect to implement a change to an existing insurance benefit plan consistent with this Section, it will first notify the Association and provide it an opportunity to discuss the change with representatives of the Company.

C. During the term of this Agreement the Company may not reduce the dollar amount of "Company Credit" available to a Crewmember for payment of insurance benefit premiums below what is currently in place as of the date of the signing of this Agreement, nor shall it be required to increase such Company Credit.

In the event the cost of providing the insurance benefits provided for herein should increase following the effective date of this Agreement, the Company may pass such costs through to the Crewmembers provided, however, that the Crewmember shall not be required to pay a greater percentage of the total cost of the benefit than he was required to pay for the same benefit on the date of the signing of this Agreement. This provision shall not apply to any insurance benefit program for which the Crewmember is required to pay the entire premium or to any supplemental insurance benefit program such as additional like insurance coverage, in which case one hundred percent (100%) of any increase in the cost of providing such benefits shall be passed to the Crewmember.

D. The Company shall provide each Crewmember eligible for benefits a life insurance benefit of one hundred thousand dollars (\$100,000), with such insurance to include aviation and war risk coverage.

E. The Company shall provide each Crewmember eligible for benefits an accidental death and dismemberment insurance benefit in the following amounts, with such insurance to include aviation and war risk coverage:

1. Year one (1) of the Agreement (Eff. Date): One hundred thousand dollars (\$100,000).

2. Year two (2) of the Agreement (Eff. Date+1): One hundred and fifty thousand dollars (\$150,000).

3. Year three (3) of the Agreement (Eff. Date+2): Two hundred thousand dollars (\$200,000).

## SECTION 28

### RETIREMENT

#### A. 401(k) Plan

1. Crewmembers shall be eligible to continue to participate in the Atlas Air, Inc. 401(k) Plan on the same terms and conditions applicable to other employees of the Company that are in effect as of the date of the signing of this Agreement.

2. The Company shall contribute annually to each participating Crewmember's account an amount equal to fifty percent (50%) of the Crewmember's contribution (such Crewmember contribution for the purpose of the Company matching to be limited to no more than ten percent (10%) of gross pay), which shall vest as provided in the Plan.

3. During the term of this Agreement the Company shall not make any change to the 401(k) Plan that reduces the level of participation available to Crewmembers or Company matching contributions provided to Crewmembers without the concurrence of the Association, except to the extent that such changes are required by law. The Company shall have the right to change Plan administrators and/or make changes to the investment options offered participants in the Plan.

#### B. 401(m) Crewmember Contributions

During the term of this Agreement Crewmembers shall continue to be eligible to make 401(m) Crewmember contributions on the same terms and conditions applicable to other employees of the Company.

#### C. Stock Purchase Plan

1. Crewmembers shall be eligible to continue to participate in the Atlas Air, Inc. Stock Purchase Plan on the same terms and conditions applicable to other employees of the Company that are in effect as of the date of the signing of this Agreement.

2. During the term of this Agreement the Company shall not make any change to the Stock Purchase Plan that reduces the level of participation or benefits available to Crewmembers under the Plan.

## SECTION 29

### **AGENCY SHOP AND DUES/SERVICE CHARGE CHECK-OFF**

#### A. Conditions

1. Each Crewmember who fails to voluntarily acquire or maintain membership in the Association shall be required, as a condition of continued employment, beginning sixty (60) days after the effective date of this Agreement, or sixty (60) days after the completion of his probationary period within the meaning of Section 22.E. of this Agreement, whichever is later, to pay to the Association each month a service charge as a contribution for the administration of this Agreement and the representation of the Crewmember. To the extent legally permissible, the service charge shall be in an amount equal to the Association's regular and usual dues and assessments (not including fines and penalties), including MEC assessments (not including fines and penalties).

2. Payment of a service charge shall not be required with respect to any such Crewmember:

a. for whom membership in the Association is not available upon the same terms and conditions generally applicable to any other Crewmember, or

b. for whom membership is denied or terminated for any reason other than the failure to pay fees, dues and assessments uniformly required by the Association or the Association's Atlas Air, Inc., MEC as a condition of acquiring or retaining membership.

3. If a Crewmember becomes delinquent in the payment of his service charges, membership dues and/or assessments (not including fines and penalties), including MEC assessments (not including fines and penalties), the Association shall notify the Crewmember by certified mail, return receipt requested, copy to the Vice President of Flight Operations, or his designee, that he is delinquent in the payment of the service charge, membership dues and/or assessments as specified herein, and is subject to discharge as a Crewmember of the Company. The letter shall also notify the Crewmember that he must remit the required payment within a period of fifteen (15) days from the date of receipt, or else be discharged. The Association shall treat members and non-members alike in establishing the due date of payments and in determining whether a Crewmember's account is delinquent.

4. If, upon the expiration of the fifteen (15) day period, the Crewmember still remains delinquent, the Association shall certify in writing to the Vice President of Flight Operations, or his designee, copy to the Crewmember, that the Crewmember has failed to remit payment within the grace period allowed and is therefore to be discharged. The Vice President of Flight Operations, or his designee, shall notify the Crewmember by certified mail, return receipt requested, that he is to be discharged, effective ten (10) days from the Crewmember's receipt of the notification, unless the Crewmember timely protests such action as provided in paragraph 5, below.

5. A protest by the Crewmember who is to be discharged as the result of an interpretation or application of the provisions of this Section shall be subject to the following procedures

a. A Crewmember who believes that the said provisions have not been properly interpreted or applied, as they pertain to him, may submit his request for review in writing within ten (10) days after receipt of the notification from the Vice President-Flight Operations that the Crewmember is subject to discharge. The request must be sent by certified mail, return receipt requested, to the Vice President-Flight Operations or his designee, with a copy to the Association. The Vice President-Flight Operations will review the protest and render a decision in writing, not later than ten (10) days following receipt of the protest.

b. The Vice President-Flight Operations, or his designee, shall forward his decision to the Crewmember, with a copy to the Association, both by certified mail, return receipt requested. Said decision shall be final and binding on all interested parties, unless appealed as hereinafter provided. If the decision is not satisfactory to the Association or to the Crewmember then either may appeal the decision by filing a Notice of Appeal within ten (10) days from the receipt of the decision. As applicable, such Notice of Appeal shall be sent by the Association to both the Crewmember and to the Company, or by the Crewmember to both the Association and the Company, by certified mail, return receipt requested. The appeal shall be heard by a neutral arbitrator who shall be agreed upon by the Crewmember and the Association, in the case of an appeal by the Crewmember, and agreed upon by the Association and the Company, in the case of an appeal by the Association. The neutral arbitrator shall be selected within ten (10) days after receipt of the Notice of Appeal. In the event the parties to the arbitration (the Company and the Association or the Crewmember and the Association, as applicable) fail to agree upon a neutral arbitrator within the specified period, either party may request the National Mediation Board to name such neutral arbitrator. The hearing before the neutral arbitrator shall be conducted within thirty (30) days after his appointment or as soon thereafter as he is available, unless the Association and the Crewmember mutually agree otherwise. The decision of the neutral arbitrator shall be final and binding on all parties to the dispute. The fees and charges of such neutral arbitrator shall be borne equally by the parties to the arbitration.

6. Until the decision by the Vice President-Flight Operations, or his designee, regarding a protest by a Crewmember subject to discharge under this Section is final, or a decision has been rendered by the neutral arbitrator, as applicable, the Crewmember shall not be discharged from the Company nor lose any seniority rights because of non-compliance with the terms and provisions herein.

7. A Crewmember discharged by the Company under the provisions herein shall be deemed to have been "discharged for cause" within the meaning of the terms and provisions of this Agreement.

## B. Service Charges and Dues Check-Off

1. During the term of this Agreement the Company agrees to deduct and remit to the Association dues uniformly required by the Association as a condition of acquiring or retaining membership, or service charges as a contribution for the administration of this Agreement and representation

of the Crewmember, from the pay of each Crewmember who voluntarily first executes a “Dues Form,” (attached hereto as Appendix A). This Dues Form shall be prepared by the Association and furnished to the Company.

2. When a Crewmember properly executes a Dues Form, the Treasurer of the Association shall forward an original copy to the Company (Attn: Payroll Department). Dues Forms and other notices received by the Company pursuant to this Section will be date stamped and effective on the date received and not when mailed.

3. Any notice of revocation of a Crewmember’s authorization to the Company to deduct Association dues or service charges must be submitted in writing, signed by the Crewmember and delivered to the Company (attention: Payroll Dept.), with a copy to the Treasurer of the Association, both by certified mail, return receipt requested.

a. Deductions of Association dues or service charges will commence with the first payday of the second month following the month in which a Dues Form is received by the Payroll Department of the Company. Such deductions will continue thereafter until authority for such has been revoked or canceled as provided in this Agreement.

b. Dues or service charges in the amounts determined by the Association in accordance with its Constitution and Bylaws will be deducted each payday. The Company will remit such monies to the Association after each pay period. The Company’s remittance of membership dues and service charges to the Association will be accompanied by a list of names, employee numbers, Association member numbers (where applicable), and amounts for each Crewmember for whom deductions have been made in that period. The Association shall be responsible for communicating to the Company the amounts to be deducted. On a case by case basis the Company will assist the Association in reconciling a Crewmember’s dues or service charges deduction. It shall, however, remain the Association’s responsibility to verify any discrepancies with the Crewmember before contacting the Company regarding such.

4. No deductions of Association dues or service charges will be made from the wages of any Crewmember who has executed a “Dues Form” and who has been transferred to a job not covered by this Agreement, or who is on furlough, or who is on leave without pay. Upon return to work to a job represented by the Association and covered by this Agreement, whether by transfer, termination of leave without pay, or recall from furlough, deductions shall be automatically resumed, provided the Crewmember has not revoked the “Dues Form” as provided for herein.

5. The collection of any back dues or service charges owed at the time of starting deductions for any Crewmember, and the collection of dues or service charges missed because the Crewmember’s earnings were not sufficient to cover the payment of dues or service charges for a particular pay period, will be the responsibility of the Association and will not be subject to payroll deductions. The Company will not be held responsible in any way for such missed deductions.

6. In cases where a deduction is made which duplicates a payment already made to the Association, or where a deduction is not in conformity with the provisions of the Association's Constitution and Bylaws, refunds to the Crewmember will be made by the Association.

7. Deductions of Association dues or service charges shall be made from each paycheck provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the Crewmember or required by law have been satisfied. In the event of termination of a Crewmember's employment, the obligation of the Company to collect dues or service charges shall not extend beyond the monthly period in which the Crewmember's last day of work occurs.

8. The provisions of this Section shall not apply to a Crewmember during periods of time he holds a Management Crewmember position unless the Management Crewmember specifically requests in writing to the Company that such dues or service charges deductions continue.

#### C. General

The Association shall defend, indemnify and hold the Company harmless from and against any and all claims, awards, or judgments, including court costs and attorneys' fees, which may result from action by any Crewmember by virtue of the application or interpretation of any of the terms of this Section.

#### **Appendix A**

#### **ASSIGNMENT AND AUTHORIZATION FOR PAYMENT OF ASSOCIATION DUES OR SERVICE CHARGES**

To: Air Line Pilots Association  
Attn: Membership Services  
P.O. Box 1169  
Herndon, VA 20172  
(See Form in Full Agreement)



## SECTION 30

### UNIFORMS

#### A. Required Uniform

1. Crewmembers shall wear the uniform prescribed by the Company, and in accordance with the appearance standards published by the Company.
2. The Company shall provide new Crewmembers with their first uniform, wings, cap device (if any) epaulets and other required insignia. That uniform shall include one (1) leather jacket, two (2) trousers, four (4) shirts, two (2) ties, and if required by the Company one (1) hat. All other required or optional uniform items (i.e., shoes, socks, sweaters as allowed, etc.) are to be provided by the Crewmember.
3. No later than the effective date of the Agreement, the Company will provide each Crewmember in active service new uniform items consisting of one (1) leather jacket, two (2) trousers, two (2) shirts, and two (2) ties.
4. At or before such time as a Crewmember not in active service at the time the Company distributes the uniform items as described in paragraph 3, above, returns to work, the Company shall likewise provide him one (1) leather jacket, two (2) trousers, two (2) shirts, and two (2) ties.

#### B. Replacement Uniforms

1. The wings, epaulets and other such insignia will be replaced at the Company's expense when sufficiently worn or damaged. If they are lost or stolen replacement may, at the discretion of his Base Chief Pilot, be at the Crewmember's expense.
2. Beginning January 1, 2003, each Crewmember shall become eligible for an annual uniform replacement allowance equal to fifty percent (50%) of the cost of the minimum grade of uniform items prescribed and permitted by the Company (exclusive of the leather jacket). Such allowance shall be paid to the Crewmember during the month in which his service anniversary with the Company falls.
3. If in the course of performing his duties a Crewmember damages a uniform item provided by the Company, that item will be repaired or replaced (at the Company's discretion) at no cost to the Crewmember. All other worn or damaged uniform items must be replaced at the Crewmember's expense, except as provided in paragraph 2, above. The Company may require that a Crewmember replace a worn or damaged uniform item if it is not in compliance with the Company's appearance standards.

#### C. Changes in the Uniform

1. The Company shall have the unilateral right to change the uniform at any time. Before making any major change to the style or color of the uniform, the Company shall notify the Association and shall solicit the input of the Crewmembers. Further, if requested the Company

will meet with representatives of the Association to discuss and consider any of its recommendations regarding the uniform.

2. Any uniform item provided by the Company (i.e., coat, trousers, shirt, or tie) that the Company requires be replaced as the result of a uniform style or color change shall be replaced at no cost to the Crewmember, except in the case of a phase-in of the new uniform item in which case the Company may require that the new uniform item be paid for by the Crewmember as part of the replacement uniform program provided for in paragraph C, above.

#### D. General

1. The cap device, if any, and wings shall remain the property of the Company and must be returned at the end of a Crewmember's employment except in the following cases;

a. The Crewmember has completed five (5) or more years of active service with the Company and the reason for the termination of his employment with the Company is not a discharge for cause; or

b. The Crewmember has reached age sixty (60); or

c. The Crewmember has completed two (2) years of active service with the Company and has lost his required medical certificate.

2. If a Crewmember voluntarily leaves the employment of Company for any reason within one (1) year after the Company has provided the Crewmember with his leather jacket, the Crewmember shall be required, at his option, to either return the leather jacket or repay the Company for the cost for such.

3. If a Crewmember's employment with the Company is terminated for cause, he shall be required to return any mandatory leather jacket paid for by the Company.

## SECTION 31

### RESERVE CREWMEMBERS

#### A. Reserve Utilization

The Company may, in its sole discretion, determine the number of Crewmembers necessary to provide reserve coverage for flying not otherwise assigned, or to cover operational contingencies including but not limited to absences due to sickness or injury, leaves of absence, ad hoc charters, and training assignments.

#### B. Reserve Categories

1. To the extent that the Company determines that the needs of the operation require, a reserve Crewmember shall be designated by the Company as one of the following categories of reserve:

a. Residence Reserve, which shall allow the Crewmember to remain at his residence until either assigned a pattern or re-assigned to another reserve category; or

b. Base Reserve, which shall require the Crewmember to remain at his base until either assigned a pattern or re-assigned to another reserve category; or

c. Forward Reserve, which shall require the Crewmember to remain at any base or airport other than his own until either assigned a pattern or re-assigned to another reserve category.

2. The Company shall have the right to re-assign a Reserve Crewmember from one category to another at any time during a reserve assignment.

#### C. Reserve Call-Out

1. A Resident Reserve Crewmember must be able to report to the closest jet served airport to his residence for departure within four (4) hours of notification of an assignment from the Company.

2. A Base Reserve Crewmember must be able to report to his base within two (2) hours of notification of an assignment from the Company.

3. A Forward Reserve Crewmember must be able to report to the airport or base to which he has been assigned Forward Reserve within two (2) hours of notification of an assignment from the Company.

4. For the purposes of this Section, a Reserve Crewmember shall be considered to have been notified of an assignment the first time that the Company attempts to contact him at his home, Company provided accommodations, or alternate contact number (e.g. operating beeper or cellular telephone). If no answer at the number called or the line is busy, the Company will make at least one additional attempt to call the Crewmember.

5. A Reserve Crewmember shall be required to call the Company within fifteen (15) minutes of notification by the Company.

6. Reserve assignments shall be made at the discretion of the Company, provided, however, that generally such assignments will be made on a first-in, first-out basis within reserve category except in those cases when the Company determines that a different method of assignment is called for based on its assessment of operational and/or economic factors.

#### D. Reserve Contactability and Check-In

1. A Reserve Crewmember must be available for contact and assignment by the Company for the period from 0001Z to 2400Z on each day that he is assigned to a reserve status.

2. A Reserve Crewmember shall, while in any domestic location, be available for contact at his home, base accommodations, or forward position accommodations, as applicable, or at his alternate contact number, for the entire period that he is to be available for contact and assignment as required in paragraph 1, above. At a Reserve Crewmember's request and with the concurrence of Crew Scheduling:

a. His required contactability may be modified to require only that the Crewmember check-in by telephone with Crew Scheduling every two (2) hours (or longer if approved by Crew Scheduling) for the remainder of his Reserve workday or for such other predetermined time. The decision to modify the Reserve Crewmember's contactability will be at the Company's discretion and based on the needs of the operation as determined by the Company; or

b. He may be released from further contactability for the remainder of his Reserve work day or other predetermined time. The decision to release the Reserve Crewmember will be at the Company's discretion and based on the needs of the operation as determined by the Company.

3. A Reserve Crewmember shall, while in any international location, remain at his forward base accommodation or be contactable at his alternative contact number for the entire period that he is to be available for contact and assignment as required in paragraph 1, above. However, if the Crewmember does not have an alternative contact number then, with the concurrence of Crew Scheduling, the Crewmember may leave his forward base accommodation and check-in by telephone to Crew Scheduling every two (2) hours (or longer if approved by Crew Scheduling) until the earlier of the time provided by Crew Scheduling or until he has notified Crew Scheduling that he has returned to his forward position accommodations. A Crewmember's request to check-in as provided for herein will be granted at the Company's discretion and will be based on the needs of the operation as determined by the Company.

4. A Reserve Crewmember shall telephone Crew Scheduling twenty-four (24) hours prior to the start of the first day of any block of reserve day assignment to accommodate any assignment or deadhead travel that may be required on the first day of reserve.

#### E. Reserve Accommodations and Travel Expenses

A Reserve Crewmember shall be provided hotel accommodations and per diem as provided in Section 5 of this Agreement.

#### F. Reserve Days Off and Rest

1. A Reserve Crewmember shall not be awarded a block of Reserve days of work as part of his monthly bid assignment that is longer than nine (9) days unless he has bid for such. Further, a Reserve Crewmember shall not be awarded/assigned a monthly line of work that provides for less than two (2) scheduled days off between blocks of Reserve days, including the Crewmember's last scheduled pattern or scheduled reserve assignment from the prior bid month, unless the Crewmember has submitted a bid preference for such, or has bid an international reserve assignment for the bid month.
2. A Reserve Crewmember shall be provided a minimum of twelve (12) hours of rest between the end of an assigned pattern and the beginning of a Reserve assignment.
3. A Reserve Crewmember shall have the right to decline a flight assignment if he believes that he is or will be too fatigued to safely operate the flight. This provision shall not be construed to give the Crewmember immunity from disciplinary action for being too fatigued to operate at a time when he reasonably should have been rested or for malingering.
4. There shall be no requirement that the Reserve Crewmember be returned to his residence, base, or forward position, as applicable, between assignments within a single reserve assignment period.

SECTION 32

**NEW AIRCRAFT**

In the event that the Company operates aircraft of a type different than the Boeing 747 (of any series type), the following rates of pay shall apply:

A. Super Jumbo Lift Aircraft

For any aircraft with a gross takeoff weight of 584,227 kilograms or more, one hundred and ten percent (110)% of the pay rates set forth in Section 3 shall be applicable.

B. Jumbo Lift Aircraft

For any aircraft with a gross takeoff weight of 340,000 kilograms but less than 584,227 kilograms the pay rates set forth in Section 3 shall be applicable.

C. Heavy Lift Equipment

For any aircraft with a gross takeoff weight of 206,000 kilograms, but less than 340,000 kilograms, ninety percent (90)% of the pay rates set forth in Section 3 shall be applicable.

D. Medium Lift Equipment

For any aircraft with a gross takeoff weight of 142,000 kilograms, but less than 206,000 kilograms, eighty-five percent (85%) of the pay rates set forth in Section 3 shall be applicable.

E. Light Lift Equipment

For any aircraft with a gross takeoff weight of less than 142,000 kilograms, seventy-five percent (75%) of the pay rates set forth in Section 3 shall be applicable.

## SECTION 33

### **CRAF OPERATIONS**

#### A. Application

1. This Section shall apply to all operations into a designated “hostile area” conducted pursuant to any Civil Reserve Air Fleet (CRAF) agreement between the Company and the United States Department of Defense, or pursuant to a teaming arrangement with one or more other airlines to provide such operations into a designated “hostile area” to the United States Department of Defense. Unless specifically provided otherwise, all other provisions of this Agreement and any amendments or side letters thereto shall be applicable to such CRAF activated operations.
2. If a flight operated pursuant to an Air Mobility Command (AMC) contract operates into or out of a “hostile area,” the compensation and benefits provided for in this Section for CRAF operations shall apply.

#### B. Hostile Area

1. For the purposes of this Section a “hostile area” shall be any area so designated by the President of the United States or United States Secretary of Defense.
2. An area shall be treated as a hostile area immediately upon its designation as such, as provided in paragraph 1, above, unless a specific date in the future has been set by the designating authority, in which case that date shall apply.
3. An area designated as hostile shall be treated as such until such time as the designating authority has rescinded the designation.

#### C. Assignments to CRAF Operations

1. Assignments to participate in CRAF operations that do not involve the operation of a flight in or out of a hostile area shall not be affected by this Section, except as provided in paragraph G, below.
2. Assignments to operate a CRAF flight in or out of a hostile area shall be made in the following order:
  - a. Proffered to current and qualified (including any special qualification required by the United States Government) volunteers and assigned in seniority order to the extent doing so does not otherwise disrupt regular operations and/or assigned to Crewmembers working in positions not covered by this Agreement.
  - b. Assigned in reverse order of seniority to current and qualified Crewmembers to the extent that utilizing reverse order of seniority does not otherwise disrupt regular operations and/or assigned to pilots or flight engineers temporarily hired to perform this flying.

3. Notwithstanding the provisions of paragraph 2, above, in lieu of using Crewmembers covered by this Agreement to operate CRAF flights in or out of a hostile area, the Company may, in its sole discretion, temporarily hire pilots or flight engineers to perform this flying. These individuals will not be represented by the Association nor covered by this Agreement, and their use shall be limited to performing CRAF flying in or out of a hostile area. The use of such contract pilots and flight engineers to perform work otherwise covered by this Agreement shall be discontinued no later than five (5) days after the area is no longer designated as hostile and the CRAF operation has been completed.

4. The use of Crewmembers not covered by this Agreement to operate flights covered by this Section as provided for in paragraph 2.a, above shall be at the sole discretion of the Company and without limitation.

#### D. Compensation for Participation in CRAF Operations In To or Out of a Hostile Area

Compensation for operating a CRAF flight into or out of a hostile area or solely within a hostile area will be at one hundred and fifty percent (150%) of the Crewmember's hourly rate (the fifty percent (50%) premium not to be used to offset guarantee), and such higher rate shall be used to calculate any applicable premium pay.

#### E. Benefits Applicable to Participation in CRAF Operations In To or Out of a Hostile Area

1. In addition to any other life insurance for which a Crewmember may be entitled under this Agreement, a Crewmember participating in a CRAF operation in or out of a hostile area shall be provided with life insurance in the amount of five hundred thousand dollars (\$500,000.00).

2. A Crewmember who, as a direct result of his participation in a CRAF operation in or out of a hostile area, suffers a disability that precludes him from continuing his duties as a Crewmember, shall suffer no loss of income for a period of thirty-six (36) months or the length of the disability, whichever is less. The Crewmember shall receive sufficient compensation after adding worker's compensation, social security and any other remuneration to which he may be entitled under governmental or Company programs to sustain the Crewmember's monthly income at the level of the monthly guarantee provided for in this Agreement.

#### F. Expenses

A Crewmember participating in a CRAF operation shall be eligible for per diem as specified in this Agreement.

#### G. Duty Limitations

Notwithstanding the provisions of paragraph A, above, the Company's performance of CRAF operations, whether or not into or out of a designated hostile area, shall, without regard to the level of activation, be governed solely by the limitations on duty time, flight time and rest time contained in the Special Federal Aviation Regulations (SFARs) issued in conjunction with a



CRAF activation, or, if no SFARs have been issued then by such limitations, if any, contained in the Federal Aviation Regulations. The SFARs or FARs, as applicable shall supercede any conflicting provisions contained elsewhere in this Agreement.

#### H. Other High Risk Areas

The Company shall be responsible for insuring that adequate security precautions have been taken to insure the security of a Crewmember required to operate a flight into or out of any area that the United States Department of State or United States Department of Defense has designated as an area of “high threat or risk” or designated as an “area of imminent danger.”

SECTION 34

**DURATION**

A. This Agreement shall become effective on its date of signing and continue in full force and effect for forty-two (42) months thereafter except as may be otherwise specifically provided herein.

B. This Agreement shall renew itself without change at the end of the forty-second (42<sup>nd</sup>) month after date of signing and each such anniversary thereafter unless written notice of intended change is served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party hereto no more than two hundred and seventy (270) days and no less than ninety (90) days prior to the end of the forty-second (42<sup>nd</sup>) month after date of signing or of any anniversary of such forty-second (42<sup>nd</sup>) month thereafter if the Agreement has been renewed. Bargaining will commence within thirty (30) days of either party serving said notice. If no Tentative Agreement has been reached by the amendable date provided for herein the parties shall submit a joint request for mediation to the National Mediation Board.

C. During the term of this Agreement neither party may serve a notice pursuant to Section 6, Title I, of the Railway Labor Act, as amended, except as specifically provided in this Section or with the mutual consent of the other party.

IN WITNESS HEREOF, the parties have signed this Agreement this 1st day of August, 2002.

FOR ATLAS AIR, INC.:  
James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:  
Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Company and Association Committee Activities

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

The Collective Bargaining Agreement reached between the parties provides, in part, for the establishment of various committees of the Association to meet and confer with the Company on areas of mutual concern. Some of these committees are, for example: Hotels/Catering; Professional Standards; Safety; Scheduling; Training and Standards, and Grievance. To this end the parties hereby agree that either party may request such meeting(s) or conference(s) and that neither party will unreasonably fail to cooperate to schedule and attend/participate in any such meeting/conference. Further, in accordance with the provisions of Section 18 of the Collective Bargaining Agreement, the Company shall grant reasonable requests, subject to the needs of the operation, for release from duty of Association committee members to attend/participate in such a meeting(s)/conference(s).

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Crewmember Seniority

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

The Company and the Association agree that Crewmember Seniority will be a subject of collective bargaining when amendments to the Agreement dated the 1st day of August, 2002 are next negotiated.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:  
James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:  
Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Gateway Travel Program

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

It is mutually agreed that Company provided travel to and from an eligible Crewmember's residence and accommodations related to an assignment ("Gateway Travel") will be provided in accordance with and subject to the following:

1. Gateway Travel Airports

a. The Company shall designate the airports from which and to which Gateway Travel will be provided to eligible Crewmembers. There shall be no minimum or maximum number of airports so designated. To qualify for designation as a Gateway Travel airport, the airport must have sufficient commercial Part 121 air carrier service so as to provide competitive airfares. The Company shall consider input provided by the Association regarding adding or deleting Gateway Travel airports, with the intent to be to provide airports that are convenient for the Crewmember while at the same time afford the Company the ability to minimize the cost of providing Gateway Travel.

b. The following airports are currently designated as Gateway Travel airports. The Company shall publish any additions or deletions to this list on a timely basis.

ABQ	DEN	LAX	PDX
ANC	DFW	LGA	PHX
ATL	EWR	MDW	PIT
BOS	FLL	MEM	RDU
BWI	GEG	MIA	SAC
CHS	HOU	MSP	SAT
CLE	IAD	MSY	SEA
CLT	IAH	OKC	SFO
CMH	JAX	OMA	SLC
COS	JFK	ORD	STL

DCA	LAS	ORF	TPA
DTW	MCO	PHL	BDL
ISP	PVD	BHM	BNA
CVG	JAN	MCI	MDT
MKE	OAK	PBI	PNS
RSW	SMF	BOI	DAB
VPS	AVL	CRP	DAY
EUG	FAI	HLN	IND
LIT	MGM	SAN	SGF
SYR	SHV	TLH	TUS
TYS			

No deletions shall be made to this or any future list of Gateway Travel Airports without the concurrence of the Association, provided, however, that such concurrence will not be withheld if an airport no longer meets the qualifications set forth above. Any disputes regarding the deletion or addition of a Gateway Travel Airport shall be resolved pursuant to the provisions of Section 20.D.

c. Unless mutually agreed otherwise between the Company and the Crewmember, Gateway Travel will be provided to an eligible Crewmember from a Gateway Travel airport located within one hundred and thirty miles (130) from the Crewmember's residence. If more than one Gateway Travel airport is located within one hundred and thirty miles (130) from the Crewmember's residence, the Company shall designate the airport from which the travel is to be provided, which may vary from assignment to assignment.

d. Unless mutually agreed otherwise between the Company and the Crewmember, if an eligible Crewmember's residence is more than one hundred and thirty (130) miles from the nearest Gateway Travel airport, then the Company, at its discretion, shall provide Gateway Travel either from the Gateway Travel airport that is nearest the Crewmember's residence or from a Gateway Travel airport that is within fifty (50) miles of such nearest Gateway Travel airport.

e. Unless mutually agreed otherwise between the Company and the Crewmember a Crewmember being provided Gateway Travel shall be returned to the same Gateway Travel airport from which he departed.

## 2. Crewmember Eligibility for Gateway Travel

a. A Crewmember will not be eligible for Gateway Travel if his residence is within one hundred and thirty (130) miles of his base.

b. A Crewmember whose residence is outside the contiguous forty-eight (48) states or Alaska will not be eligible for Gateway Travel

c. The privileges afforded to an otherwise eligible Crewmember under this Gateway Travel Program do not apply during any period that the Crewmember is based at other than a base located within the fifty States.

d. A Crewmember whose residence is within one hundred and thirty (130) miles of his base will not be eligible for Gateway Travel if he moves more than one hundred and thirty (130) miles from his base except as provided in paragraphs e.1 and e.2, below.

e. A Crewmember who currently lives within one hundred and thirty (130) miles of his base will not be eligible for Gateway Travel if he bids to another base unless:

i. His bid is to upgrade in position and he cannot hold the same upgrade position at his current base on any aircraft type; or

ii. He is involuntarily displaced from his current base and he elects, seniority permitting, to bid the same aircraft type at his new base. If the aircraft type has been eliminated this restriction will not apply.

f. Nothing herein shall preclude the Company, in its sole discretion, from extending Gateway Travel benefits (either on a temporary or permanent basis) to an otherwise ineligible Crewmember in the event of extraordinary circumstances or hardship. If such benefits are extended the Company may set out the parameters of eligibility, including but not limited to duration. The decision of the Company shall be final, and there shall be no right on the part of any Crewmember or the Association to utilize the provisions of Sections 20 or 21 to grieve or otherwise challenge the Company's decision to grant or deny Gateway Travel benefits to Crewmembers in such circumstances or the parameters of such eligibility.

### 3. When Gateway Travel is to be Provided

a. In order to timely position a Crewmember for his assignment, Gateway Travel to an assignment may be required of the Crewmember on an otherwise scheduled day off, and shall not entitle the Crewmember to any compensation for such.

b. Gateway Travel from an assignment will be scheduled to return the Crewmember to his Gateway Travel Airport no later than twenty-four (24) hours after the conclusion of the Crewmember's assignment, provided, however, that no Gateway Travel from an assignment will be provided if the Crewmember's next assignment is to commence within forty-eight (48) hours of the actual conclusion of his current assignment.

### 4. Gateway Travel Hotel Accommodations and Per Diem

a. If a Crewmember is required to Gateway Travel on a day off he will be provided with hotel accommodations at his base until the start of his assignment.

b. If an otherwise Gateway Travel eligible Crewmember is not eligible for Gateway Travel at the end of his assignment pursuant to paragraph 3.b, above, the Crewmember shall be provided hotel accommodations at his base between such assignments.



c. A Crewmember provided a hotel room may be required to check out of such hotel room prior to the beginning of his next assignment, but no earlier than four (4) hours before the Crewmember's report time.

d. Except as provided in paragraph e, below, a Crewmember shall not be entitled to per diem or other expenses as a result of any time spent in Gateway Travel or between assignments.

e. A Crewmember who is eligible for Gateway Travel shall receive per diem and hotel accommodations while assigned to base reserve.

## 5. Alternative Travel

a. If a Crewmember eligible for Gateway Travel requests alternative travel (i.e., travel from other than a Gateway Travel airport within one hundred and thirty (130) miles of the Crewmember's residence, or travel to a location that is not a Gateway Travel airport within one hundred and thirty (130) miles of the Crewmember's residence) and the cost of providing such alternative travel is less than the cost of providing Gateway Travel, then, at the Company's discretion, the Crewmember may be provided with such alternative travel.

b. At the Company's discretion and direction, a Crewmember eligible for Gateway Travel may be provided Gateway Travel to other than his base to begin an assignment in lieu of Gateway Travel to the Crewmember's base followed by a deadhead to flight duty. The provisions of this paragraph are not intended to cause the Crewmember to incur any loss of pay.

## 6. General

a. Gateway Travel shall not be considered work or duty for any purpose, including but not limited to pay, per diem, or duty time limitations.

b. Crewmember travel to and from a Gateway Travel airport, including but not limited to mileage expense, tolls, parking, and any other related expenses shall be the responsibility of the Crewmember.

c. Gateway Travel by air shall be coach class and shall be booked on a carrier of the Company's choosing. Further, Gateway Travel may be provided on Company aircraft. Nothing herein shall preclude the Company from providing Gateway Travel via other than air transportation.

d. The routing of Gateway Travel will be at the Company's discretion, provided that the Company shall exercise reasonable effort to provide the most direct and expeditious routing where such does not require the Company to incur any additional costs.

e. The Company is not responsible for delays, cancellations or flights missed by the Crewmember.

f. The references in this Letter of Agreement to the one hundred and thirty (130) mile distance shall determined be by the most direct ground transportation routing.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Implementation of Crewmember Preferential Bidding System

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

It is mutually agreed that the following procedures shall be used in order to implement and monitor a Preferential Bidding System (hereinafter referred to as "PBS") for Atlas Air, Inc. Crewmembers:

A. Scheduling Committee

1. The Association shall be invited to designate up to three (3) representatives from its Scheduling Committee to participate in the design, testing and implementation of the Crewmember PBS.
2. The Company and the Association's PBS Sub-committee will review and discuss the issues regarding the implementation of the PBS, including the various Crewmember scheduling "preferences" that are initially to be incorporated into the PBS, and the relative weight to be given to each such preference, provided such weighting is available as part of the preferential bidding system selected by the Company.
3. The Company and the Association's PBS Sub-committee shall insure that the preferences and other parameters to be incorporated into the PBS comply with the requirements of the Collective Bargaining Agreement between the parties, and provide for efficient Company operations with due consideration for the various Crewmember quality of life issues. A monthly satisfaction report will be created for both parties to the extent such a report is available.

## B. Scheduling Manual

The Company shall maintain a PBS scheduling manual that shall include a complete description of the system, including the parameters, preferences and other rules and procedures to be used in the operation of the system. The manual and any revisions shall be available for Crewmembers to review at the various Crewmember bases and at the Association MEC office.

## C. Implementation Procedure

1. Prior to implementation of the system, the Crewmembers will be offered the opportunity to receive training regarding the use of the PBS, and will be provided with a user's guide. In addition, the PBS shall undergo testing for a minimum of two (2) months through the use of parallel bids for all Crewmembers under both the current line bidding procedures and the proposed PBS to assure that the PBS will operate in a satisfactory manner. At the conclusion of each test run, each Crewmember will be provided a bid analysis to enable him to understand errors made in bidding and to improve his bidding procedures for the next test run. The PBS may be fully implemented by the Company at any time following the second test month.

2. The PBS shall be fully implemented no later than nine (9) months after the effective date of the initial Collective Bargaining Agreement between the parties.

3. Until such time as the PBS system has been fully implemented, the Crewmembers shall continue to bid lines and the Company shall continue to award lines in accordance with the applicable procedures set forth in the Flight Crew Policy Manual dated June 1, 2000.

## E. CONTINUED MONITORING

After implementation, the Company and the Association shall continue to monitor the administration of the PBS. If either the Company or the Association determines that revisions are needed after implementation, including additions or deletion to the Crewmember preferences provided, the parties will meet to discuss such revision and shall work together to identify possible solutions. No changes may be made to the PBS that do not conform to the requirements of the Collective Bargaining Agreement between the parties without the agreement of the Association.

This Letter of Agreement shall be effective as of the date of its signing, and unless otherwise amended, shall remain in full force and effect concurrent with the duration of the initial Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

No Strike Agreement

---

WHEREAS, the Company and the Association, through its Atlas Air, Inc. Master Executive Council (“MEC”), have agreed to no-strike provisions for their collective bargaining agreement (the “Agreement”); and

WHEREAS, the Association and the Company wish to confirm those no-strike provisions in this Letter of Agreement and to incorporate these terms into the Agreement as binding and enforceable terms,

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The Association, through its Atlas Air, Inc. MEC, agrees that during the term of the Agreement there will not be any complete or partial strikes, picketing, slowdowns, unfair labor practice strikes, refusals to cross picket lines, sympathy strikes, work stoppages, secondary boycotts, withholding of services in whole or in part, concerted refusal to work normal overtime, or other cessation of work or disturbances economic or otherwise unless and until the parties’ rights to self-help mature under the Railway Labor Act, provided, however, that nothing herein shall be construed to limit the Association’s right to engage in otherwise lawful informational picketing. This paragraph shall not alter or limit the Company’s right, if any, to obtain a court order enjoining such conduct by the Association and or the Crewmembers both collectively and individually. Nothing in this paragraph shall be construed, however, to limit the rights of the Association or the Atlas Crewmembers to refuse to cross lawful strike picket lines established by or on behalf of pilots represented by any union lawfully certified or recognized pursuant to the Railway Labor Act.

2. This letter shall remain in effect during the term of the parties’ Initial Agreement, and thereafter, unless amended by the mutual agreement of the parties or pursuant to the terms and provisions of the Railway Labor Act.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

FOR THE AIR LINE PILOTS ASSOCIATION, BY COUNCIL 72 MASTER EXECUTIVE COUNCIL:

David Bourne, Chairman  
Atlas Air, Inc. MEC

John A. Caputo, Vice Chairman  
Atlas Air, Inc. MEC

Phillipe Fischer, Secretary-Treasurer  
Atlas Air, Inc. MEC

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Pre-Contract Disputes

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

It is mutually agreed and understood by the Company and the Association that:

1. The procedures set forth in Sections 19, 20 and 21 of the collective bargaining agreement between the parties shall not be applicable to nor shall they be used to resolve any dispute, the underlying facts of which arose prior to the effective date of such collective bargaining agreement, including but not limited to disputes regarding the application of the Flight Crew Policy Manual, disputes regarding the application of other Company policy, or disputes regarding the assessment of discipline or discharge.
2. Disputes of any kind, including but not limited to disputes regarding the application of the Flight Crew Policy Manual, disputes regarding the application of other Company policy, or disputes regarding the assessment of discipline or discharge, which have been reviewed using the review procedures that were in place prior to the effective date of the collective bargaining agreement between the parties shall not be reopened or otherwise serve as the basis for a grievance pursuant to Sections 20 and 21 of such collective bargaining agreement.
3. Disputes of any kind, including but not limited to disputes regarding the application of the Flight Crew Policy Manual, disputes regarding the application of other Company policy, or disputes regarding the assessment of discipline or discharge, which are currently being reviewed using the review procedures that were in place prior to the effective date of the collective bargaining agreement between the parties shall continue to be reviewed under such procedures and shall not be reopened or otherwise serve as the basis for a grievance pursuant to Sections 20 and 21 of such collective bargaining agreement.



This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Professional Standards

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

The Company and the Association agree that it is in the mutual interest of both parties to promote the highest standards of professionalism among the Crewmembers of Atlas Air, Inc. To that end the Association will establish a Professional Standards Committee. This committee will assist the Company in resolving disputes arising out of conflicts between one or more Crewmembers which affect (or have the potential to affect) their work performance or professional interaction. Further, the committee will on its own, or in conjunction with the Company, seek to modify the conduct of one or more Crewmembers whose actions may reflect unfavorably on the Company and/or the profession.

Crewmembers are encouraged to promptly report any concerns regarding another Crewmember's failure to meet the required professional standards to the Professional Standards Committee. However, the use of the Professional Standards Committee by a Crewmember is intended to be completely voluntary. It is not intended to be considered a substitute for or to discourage use of the Company's procedures for reporting, investigating and resolving disputes regarding harassment, discrimination, or any other conduct prohibited either by law or Company policy.

When a professional standards problem comes to the Company's attention it may, at its sole discretion, refer the matter to the Professional Standards Committee. Generally, unless it determines that the circumstances warrant otherwise, the Company will take no action against the Crewmember(s) involved for a period of thirty (30) days or such other agreed upon period while the Committee is investigating and attempting to resolve the matter. If further information becomes known which alters the facts upon which the Company relied in making its decision to refer the matter to the Committee, the Company shall have the right to take such action as it deems appropriate under the circumstances. At or before the end of the period provided for the Committee to investigate and resolve the matter, the Committee shall confer with the appropriate

Company officials to advise them that the Committee believes that the problem has been resolved, and how, or to advise the Company that the Committee has been unsuccessful in resolving the problem and that the Committee does not believe that it can be of any further assistance. In the event that the Committee advises the Company that it believes the problem has been resolved the Company may, in its sole discretion, confirm the outcome with one or more of the Crewmembers involved and that they are satisfied with the resolution achieved.

If the Committee has advised the Company that it has been unsuccessful in resolving the dispute, or the Company determines that a successful resolution of the problem has not been obtained, then the Company shall be free to take whatever action it deems necessary to resolve the problem, including the assessment of discipline or discharge.

Notwithstanding the foregoing, this Agreement is not intended by either party to abrogate any of the rights and authority of the Company to manage its operations, and shall in no way limit the Company's right to assess discipline to or discharge a Crewmember for just cause. Further, in matters where the Company has determined that discipline or discharge proceedings may be appropriate, no delay in commencing such discipline or discharge proceedings caused by referral of the matter to the Professional Standards Committee may be raised by the Association as a defense or mitigating factor in representing the affected Crewmember(s).

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:  
James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:  
Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Profit Sharing

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

1. The Company's Profit Sharing Plan (the "Plan") as it applies to Crewmembers shall be amended as follows:

a. Effective with the effective date of the Agreement, the ten percent (10%) "guaranteed" and pre-paid portion of the Company's Annual Profit Sharing Allocation that has been included as part of an eligible Crewmember's regular bi-monthly pay shall be eliminated. In exchange, the hourly pay tables set forth in Section 3 of the collective bargaining agreement have been increased by ten percent (10%) to integrate the "guaranteed" portion of profit sharing into base salary.

b. The Annual Profit Sharing Allocation for Crewmembers shall continue to be calculated from pretax profits (as set forth in the Plan), and shall be based on the Company's Annual Profit Sharing Contribution. The percentage of the Company's annual pre-tax profits to be used to determine the Company's Annual Profit Sharing Contribution shall be as follows:

<u>YEAR</u>	<u>Annual Contribution</u>
i. For the year 2002	6.5%
ii. For the year 2003	7.5%
iii. For the year 2004	8.5%
iv. For the year 2005 and thereafter	10%

c. There will be no further bi-annual installment payments of profits sharing. Profit sharing, to the extent there are profits to be distributed, shall be paid no later than April 30<sup>th</sup> of the year following the year for which the profit sharing to be distributed is based.

2. All terms not specifically defined in this Letter of Agreement shall have the meaning ascribed to them in the Plan.

3. Except as provided herein, all other terms and conditions of the Plan (including but not limited to eligibility requirements or methods of allocation) shall remain in full force and effect and not be changed so as to materially reduce the level of participation by Crewmembers or benefits provided to Crewmembers without the concurrence of the Association, except to the extent that such changes are required by law.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Scheduling Oversight Committee

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

The parties mutually agree as follows:

The Company shall provide the Association no later than thirty (30) days after the close of each bid month with sufficient access, information, and documentation to enable the Association to monitor the Company's application of its scheduling programs, systems, policies and procedures to ensure compliance with the Pattern Construction, Bidding and Award/Assignment of Monthly Lines of Work, Unassigned Time, Reassignment and Involuntary Assignment provisions of Section 25, Scheduling.

In the event the Association's Scheduling Oversight Committee determines that the Company has not complied with applicable scheduling rules, it may propose appropriate corrective measures. If agreement regarding the need for or manner of corrective measures is not reached, any resulting dispute shall be resolved pursuant to Section 20. D.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Sick Leave Banks

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

Notwithstanding anything contained in Section 14 to the contrary, it is mutually agreed that:

A. Each Crewmember on the Pilot and/or Flight Engineer seniority list(s) shall, as of the effective date of the Agreement, be credited with accrued short-term and catastrophic sick leave as follows:

1. One (1) day of short-term sick leave for each month of active service prior to the effective date of the Agreement to a maximum of twenty-four (24) days, inclusive of any existing accrued short-term sick leave.
2. Two (2) days of catastrophic sick leave for each day of short-term sick leave credited pursuant to paragraph 1, above.

B. A Crewmember not in active service as of the effective date of the Agreement and who has exhausted the paid sick leave to which he was entitled prior to the effective date of the Agreement shall not be eligible to utilize either his credited short-term or his credited catastrophic sick leave until such time as he has been back in active service for thirty (30) consecutive days.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.



FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Stansted Vacancies

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

It is mutually agreed that the staffing of Pilots and Flight Engineers covered by the Agreement ("Crewmembers") at the Company's crew base at Stansted, England ("STN") shall be as follows:

1. In accordance with the provisions of Section 1 of the Agreement, additional staffing vacancies at STN will be filled by qualified (including but not limited to meeting immigration requirements) Crewmembers from the Atlas Air, Inc. – ALPA Pilot and/or Flight Engineer seniority lists, as applicable. If there are insufficient qualified Crewmembers from the Atlas Air, Inc. Pilot and/or Flight Engineer seniority lists to meet the staffing requirements at STN, the Company may fill such vacancies with new-hire Crewmembers, and such new-hire Crewmembers shall be placed on the Atlas Air, Inc. – ALPA Pilot and/or Flight Engineer seniority lists, as applicable. The Company may require a Crewmember who submits a standing bid for STN or who is displaced to STN to complete and submit on a timely basis the forms necessary to obtain the required entry and work permits for STN, and as necessary the Company shall exercise reasonable efforts to assist the Crewmember in this process.

2. Any Crewmember who transferred to STN prior to November 15, 2001 and all direct hires to Atlas Air Crew Services ("AACS") prior to the effective date of the Agreement ("STN-Crewmembers") shall not be covered by the Agreement nor shall they be subject to representation by the Association, whether or not they perform revenue or other flying to or from any point in the United States or any of its territories, and whether or not their direct employment remains with AACS or is transferred to the Company or a Related Entity; provided, however, that such STN-Crewmembers may not perform scheduled revenue flying to more than one point within the United States or a U.S. territory (excluding tech stops) within a flight rotation. Provided further, that the Crewmembers from the Atlas Air, Inc. – ALPA Pilot and/or Flight Engineer seniority lists who transferred to STN prior to November 15, 2001, shall be covered by

the Agreement and subject to representation by the Association at such time as they are assigned to another base covered by the Agreement.

3. Crewmembers from the Atlas Air, Inc. – ALPA Pilot and/or Flight Engineer seniority lists who fill a vacancy at STN after November 15, 2001 shall be placed on the STN Pilot or Flight Engineer seniority list, as appropriate, junior to the STN-Crewmembers as of the effective date of the Agreement (including the Crewmembers who transferred to STN prior to November 15, 2001), but otherwise in the same relative seniority order as reflected on the applicable Atlas Air, Inc. – ALPA Pilot or Flight Engineer domestic seniority list.

4. Crewmembers who transfer to STN, including Crewmembers who transferred to STN prior to the effective date of the Agreement, shall retain their seniority rights on the Atlas Air, Inc. – ALPA domestic Pilot and/or Flight Engineer seniority lists, as applicable.

5. Except as provided by in Section 1, paragraph B.2 of the Agreement, a Crewmember who transferred to STN after November 15, 2001 shall be covered by the Agreement and subject to representation by the Association as of the Agreement's effective date, it being understood that such Crewmember shall be subject to AACCS' terms and conditions of employment and not represented by the Association during the period between November 15, 2001 and the effective date the Agreement.

6. Except as provided by in Section 1, paragraph B.2 of the Agreement, Crewmembers who are assigned or transfer to STN after the effective date of the Agreement shall remain covered by the Agreement and subject to representation by the Association.

7. The STN Pilot and Flight Engineer seniority lists shall be utilized for all matters pertaining to seniority rights for work related opportunities at STN, including but not limited to monthly bidding of schedules, bidding of vacations, upgrade and position vacancies, and any reductions in force at STN.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Vacation

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

It is mutually agreed that notwithstanding anything to the contrary set forth in Section 7 of the Agreement, vacation for Crewmembers on the Pilot and/or Flight Engineer seniority list(s) as of the effective date of the Agreement shall be as follows:

1. Vacation accrual shall be limited to fourteen (14) days per complete year of active service.
2. There shall be no pro-ration of days off in a month in which the Crewmember takes his vacation.

In all other respects the provisions of Section 7 shall be applicable.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis  
John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC  
Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Crewmember Possession and Consumption of Alcohol

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

It is agreed that the following is to clarify the rules applicable to Crewmembers regarding the possession and consumption of alcohol. More specifically, the parties agree as follows:

1. Consumption of Alcohol While in Uniform

As set forth in the Company's Drug and Alcohol Policy, consumption of alcohol at any time while in uniform is prohibited.

2. Possession of Alcohol on Company Aircraft

Crewmembers may possess, but not consume, alcoholic beverages on Company aircraft, provided such alcoholic beverages remain concealed at all times in the Crewmember's personal luggage. Further, no personal luggage containing alcoholic beverages may be brought into the cockpit operating area of Company aircraft.

3. Consumption of Alcohol While Deadheading on Commercial Aircraft

Crewmembers may consume alcoholic beverages while deadheading on commercial carriers only if the Crewmember is not in uniform, and is deadheading into a rest period or scheduled day off.

4. Consumption of Alcohol During Layover Periods

Crewmembers may consume alcoholic beverages during a layover period, provided such consumption during the layover does not violate the applicable laws and regulations or Company policies relating to the consumption of alcohol.

This letter of Agreement shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this 1st day of August, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee



**LETTER OF AGREEMENT**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

---

Stock Options

---

THIS LETTER OF AGREEMENT is made and entered into by and between ATLAS AIR, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of ATLAS AIR, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

The Company hereby agrees to grant certain Crewmembers an aggregate of five hundred and eighty thousand (580,000) non-qualified options to purchase an equivalent number of shares of common stock of Atlas Air Worldwide Holdings, Inc. ("AAWHI"). Such options are not intended to be "incentive stock options" subject to Section 422 of the Internal Revenue Code. The exercise price for these options will be the average of the high and low price of AAWHI common stock on the day on which the common stock of AAWHI trades on the New York Stock Exchange immediately prior to the date of signing of the collective bargaining agreement between the Company and the Association (the "Agreement"). The distribution, vesting, and other rules regarding the grant of such options shall be in accordance with the following:

1. Eligibility

All Crewmembers who are on the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s) as of August 1, 2002 shall be eligible for a grant of stock options, with the following exceptions:

- a. Crewmembers working full time in a management position.
- b. Crewmembers working full time in a non-management position not covered by the collective bargaining agreement between Atlas Air and the Air Line Pilots Association (the "Agreement").
- c. Crewmembers working at the Company's Stansted, England base who took such a position prior to November 15, 2001.

## 2. Option Allocation

All eligible Crewmembers will be granted a number of stock options based on Seniority Units (as defined below) in accordance with the following:

- a. Seniority Units shall be calculated for each eligible Crewmember through July 31, 2002. A Seniority Unit shall represent each month of seniority with the Company as a Crewmember, but shall not include a month in a furlough status or a month while staffed at the Company's Stansted, England base. For purposes of determining Seniority Units, a partial month shall be considered a full month for all purposes.
- b. The total number of Seniority Units for all eligible Crewmembers shall be based on information provided by the Company and thereafter determined and approved by the Association, and this number shall be divided into five hundred and eighty thousand (580,000).
- c. The product of the calculation in paragraph b, above, shall be multiplied by the number of individual Seniority Units for each Crewmember to determine the number of stock options to be granted to that Crewmember.
- d. There shall be no fractional allocation of shares. An individual Crewmember's allocation of shares pursuant to the calculation called for above shall be rounded up or down, as appropriate, to the nearest whole share.

## 3. Eligibility and Allocation Review

- a. The Company shall provide to the Association the information set forth in paragraphs 1 and 2.a and 2.b, above, no later than August 1, 2002.
- b. The Association shall publish such information to the Crewmembers for review and challenge as the Association may see fit. No later than September 15, 2002, the Association shall advise the Company of any changes it believes are required regarding eligibility for an option grant, the number of Seniority Units to be allocated an individual Crewmember, and the total number of Seniority Units to be utilized to make the calculation required in paragraph 2.b. The Company's agreement to such changes shall not be withheld unless the changes are not in conformance with this Letter of Agreement or result in a total allocation of more than five hundred and eighty thousand (580,000) options.
- c. No later than October 1, 2002 the Company shall advise each Crewmember of the number of options he has been granted, and at the same time provide such information to the Association, each such grant, however, to be effective August 1, 2002.

## 4. Vesting

- a. The options granted pursuant to this Letter of Agreement shall vest and become exercisable in accordance with the following schedule:

- i. Twenty-five percent (25%) at August 1, 2003.
- ii. Twenty-five percent (25%) at August 1, 2004.
- iii. Twenty-five percent (25%) at August 1, 2005.
- iv. Twenty-five percent (25%) at February 1, 2006.

a. To be eligible for vesting a Crewmember's name must remain on the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s) as of the respective date of vesting.

b. Notwithstanding the provisions of paragraphs a and b, above, all options allocated to a Crewmember whose name remains on the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s) shall immediately vest at the time the Crewmember leaves the service of the Company and has his name removed from such list(s) in any of the following circumstances:

- i. Retirement at age sixty (60) with five (5) or more years of seniority;
- ii. Retirement due to loss of medical certificate due to disqualifying medical or physical condition with five (5) or more years of seniority; or
- iii. Death of the Crewmember.

#### 6. Option Exercise Period

a. A vested option may be exercised at any time until the earlier of (i) July 31, 2012 (the tenth (10<sup>th</sup>) anniversary of the date of the option grant) or (ii) ninety (90) days after the Crewmember's name has been removed from the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s).

b. Notwithstanding the provisions of paragraph a, above, a Crewmember whose name is removed from the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s) as a result of a retirement from the Company as provided for in paragraph 4.c, above, shall have until the earlier of July 31, 2012 or the death of the Crewmember to exercise his options.

c. In the case of the death of a Crewmember, his estate shall have nine (9) months after the Crewmember's name has been removed from the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s) to exercise any vested options.

#### 7. Option Non-Transferability

The options granted herein shall not be transferable by the Crewmember to whom granted except to his estate in the case of the death of the Crewmember. In such event, his estate shall have nine (9) months following the removal of the Crewmember's name from the Atlas Air Pilot and/or the Atlas Air Flight Engineer Seniority List(s) to exercise any vested options.

#### 8. Exercise of Options

a. In order to exercise any vested option a Crewmember shall either:

i. Submit to the Company or its designated agent an instrument specifying the number of options he wishes to exercise, accompanied by full payment (in a manner acceptable to the Company) of the exercise price of the options being exercised. The Company shall then cause a certificate for the appropriate number of shares to be issued to the Crewmember; provided, however, that the Company shall not be obligated to issue any shares hereunder until all applicable securities laws and other legal and stock exchange requirements have been satisfied; or

ii. The Crewmember may request that a “cashless” exercise of the option(s) occur. Pursuant to this method of exercise, the Crewmember shall receive the difference between the current market price of the common stock of AAWHI at the time the option is exercised and the exercise price of the option, less a reasonable transaction fee that may be charged by any intermediary that the Company may retain for such transactions.

b. The Crewmember will be required to make such arrangement as the Company determines necessary and appropriate to comply with any applicable tax withholding requirements or similar requirements arising out of the exercise of any options.

## 9. No Rights of Stockholder

A Crewmember granted options hereunder shall not, by virtue of the option granted, be entitled to any of the rights of a stockholder of Atlas Air World Wide Holdings, Inc. either by law or equity, nor shall he be entitled to any dividends associated with the underlying shares to such options, and the grant of the such options shall not confer on the Crewmember any right with respect to continuance of his employment with the Company.

## 10. Option Forfeiture

Any Options which do not vest or which are not exercised prior to expiration shall be forfeited by the Crewmember and shall not be subject to any reallocation to Crewmembers pursuant to this stock option grant agreement.

## 11. Recapitalization, Dividends, and Adjustments

In the event of any recapitalization, reclassification, split up or consolidation of the common stock of AAWHI appropriate adjustments in the exercise price of the options granted herein and in the number and kind of securities shall be made.

## 12. Stock Option Plan

The Company shall have the right to establish a Stock Option Plan from which the shares to be granted hereunder will be issued, or to issue such shares from an existing plan, the terms of any such plan to be in the Company’s sole discretion so long as they are not inconsistent with any of the terms of this Letter of Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this \_\_\_\_ day of \_\_\_\_\_, 2002.

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

**MEMORANDUM OF UNDERSTANDING**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS ASSOCIATION**  
**regarding**  
**FAMILY LEAVE**

The parties recognize that given the manner by which a Crewmember's duty period is calculated, seldom is a Crewmember eligible for family leave under the federal Family and Medical Leave Act. As such, Atlas Air (the "Company") agrees to offer "Family Leave" leave for the birth or adoption of a child, or a serious illness of a family member to those Crewmembers who otherwise do not qualify for coverage under the Act on the following basis:

1. Eligibility

Any full-time Crewmember who has completed one (1) year of employment with the Company and in the last twelve (12) calendar months has received a minimum of five hundred (500) hours of pay for work performed shall be eligible for a maximum of ninety (90) calendar days of Family Leave in a rolling twelve (12) month period. However, once used, no additional Family Leave may be taken until the Crewmember has returned to active status for a minimum of twelve (12) months, and has again satisfied the required five hundred (500) hours of pay for work performed in the twelve (12) months preceding the start of the newly requested leave of absence.

2. Qualifying Conditions

Family Leave may be taken for either of the following purposes:

- a. The birth of a son or daughter, or the placement of a child with the Crewmember for adoption or foster care. In such event, Family Leave must be taken as a single block of time and must be accomplished within one (1) year of the birth or placement; or
- b. To care for a family member<sup>1</sup> who, as determined on a case by case basis, has a serious illness, injury, impairment, or physical or mental condition requiring inpatient care, or continuing treatment<sup>2</sup> by a healthcare provider.

---

<sup>1</sup> For purposes of this side letter, "family member" is defined as the employee's son or daughter (biological, adopted, foster, stepchild, legal ward, or legal guardian); biological parent (not parent-in-law) or someone who stood as the employee's legal guardian when the employee was a child; spouse (husband or wife, including common law husband or wife in states which recognize common law marriages).

<sup>2</sup> "Continuing treatment" means a) a period of incapacity exceeding three consecutive days and any subsequent care or period of incapacity related to the same condition that also involves treatment two or more times by a healthcare provider, or which results in a regimen of ongoing treatment; b) incapacity due to a chronic serious health condition; or c) incapacity which is permanent or long term due to a condition for which treatment may not be effective. Generally, unless serious complications arise, incapacity due to a common cold, the flu, earaches, upset stomach, minor ulcers, headaches, dental ,orthodontia or periodontal problems, and other illness of a temporary nature do not qualify for Family Leave.

### 3. Certification

If the qualifying condition is to care for a family member requiring inpatient care or continuing treatment, the Crewmember shall have the healthcare provider certify the serious health condition and provide the Company: i) the date on which the condition began; ii) the probable duration of the condition; and iii) a statement that the Crewmember is needed to provide care and the estimated duration of such need. If a planned medical treatment contemplates an intermittent leave or reduced schedule (collectively, 'Intermittent Leave'), then the healthcare provider shall also certify the dates on which such treatment is expected to be given, the duration of such treatment, and state why the Crewmember's presence is medically necessary, or how it will assist the family member's recovery.

The Company may, at its expense, require a second opinion from a healthcare provider of its choosing. If the opinion of the Company's doctor differs materially from the family member's doctor, then the opinion of a third healthcare provider designated, or approved jointly by the Company and the Association shall be obtained, and shall conclusively bind the parties.

Nothing shall preclude the Company from requiring periodic evidence of continued eligibility.

### 4. Intermittent Leave

For purposes of tracking Intermittent Leave usage, the ninety (90) day maximum entitlement shall be converted to a Family Leave bank of two hundred and twenty-five (225) hours. A Crewmember will be charged the actual flight time missed or two hours and thirty minutes (2:30) for each day, or portion of a day of Intermittent Leave, whichever is less. Each day of non-Intermittent Leave used will reduce the available bank by two hours and thirty minutes (2:30), and the ninety day non-intermittent allotment shall be reduced by one day for each two hours and thirty minutes (2:30) of Intermittent Leave used. Further, in cases involving the use of Intermittent Leave, the Company may temporarily reassign a Crewmember to another position so long as her/his pay and benefits are not affected.

### 5. Compensation

Family Leave is unpaid, unless the Crewmember has accrued vacation, in which case such vacation shall be charged concurrently until exhausted.

### 6. Request and Notice Requirements

A Crewmember requesting Family Leave shall:

a. Make such request in writing. (If circumstances necessitate, the request may be verbal, provided the Crewmember must confirm the request in writing within five (5) days.)

b. Give thirty (30) days advance notice for conditions which are reasonably foreseeable; e.g., birth of a child, planned medical treatment, etc., and in all other cases provide notice as soon as practicable, but in no event less than five (5) days notice.

c. Provide enough information to the Company to allow it to determine whether or not the need qualifies for Family Leave.

d. Consult with the Company and make a reasonable effort to schedule the leave so as not to unduly disrupt the Company's operations. The Company may, for justifiable cause and with the consent of the healthcare provider, require the Crewmember to reschedule a medical treatment.

Failure by a Crewmember to comply with the above requirements, inadvertent or otherwise, may lead to the delay or denial of the request for Family Leave.

## 7. Designation and Approval

The Company shall designate a Family Leave request as qualifying or non-qualifying within five (5) days from the date it receives sufficient information to make its determination. In addition, unless precluded by the timing of the Crewmember's request for such, the Company shall notify the Crewmember of his eligibility or ineligibility for Family Leave prior to the date the requested leave is to commence.

All notices shall be in writing, circumstances permitting. In instances necessitating oral notice, the Company shall follow-up in writing within five (5) days.

## 8. Reinstatement

At the conclusion of the Family Leave period, the Crewmember shall be reinstated to the position held prior to going on leave subject to the provisions of Sections 23 and 24 of the Agreement, provided: i) he makes up any required training that was missed; ii) as applicable, a fitness for duty release (including, as required, a drug screen) is provided to the Company.

If a Crewmember fails to comply with the foregoing, or fails to return to work without the Company's permission at the expiration or other termination of the leave period, he may be disciplined up to and including discharge. Nothing herein shall grant a Crewmember greater rights, including, but not limited to, protection from the impact of a reduction in force, than the Crewmember would have enjoyed had the leave not been taken.

## 9. Benefits

a. Group health benefits, as modified from time to time, will be continued during the leave period on the same conditions and basis as if the Crewmember were continuously employed. If a Crewmember elects not to retain coverage during the leave period, coverage shall resume immediately upon the Crewmember's return to work, without any qualifying period, physical examination, exclusion of pre-existing conditions, and the like.



A Crewmember remains responsible for and must continue to pay any applicable share of the health premiums. Such payments shall be made to the Company (Attn: Benefits Department) by the Crewmember not later than the fifteenth (15<sup>th</sup>) day of each month. If a Crewmember's premium payment is more than thirty (30) days late, the Company's obligation to maintain coverage shall cease.

b. Seniority and longevity shall continue to accrue for the duration of the Family Leave. If following the expiration of a Family Leave the Crewmember remains on a leave, he will accrue no additional longevity except as specifically provided in Section 13 of the Agreement for military and Association business leaves.

c. Employee and dependent non-revenue travel, and eligibility for any other Company privilege or benefit, shall be governed by the Company's general policies regarding continued availability of, or eligibility for, such privilege or benefit while the employee is on a leave of absence.

## 10. Disputes

Any issues regarding the application or interpretation of this side letter shall be resolved exclusively using the procedures set forth in Sections 20 and 21 of the Agreement, provided, however, that the Company and the Association agree to expedite the resolution of any such disputes.

## 11. Federal Family and Medical Leave Act

The foregoing provisions establish rights and obligations independent of the federal Family and Medical Leave Act (FMLA). The parties recognize, however, that a Crewmember may become eligible for leave under the FMLA, and nothing in this Memorandum of Understanding shall be construed to deprive him of such entitlement.

This Memorandum of Understanding shall be effective as of the date of its signing and unless otherwise amended shall remain in full force and effect concurrent with the duration of the Collective Bargaining Agreement between the parties.

### AGREED, this 1st day of August, 2002

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

**MEMORANDUM OF UNDERSTANDING**  
**Between**  
**ATLAS AIR, INC.**  
**and the**  
**AIR LINE PILOTS**  
**in the service of**  
**ATLAS AIR, INC.**  
**as represented by**  
**THE AIR LINE PILOTS ASSOCIATION,**  
**INTERNATIONAL**

**ARBITRATION PANEL**

**THIS MEMORANDUM OF UNDERSTANDING is made and entered into between ATLAS AIR, INC. (hereinafter referred to as the “Company”) and the AIR LINE PILOTS in the service of ATLAS AIR, INC. as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the “Association”).**

The parties mutually agree that their obligation to establish an arbitration panel pursuant to Section 21.E. of the Agreement, will be carried out no later than August 31, 2002. If the selection of an arbitrator becomes necessary to resolve a dispute prior to August 31, 2002, and no panel has been established, either party has the right to request that a panel of arbitrators be provided by the National Mediation Board. The selection of a neutral arbitrator shall than be accomplished by the alternate striking method.

**AGREED, this 1st day of August, 2002**

FOR ATLAS AIR, INC.:

James R. Cato, Vice President  
Atlas Air Inc., Labor Relations

Paul M. Wolff, Senior Director  
Atlas Air Inc., Financial Planning & Analysis

John W. Dietrich, Associate  
Atlas Air Inc., General Counsel

Michael B. Bryant, Chief Pilot  
Atlas Air Inc.

Paul J. Alves, Member  
Atlas Air Inc., Negotiating Committee

Philip A. Piraino, Member  
Atlas Air Inc., Negotiating Committee

FOR THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL:

Duane E. Woerth, President  
Airline Pilots Association

David Bourne, Chairman  
Atlas Air Inc. MEC

Robert E. Grass, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas E. Hughston, Co-Chairman  
Atlas Air Inc., Negotiating Committee

Thomas Butler, Member  
Atlas Air Inc., Negotiating Committee