

SECTION 27
SYSTEM BOARD OF ADJUSTMENT

A. Establishment of Board

In compliance with Section 204, Title II of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes or grievances which may arise under the terms of this Agreement and any amendments or additions thereto, and which are properly submitted to it after all steps for settling disputes and grievances as set forth in Section 26 have been exhausted.

B. Membership

1. The System Board of Adjustment shall consist of four (4) members, two (2) selected by the Company and two (2) selected by the Union. In addition, the Union and Company shall each designate an alternate, and, in the event of the unavailability of a Board member, the respective alternate shall act as a Board member in place of the absent Board member.
2. Notwithstanding Paragraph B.1 above, on a case by case basis, with agreement between the parties, the System Board of Adjustment may consist of two (2) members, one (1) selected by the Union and one (1) selected by the Company.

C. Term of Service

Members of the Board will serve for one (1) year from the date of their appointment, or until their successors have been duly appointed.

Vacancies in the membership of the Board shall be filled in the same manner as is provided herein for the selection and appointment of the original members of the Board.

D. Jurisdiction

The Board shall have jurisdiction over disputes between any employee or the Union and the Company and between the Company and the Union or any employee growing out of grievances or out of interpretation or application of any of the terms of this Agreement. The jurisdiction of the Board shall not extend to proposed changes in hours of employment, basic rates of compensation or working conditions covered by this Agreement or any amendment thereto.

E. Consideration of Disputes

The Board shall consider any dispute properly submitted to it by an employee covered by this Agreement, by the President of the Union or by the Chief Operating Officer of the Company when such dispute has not been previously settled in accordance with the terms provided for in this Agreement, provided that the dispute is filed with the Board within thirty (30) days after the procedure provided for in this Agreement has been exhausted. If a dispute is not filed within such time, the action of the Company or Union shall become final and binding.

F. Organization

1. Appointments of members of the Board shall be made by the respective parties within thirty (30) days from the date of the signing of this Agreement and said appointees shall meet in the City of Chicago, Illinois within forty-five (45) days from the date of the signing of this Agreement, and shall organize and select a Chairperson and a Vice Chairperson, both of whom shall be members of the Board. The term of office of Chairperson and Vice Chairperson shall be one (1) year. Thereafter, the Board shall designate one of its members to act as Chairperson and one to act as Vice Chairperson for one (1) year terms. Each officer so selected shall serve one (1) year and until a successor has been duly selected. The office of Chairperson shall be filled and held alternately by a Union member of the Board and by a Company member of the Board. When a Union member is Chairperson, a Company member shall be Vice Chairperson, and vice versa. The Chairperson, or in her/his absence, the Vice Chairperson shall preside at meetings of the Board and at hearings, and shall have a vote in connection with all actions taken by the Board.
2. Cases shall be scheduled for hearing during one (1) week each month and shall be held at the Company's headquarters, unless otherwise agreed by the Board. At the request of either party, an additional week of hearings shall be scheduled no more than once per calendar quarter. These additional quarterly hearings shall be scheduled in consecutive days not to exceed one (1) week.

G. Submissions

All disputes properly referred to the Board for consideration shall be addressed to the Chairperson. Five (5) copies of each petition, including all papers and exhibits in connection therewith, shall be forwarded to the

Chairperson who shall promptly transmit one (1) copy thereof to each member of the Board. A copy of all papers and exhibits shall be served on the other party. Each case submitted shall show:

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

When possible, joint submissions should be made, but if the parties are unable to agree with a joint submission then either party may submit the dispute and its position to the Board. No matter shall be considered by the Board which has not first been handled in accordance with the appeal provisions of this Agreement.

H. Hearing Dates

Upon receipt of notice of the submission of a dispute, the parties, by designated representatives, shall set a hearing date which shall be the first open date during the regular monthly meetings of the System Board. At the request of either party, cases may be heard out of the order in which they are submitted. The aforesaid designated representatives shall notify the Board members and the parties to the dispute of the hearing dates.

I. Representatives/Witnesses

Employees covered by this Agreement may be represented at Board hearings by such person(s) as they may choose and designate and the Company may be represented by such person(s) as it may choose and designate. Evidence may be presented either orally or in writing or both. Any witness testifying orally or by deposition may be required to testify under oath at the request of either party.

On request of individual members of the Board, the Board may, by majority vote, or shall at the request of either the Union members or the Company members thereon, summon any witnesses who are employed by the Company and who may be deemed necessary by the parties to the dispute, or by either party, or by the Board itself, or by either group of members constituting the Board.

The number of witnesses summoned at any one time shall not be greater than the number which can be spared from the operation without interference with the services of the Company.

J. Majority Rule

A majority vote of all members of the Board shall be competent to make a decision.

K. Effect of Decisions

Decisions of the Board in all cases properly referable to it shall be final and binding upon the parties thereto.

L. Deadlock Procedures

In the event of a deadlock in the case of any dispute properly before it, it shall be the duty of the Board to endeavor to agree, within thirty (30) days of the date of such deadlock, upon a procedure for breaking such deadlock. A majority vote of all members of the Board shall be competent to reach such agreement and the action of the Board operating under such procedure shall be final and binding upon the parties hereto. If after expiration of said thirty (30) days, the deadlock is not broken or such case is not otherwise disposed of, either party may notify the other in writing that the services of a referee are desired. Within ten (10) days after such notification, the members of the Board will select a referee from the panel of at least eleven (11) potential referees, such panel to be hereafter agreed to by the parties hereto. The referee shall sit with the Board as a member thereof in the subsequent consideration and disposition of the case. By mutual agreement of the parties, the services of one of the referees on said panel may be requested immediately for any case appealed to the Board.

Within thirty (30) days after the selection of the referee as provided above, the Board and the referee shall consider and review the prior record in the case, and may call such additional witnesses and receive such additional evidence as the Board may deem necessary. Either party may make written request to the Board for the privilege of presenting additional witnesses or documentary evidence, and the Board, with the referee, may at their discretion, permit such presentations. The decision of the Board shall be rendered within ten (10) days after consideration and review or after the close of any further hearing, and a majority vote of the members of the Board, including the referee, shall be necessary to reach such decision, which shall be final and binding upon the parties hereto.

The expenses and reasonable compensation of the referee selected as provided herein shall be borne equally by the parties hereto. The time limits specified in Paragraph L of this Section may be extended by mutual agreement of the parties to this Agreement.

M. Rights Under Railway Labor Act

Nothing herein shall be construed to limit, restrict, or abridge the right or privileges accorded either to the employees or to the Company, or to their duly accredited representatives, under the provisions of the Railway Labor Act, as amended.

N. Maintenance of Records

The Board shall maintain a complete record of all matters submitted to it for its consideration and of all findings and decisions made by it.

O. Board Members Expenses

Each party will assume the compensation, travel expense and other expenses of the Board members selected by it.

P. Witness Expenses

Each of the parties hereto will assume the compensation, travel expense and other expenses of the witnesses called or summoned by it. Witnesses who are employees/retirees of the Company shall receive free contingent air transportation on the Company's system from the point of duty, or assignment, or home to the point at which they must appear as witnesses and return, to the extent permitted by law.

Q. Joint Expenses

The Chairperson and the Vice Chairperson, acting jointly, shall have the authority to incur such other expenses as in their judgment may be deemed necessary for the proper conduct of the business of the Board and such expenses shall be borne one-half (1/2) by each of the parties hereto. Board members who are employees of the Company shall be granted necessary leaves of absence for the performance of their duties as Board members. Board members shall be furnished non-revenue positive space (NRPS) transportation on the Company's system for the purpose of attending meetings of the Board.

R. Independence of Board Members

It is understood and agreed that each and every Board member shall be free to discharge her/his duty in an independent manner, without fear that individual relations with the Company or with the Union may be affected in any manner by any action taken in good faith in her/his capacity as a Board member.

- S. Pursuant to the provisions of Paragraph L of this Section, the parties shall name a panel of at least eleven (11) potential referees for the purpose of disposing of cases in deadlock before the Flight Attendant System Board of Adjustment and establish a procedure for filling vacancies on the panel and for selection of a referee therefrom within sixty (60) days of reaching an agreement.

1. Provisions of Referees

The parties hereto shall jointly notify all members of the panel, original selectees or their replacement, of their selection, informing them of the nature of their duties, the parties to the Agreement and shall inquire and obtain their consent to serve as such panel member and shall also ascertain the fees and charges of such panel member, and such panel members shall not be considered eligible as panel members until their fees and charges are approved by the parties hereto. The parties agree to renegotiate the panel of arbitrators on a yearly basis. The negotiations will occur and will conclude during the first week of September. The panel will remain intact for one (1) calendar year, provided that any member who is then acting as a referee in any case or cases pending before the Flight Attendant System Board of Adjustment at the end of a calendar year and is subsequently removed from the panel, shall be permitted to serve until the completion of such case or cases. During the calendar year either party may remove an arbitrator from the panel with notice to the other party, with the understanding that the arbitrator shall be permitted to conclude any outstanding case(s).

2. Vacancies

In the event that any panel member refuses to accept such appointment, dies or resigns from said panel, or a vacancy or vacancies occur therein for any other reason, her/his or their names shall immediately be stricken therefrom and the parties hereto shall within fourteen (14) days after receipt of notice of such refusal, death, resignation or vacancy, meet and select a successor for such member or members as may be necessary to restore the panel to full membership provided that the parties hereto shall use every reasonable and diligent effort to restore the panel to full membership within thirty (30) days after notice of such refusal, death, resignation or vacancy and provided further that in the event that the parties hereto shall not have agreed upon such replacement member or members within such thirty (30) days, an additional fifteen (15) day period after the expiration of the

original thirty (30) days shall be allowed the parties for the purpose of restoring the panel to full membership.

However, in the event that there is a deadlock case or cases then pending before the Flight Attendant System Board of Adjustment and the panel has not been restored to full membership upon the expiration of the fifteen (15) day period, then and in that event the members of the System Board shall select a referee to consider and dispose of such deadlocked case or cases from the remaining members of the panel in accordance with the provisions of this Section.

3. Deadlock Selection

The members of the Flight Attendant System Board of Adjustment shall endeavor to agree on a member of the panel to sit with the Board to decide a deadlocked case or cases. If the members are unable to agree upon a member of the panel, the following method of selection shall be employed:

- a. A member of the System Board of Adjustment representing the party filing the case with the System Board of Adjustment and a member of the System Board of Adjustment representing the other party shall in that order alternate in striking the names of eligible panel members until only one remains, which remaining name shall be recognized as the selected referee.
- b. In the event that the referee so selected shall be unable to serve as referee in the particular case or cases within a reasonable time, the procedure described in Paragraph 1 above for selection shall again be followed until a referee is selected who is available to serve.

SECTION 28

MISSING, INTERNMENT, PRISONER OF WAR BENEFITS

A. Rate of Compensation

A Flight Attendant who, while engaged in the service for the Company, is interned or taken prisoner of war by a foreign government shall be allowed compensation at the basic monthly rate for the period during which interned or held prisoner of war; provided, however, that in the absence of knowledge on the part of the Company as to whether a Flight Attendant is alive or dead, compensation in such amounts shall be allowed until death is established or until there is a presumption of death under applicable law.

B. Period of Compensation

A Flight Attendant who, while engaged in the service for the Company, becomes missing and whose whereabouts becomes unknown, shall be allowed compensation at the basic monthly rate for a period of twelve (12) months after disappearance or until such date as death is established, whichever occurs first. If, upon the expiration of the twelve (12) month period, any such Flight Attendant is still missing and her/his whereabouts are unknown, or if prior to that time, death is established, the Company shall pay or cause to be paid the death benefits provided in Section 13.D (Death Benefits).

C. Disbursement

The monthly compensation allowable under this Section 28 to a Flight Attendant interned, held prisoner of war, or missing shall be credited to such Flight Attendant on the books of the Company and shall be disbursed by the Company in accordance with the written directions for such Flight Attendant. The Company shall cause each Flight Attendant to execute and deliver to the Company prior to such assignment, a written direction in the form prescribed by the Company.

D. Holding Payment

Any payments due to any Flight Attendant under this Section which are not covered by a written direction as above required, shall be held by the Company for such Flight Attendant and in the event of death, shall be paid to the legal representative of her/his estate.