



# PAMA Governance Manual

October 5, 2006



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## INTRODUCTION

### PAMA'S POLICY MANUAL

Board leadership requires that the Board provide vision. To do so, the Board must first have an adequate vision of its own job. That role is best conceived neither as volunteer helper nor as watchdog, but as trustee-owner. Policy Governance is an approach to the job of governing which emphasizes values; vision; empowerment of the Board, Board Councils, Operating Committees, and staff; and the strategic ability to lead leaders.

Observing principles of the Policy Governance Process, the Board of Directors crafts its values into the four types of policies below. Policies written this way enable the Board to focus its wisdom into one central brief document, the Policy Manual.

- **ENDS POLICIES**

The Board defines which human needs are to be met and for whom. Ends describe “what good, for whom, at what relative worth. The *Ends* in Policy Governance refers to the effect an organizations seeks to have on the world outside itself.

- **GOVERNANCE POLICIES**

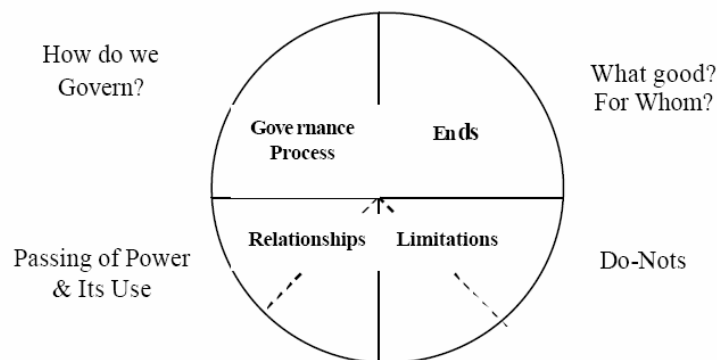
The Board determines its philosophy, its accountability, and the specifics of its own job. Policy Governance. Within the Governance the Board clarifies how it governs and the manner in which it delegates authority to Board Councils.

- **RELATIONSHIP POLICIES**

The Board clarifies the manner in which it delegates authority to Staff and Operating Committees as well as how it evaluates performance.

- **LIMITATIONS POLICIES**

The Board establishes the boundaries of acceptability within which subordinate group methods and activities can take place. These limiting policies, therefore, apply to Operating Committees, and staff means, (how it gets things done) rather than to *Ends* (what is to be achieved).





# Ends Policy

*Ends* in Policy Governance refers to the effect an organizations seeks to have on the world outside itself.

Ends describe "what good, for whom and at what relative worth."



# Ends Policy

E-1

## PAMA ENDS STATEMENTS

1. The Industry resource for information regarding aviation maintenance.
2. Advocate for the aviation maintenance professional.
  - 2.1 Legal & regulatory affairs.
  - 2.2 Life-long Learning.
  - 2.3 Safety
  - 2.4 Standardization
3. Industry recognition for the value of the AMT.
4. A positive public image of the aviation maintenance profession.

Adopted: February 5, 2006



# Governance Policies

The PAMA Board determines its philosophy, its accountability, and the specifics of its own job.



## BOARD'S JOB DESCRIPTION AND RESPONSIBILITIES G-1

The Board of Directors represents the interests of the membership, provides strategic direction expressed in broad policies and offers clear future oriented leadership, outward vision and a broad range of viewpoints. Composition of the Board of Directors shall include character, talent, and loyalty to PAMA, and foster diversity\* into the whole of the organization.

The PAMA Board is accountable for the organization it governs. It exists on behalf of the membership who morally own the organization.

The Board of Directors is responsible to the general membership of PAMA and has the specific duty of ensuring that the activities of the association are consistent with the purposes stated in Article 2 of the Bylaws.

In performance of this duty, under Governance Policy, the Board shall set goals, establish policy and procedures, to obtain such goals.

### **Job Description**

1. The Board will direct, control and inspire the organization through written Board policies that are forward-looking, including influence of external factors and trends and capturing all relevant values for the successful outcomes and conduct of PAMA.
  - 1.1. Ends. Board policies on Ends which state PAMA products, services, impacts, benefits, outcomes; the intended recipients; and acceptable costs thereof.
  - 1.2. Relationships. A Board policy on Relationships, in one document, wherein the Board reserves authorities to itself and delegates specific responsibilities to the President and Operating Committees.
  - 1.3. Limitations. Board policies on Limitations on the President, Operating Committees, and Board Councils to prohibit actions unacceptable to the Board of Directors, including those related to new business ventures, acquisitions, major partnerships, budgeting, financial management, and planning.
  - 1.4. Governance. Board policies on Governance Process, which state the philosophy and methods of the Board of Directors' own operations, such as Bylaws interpretations, and proper composition of Board Councils.
2. Assure performance of Board Councils, Operating Committees and the President through assessment and response to results oriented data on any person or entity to whom the Board of Directors has delegated authority.
3. Represent the interests of the membership, and the viewpoints of members, chapters, and constituencies. Requiring the PAMA operating organization to serve member interests.
4. Provide fiduciary oversight by assessing reports of membership, cash flow, financial position, net income and legal challenges.
5. The Chairman will seek approval from the Board on selections for vacant or vacated positions including the Board members, the President, Board Councils, and Operating Committees
6. Monitor Performance: policy compliance, Board Council performance, Operating Committee performance, Staff performance, and new ventures.
7. The Board will review and approve award recipients.

\* Diversity is defined by the Board to include, but not be limited to culture, national origin, age, gender, technical/managerial position, race, physical ability, industry sector, and geographic location.

Approved: October 6, 2006



## **BOARD GOVERNANCE PROCESS**

**G-2**

To accomplish its job products consistent with Board policies, the Board will follow an annual agenda that completes re-exploration of policies, especially the Ends policies, annually, and continually improves Board performance. The annual cycle and other Governance Processes include the following elements:

### **Annual Planning Cycle**

1. The cycle will start with the Board's approval of an annual agenda at the Organizing Session, the first meeting of each new Board cycle.
2. The Board Agenda Planning Team will propose an agenda after evaluating potential new business items submitted by Board members and others.
3. Board agendas are approved by the Board of Directors at the beginning of each meeting.
4. Agendas & documents will be provided to Board members 10 business days before the Board meeting.
5. Minutes are approved by default after 30 days of announced posting unless an objection is raised by a director.

### **Type of Board Sessions**

1. Closed session (board only).
2. Restricted session (with invited PAMA staff and/or advisors, as appropriate).
3. Open working session [incorporate PAMA staff, Operating Committee chairs, Board Council chairs and other participants as invited by Board]. PAMA Board Directors attend all sessions.

### **Inter-Meeting Business**

1. When appropriate, Board business may be conducted electronically between Board meetings.
  - 1.1 Comment period on electronic business will close seven days prior to each Board meeting.
2. Electronic Voting Quorum
3. There will be a minimum of two (2) meetings each year. The first in the second quarter and the second in the fourth quarter of each year.
4. Additional meetings may be held consistent with the provisions of the Associations Bylaws

Approved: October 6, 2006



## **GOVERNING METHOD**

**G-3**

The governing method of the Board of Directors will optimize teamwork, pro-activity, self-discipline, strategic leadership, member and customer focus, inclusive deliberation, seeking diverse viewpoints, full participation, and clear distinction of Board and organizational unit roles.

### **Scope of Activities**

1. Roles of, and lines of communication among, the Board of Directors, Board Councils, Operating Committees, and the President will be clearly differentiated to avoid overlap, gaps, and ambiguities.
2. Board members are ambassadors for PAMA.

### **Group Action**

1. Policy development belongs to the Board, and accordingly Board actions rely upon constructive deliberations based on useful information and shall relate to the interests of the membership. Governance Policies further address the delegation of decision making to Board Councils and staff.
2. The Board shall address relevant issues, debate policy and strategy, and act decisively.
3. Board members have a responsibility to present their views. Consensus will be sought for decisions put before the Board. Consensus is defined as a minimum of seventy percent (70%) "fully support" and thirty percent (30%) "can live with it". A majority vote will prevail when consensus cannot be reached.

### **Policy Review and Revision**

1. New Directors shall receive an orientation from a team of member leaders, including an outgoing Board member, and staff on PAMA issues and governance policy structure and content.
2. The Board of Directors may amend these governance policies provided that written notice of such new or amended policies are discussed by the Board. The Secretary of PAMA shall have distributed to each member of the Board a copy of the proposed new or amended policy and its rationale at least ten (10) business days in advance of the meeting of the Board at which the policy is to be adopted. The new or amended policy will take effect immediately upon its passage by the Board.

### **Monitoring**

1. The Board shall establish effective and regular ways of monitoring compliance with Limitations policies, progress towards Ends, and discussion of the Board's own performance and that of its officers, Board Councils, Operating Committees, and the President.

### **Terms of Service**

1. The Board of Directors terms of service shall be as defined in the Bylaws.

Approved: October 6, 2006



## BOARD MEMBERS' CODE OF CONDUCT

G-4

The Board expects of itself un-conflicted loyalty to the best interest of the membership. This commitment includes ethical, businesslike, lawful conduct, proper use of authority, appropriate decorum in groups and individual behavior when acting as Board members.

Board members will:

With respect to PAMA as a whole:

1. Support and defend all policies and programs adopted by the Board of Directors.
2. Respect confidentiality of sensitive issues.
3. Public statements (oral or written) of PAMA positions or policies are normally announced by the Chairman on behalf of the Board.
4. Interact with public and press regarding PAMA executive business only at the direction or approval of the PAMA Chairman
5. Reference and backup materials dealing with meeting agenda items are furnished to Board members with the agenda, or separately between meetings. A considerable amount of other written material is also furnished routinely to Board members on topics of interest or importance to PAMA. Where such material is so designated, *it shall be treated confidentially by Board members*. Confidentiality shall pertain to the views expressed by individual Board members during discussions at meetings. When requested by the Chairman, and with consent of the Board, *confidentiality shall be extended to the full discussion or written interchange by the Board on sensitive matters*.
6. Each Board member will sign the PAMA Code of Conduct form.
  - 6.1 Failure to sign will be cause for dismissal from the PAMA Board.

With respect to PAMA Board activities:

1. Attend regularly
  - 1.1 Failure to attend two consecutive meetings will be cause for dismissal review by the Board of Directors.
2. Be prepared for meetings including becoming familiar with governance policies, Bylaws, legal and fiduciary responsibilities immediately upon election (with the assistance of staff).
3. Participate in meeting discussions and voting.
4. Contribute individual judgment and expertise including identifying any actions or conditions that are not in compliance with PAMA's policies and Bylaws and bringing it to the attention of the Chairman.
5. Complete relevant board business between meetings.

With respect to personal integrity and professionalism:

1. Promote and participate in a climate of mutual trust, respect, and teamwork.
2. Avoid personal and fiduciary conflicts of interest, including acting as agents or representatives of any organization with which directors are associated.
  - 2.1 Members will immediately disclose their involvements with other organizations, vendors, or any other associations that might produce a conflict.
3. Avoid self-dealing or any conduct of private business or personal services between any Director and PAMA.
4. Be loyal to the best interest of the members – including openly speaking up on behalf of the membership and dissenting as deemed appropriate.

Failure to comply with the Code of Conduct will be cause for dismissal review by the Board of Directors.

Approved: October 6, 2006



## ROLE OF THE CHAIRMAN

G-5

Is to serve as the Chair of the Board and be the primary representative of the Board of Directors.

1. The Chairman, or person delegated by the Chairman, chairs Board meetings and ensures that the Board behaves consistent with its own policies and those legitimately imposed upon it from the membership and outside the organization.
  - 1.1. Meeting discussion content will only be those issues that clearly belong to the Board.
  - 1.2. Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited to time and kept to the point.
  - 1.3. The Chairman will be responsible for selecting appropriate dates for the Board of Directors' meetings, at least two per annum.
2. The Chairman is authorized to make decisions between Board meetings on behalf of the Board when such decisions are a reasonable interpretation of Board policies.
  - 2.1. The Chairman has no authority to make decisions beyond policies created by the Board.
3. The Chairman may, at his or her discretion, identify focus areas as long as they are consistent with the Ends established by the Board.
  - 3.1. The Chairman will be responsible for the appointment of Board Council Chairs and Operating Committee Chairs with approval by Board. Other Board Councils and Operating Committee vacancies shall be appointed by the Chairman and approved by the Board.
  - 3.2. The Chairman and the Treasurer have authority to suspend the Board policy regarding reimbursement of member leader travel costs. (If the Chairman is requesting the exception, then the decision must be by the Treasurer and Vice Chair. If the PAMA Treasurer is requesting the exception, then authority must be by the Chairman and Vice Chair).
4. The Chairman, as well as the President, will actively engage in publicity to promote PAMA on a national level as the official spokespersons of PAMA within the guidelines of the Board Members Code of Conduct.
  - 4.1. Establish and maintain contacts with outside associations and organizations which will benefit and promote the interest of the association.
5. The Chairman will perform the duties of the President in his absence, or when one has not been appointed by the Board.

Approved: October 6, 2006



## **ROLE OF THE VICE CHAIRMAN**

**G-6**

Is to be directly responsible to the Chairman and assist him/her in overseeing the work of all Directors, Regional Directors, Operating Committees, and Board Councils and their activities, including communications.

1. The Vice Chairman will assume the duties of the Chairman should the Chairman not be present at the Board of Directors' meetings or be unable to complete the term of office.
2. The Vice Chairman will be responsible for carrying out all tasks or duties as assigned by the Chairman.
3. Strengthen PAMA support.
  - 3.1. Establish and maintain contacts with outside associations and organizations which will benefit and promote the interest of the association.
  - 3.2. Be a spokesperson for PAMA within the guidelines of the Board Members' Code of Conduct.
4. In the absence or disability of the Vice Chairman, the Chairman shall appoint a replacement with the approval of the Board of Directors

Approved: October 6, 2006



## ROLE OF THE TREASURER

G-7

The role of the Treasurer as a member of the Councils below is to review financial statements, develop fiscal policies, review business plans, and confirm budgets

1. The Treasurer is a member of the Board of Directors and will support and assure implementation of policies adopted by the Board of Directors
2. The Treasurer shall perform all of the duties of the office of Treasurer as well as other duties prescribed by the Board of Directors from time to time.
  - 2.1 The Treasurer is authorized to sign all deeds, mortgages, contracts, and other instruments requiring execution by PAMA (when not otherwise delegated to staff). The Treasurer shall have full power and authority to vote and act with respect to all stock and other securities in any other corporation owned by PAMA.
  - 2.2 The Treasurer will review for audit all PAMA checks over \$1,000 on a monthly basis.
  - 2.3 The Treasurer will serve as a member of the following Councils:
    - 2.3.1 Compensation Council
    - 2.3.2 Finance Council
    - 2.3.3 Financial Audit Council
  - 2.4 The Treasurer, as a member of the Finance Council (FC), is responsible for:
    - 2.4.1 Supporting and assuring implementation of the Financial Management Policy (FMP). When the Finance Council determines that the FMP requires changes and appoints a sub-Council to formulate changes, the Treasurer will chair the sub-Council.
    - 2.4.2 Approving Finance Council reports to the Board of Directors
    - 2.4.3 The Treasurer will provide timely reports to the Board of Directors. The Treasurer may request the Finance Council Chair to give this report (when not otherwise delegated to Staff.)
3. In the absence or disability of the Treasurer, the Chairman shall appoint a replacement with the approval of the Board of Directors

Approved: October 6, 2006



## ROLE OF THE SECRETARY

**G-8**

The Secretary will be directly responsible to the Chairman for the purpose of record keeping for this Association.

1. The Secretary shall record and file the minutes of all Board of Directors' meetings through the PAMA office.
2. The Secretary shall prepare and present the minutes of the previous Board of Directors' meeting within 90 days of that meeting for approval.
3. The Secretary shall record and file the minutes and proceedings of the Association's Annual Convention and have available within 90 days.
4. The Secretary will be responsible for maintaining the archives of this Association, i.e., membership applications, correspondence, monthly copies of newsletters, and other written material as this Association may publish, plus a Master Membership Roll. This will be maintained by our headquarters staff. The Secretary will audit and oversee.
5. The Secretary shall be responsible for any request for Bylaws change. This will include proper documentation presentation to the Board and Membership.
6. During voting issues, the Secretary will be responsible for the issuance and count of all votes, and for assurance of quorum at Board of Directors' meetings.

Approved: October 6, 2006



## **ROLE OF THE DIRECTORS AT LARGE**

**G-9**

The Directors, will be directly responsible to the Vice Chairman and will assist him or her in overseeing the work of all Operating Committees and Board Councils. The Directors, will be responsible for carrying out assigned duties and tasks as assigned by the Chairman and/or the Vice Chairman.

1. A Director, when designated by the Chairman, will assume the duties of the Chairman should the Chairman and the Vice Chairman not be present at Board of Directors' meetings.
2. A Director, as approved by the Board of Directors, may assume the duties of the Chairman and the Vice Chairman should both of these officers become incapacitated or death occurs.
3. Establish and maintain contacts with outside associations and organizations, which will benefit and promote the interest of the association within the guidelines of the Board Members' Code of Conduct.

Approved: October 6, 2006



## ROLE OF THE REGIONAL DIRECTORS

G-10

TO BE DETERMINED

Adopted: TBD



## **ROLE OF THE INDUSTRY ADVISORS**

**G-11**

The Industry Advisors (Company Members per Bylaws) will be directly responsible to the Chairman and will advise the Board as to industry issues and concerns as they relate to PAMA. The Chairman shall appoint up to four industry advisors, subject to Board approval. These shall be non-voting members of the Board.

1. Establish and maintain contacts with outside associations and organizations, which will benefit and promote the interest of the association within the guidelines of the Board Members' Code of Conduct.

Approved: October 6, 2006



## ROLE OF BOARD COUNCILS

G-12

The Board may establish Board Councils to help carry out its responsibilities. Because the Board of Directors operates with a single voice, these entities shall not be interpreted as a substitute for the Board of Directors. Board Councils may contain Board and/or non-Board members.

### **Composition:**

1. The composition, scope and authority, and job products of each Board Council are established in the relevant Board of Directors' governance policy. The Board of Directors must approve all changes.
  - 1.1. Each Council may establish its rules for operation. The rules and any significant changes to the rules shall be communicated to the Board of Directors.
  - 1.2. Council members, including replacements for unanticipated vacancies, shall be appointed by the Chairman with approval by the Board of Directors. The Council chair, unless otherwise specified, is appointed by the Chairman, subject to Board approval. Ref G-5, 3.1
  - 1.3. The Chairman, Vice Chairman, and President of PAMA shall be ad-hoc, non-voting members of all Councils thereof unless otherwise specified in the relevant governance policies.
  - 1.4. The Board of Directors may at any time remove any or all members of any Council, except the Annual Nominating Council.
  - 1.5. All members of Councils must be PAMA members in good standing.

### **Scope/Authority:**

1. Not act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the President.
2. Avoid over-identification with organizational parts rather than the whole. Therefore, a Council which has helped the Board create policy on some topic will not be used to monitor organizational performance on that same subject.
3. Not exercise authority over staff. In keeping with the Board's broader focus, Councils will normally not have direct dealing with staff operations. Because the President works for the full Board, he/she will not be required to obtain approval of a Council before taking action.
4. Any Council Chairperson, who is not already a member of the Board of Directors, may attend open meetings of the Board and take part in the discussion of questions affecting the work of the Board, but shall not have a vote.
5. This policy does not apply to sub-committees formed under the authority of Operating Committees, or the President.

### **Job Products:**

1. Assist the Board to do its job, not to help the President do his/her job. Board Councils ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. Councils are not to be created by the Board to advise staff.
  - 1.1 subject to and must adhere to Board Policies.

Approved: October 6, 2006



## ROLE OF THE FINANCE COUNCIL (FC)

G-12.1

### **Composition:**

The Finance Council (FC) shall consist of the Treasurer, and three members appointed by the Chairman with approval by the Board. One of the appointed members shall be appointed to chair the Council by the Chairman with approval of the Board of Directors.

### **Scope/Authority:**

To supervise the financial affairs of PAMA, subject to the Financial Management Policy (FMP) as approved by the Board of Directors. The Finance Council reports periodically to the Board of Directors by presenting a statement of PAMA's financial condition at each regular meeting of the Board of Directors. At the last Board meeting of each fiscal year, the Council shall present a target Return on Equity and a budget of anticipated income and expense for the next fiscal year.

The Council is authorized, subject to limitations as the Board prescribes, to buy and sell:

- securities, in compliance with investment policies
- fixed assets, not included in capital budgets, with an annual aggregate cost of not more than 10% of PAMA's total Net Worth at the beginning of each fiscal year
- other assets and property with an aggregate annual cost of not more than 10% of PAMA's total net worth at the beginning of each year. The Finance Council has authority to approve loans or long-term capital resources to affiliates up to the limits established by the PAMA Board of Directors.

### **Job Products:**

- Supervision of financial affairs, including investments
- Financial Management Policy and recommend changes for Board of Director approval
- Annual Business Plan and Budget (linked to Strategic Plan and Board Ends and Sub-Ends)
- Financial measures to achieve targeted returns
- Financial reports
- PAMA Investment Policy
- Review of items not included in capital budgets to determine if Board of Director's approval is required.

Approved: October 6, 2006



## **ROLE OF THE COMPENSATION COUNCIL (CC)**

**G-12.2**

### **Composition:**

The Compensation Council (CC) shall consist of the Chairman (as chairperson), Treasurer, Chairperson of the Finance Council and two members appointed by the Chairman and approved by the Board of Directors.

### **Scope/Authority:**

To evaluate the performance and recommend total compensation of the President, and to actively monitor the President and Staff Leadership progression and succession plan.

### **Job Product(s):**

1. A total compensation package and an annual, formal performance evaluation for the President.
  - 1.1. Establish organizational performance measures and financial goals for executive incentive plan. Present the proposed performance measures and goals for Board approval within first quarter of evaluation period.
  - 1.2. Evaluate President on job products, executive competencies, organizational performance measures and financial measures, using feedback.
  - 1.3. Provide performance feedback to the President, including performance highlights and opportunities for development.
  - 1.4. If the President is an employee of SAE International, then the final compensation package will be determined by SAE's criteria.
  - 1.5. Within the guidelines presented by SAE, the Finance Council will recommend appropriate salary.
  - 1.6. Present for Board of Directors approval actions and decisions taken as a result of the President's evaluation.
2. Active oversight of the staff leadership progression and succession plan.
  - 2.1. Receive annual report from President on staff positions to insure adequate bench strength for succession planning and business continuation purposes.
  - 2.2. Provide performance feedback and development opportunities for succession plan candidates
3. Approve organizational performance measures and total compensation package for staff leadership and other compensation matters requested by the President.

Approved: October 6, 2006



## **ROLE OF THE APPEALS COUNCIL (AC)**

**G-12.3**

### **Composition:**

The PAMA Appeals Council (AC) shall consist of three Board Directors, one Operating Committee Chairperson and one Board Council Chairperson selected by the Chairman, and confirmed by the Board of Directors, after an appeal is received. The Chair of the Appeals Council shall be appointed by the Chairman, with approval by the Board of Directors.

### **Scope/Authority:**

PAMA Appeals Council shall be created by the Board of Directors to hear and decide all appeals:

1. from any action or refusal to act by any Operating Committee or,
2. from decisions made by Operating Committees acting on appeals.

All appeals shall be heard by at least three members of the Appeals Council and its chairperson. In the event the chairperson is not available to act on an appeal, a member of the Board of Directors shall be designated by the chairperson as acting chairperson.

Appeals from actions or refusals to act by the Appeals Council shall be heard by the full Board of Directors. The decision of the Board of Directors shall be the action of PAMA. The appeals procedure is the responsibility of the Board of Directors. Copies of the procedure may be obtained from the Secretary of PAMA.

### **Job Product:**

Appeals decisions.

Approved: October 6, 2006



## **ROLE OF THE BYLAWS & POLICY COUNCIL (BPC)**

**G-12.4**

### **Composition:**

The Bylaws & Policy Council shall consist of, the Secretary, and two Board members. One of the appointed members shall be appointed to chair the Council by the Chairman, with approval by the Board.

### **Scope/Authority:**

To review the PAMA Bylaws and Policy Manual on a regular basis, and report to the Board any questions, problems, and/or recommendations arising with respect to the Bylaws and/or Policy Manual. Amendments to the PAMA Bylaws and Policy Manual require approval in accordance with the Bylaws.

### **Job Products:**

- Reports on Bylaws questions and problems.
- Updated Bylaws and Policy Manual.

Approved: October 6, 2006



## **ROLE OF THE FINANCIAL AUDIT COUNCIL (FAC)**

**G-12.5**

### **Composition:**

The Financial Audit Council (FAC) shall consist of, but not be limited to, the immediate Past Chairman, the PAMA Treasurer (as Chairperson), and Chairperson of the Finance Council.

### **Scope/Authority:**

To monitor and review the SAE audit of PAMA's financial condition annually.

### **Job Products:**

Review of SAE's Independent Financial Audit report findings and report to the Board of Directors.

Approved: October 6, 2006



## **ROLE OF THE STRATEGIC PLANNING COUNCIL (SPC) G-12.6**

### **Composition:**

The Strategic Planning Council (SPC) shall consist of the Chairman (as Chairperson of the SPC), two Board Directors and two Board Council Chairpersons, selected by the Chairman, with approval by the Board of Directors.

The SPC Chairperson, with Board approval, may add consultants to the Council who have special competence or experience to contribute to the Council's work. Although the objective is to rotate the Council's membership, it is permissible, under special circumstances, to reappoint immediately a member for one additional term upon completion of the first term of service.

### **Scope/Authority:**

To serve the Board of Directors as a long-range planning group. The SPC is responsible for developing a standardized strategic planning process for Operating Committees ensuring the PAMA Strategic Plan is integrated, updating and publishing the PAMA Strategic Plan and monitoring actions against the strategic plan.

The SPC is also responsible for the following, which require Board of Directors' approval:

- ensuring the Strategic Plan supports the Board of Directors' strategic direction.
- developing and implementing a process for monitoring Strategic Plan Actions.
- producing future Trends and Assumptions/Key Areas of Focus and Critical Issues.

The SPC supports use of the Strategic Plan.

The Board of Directors is responsible for determining PAMA's strategic direction; the SPC, the Board Councils, Operating Committees, and staff support the Board's effort by identifying, researching, and shaping potential future strategic issues and bringing them forward for Board of Directors' consideration.

### **Job Products:**

- Provide an annual Strategic Plan update to the Board for approval.
- A standardized Strategic Planning process that includes monitoring of actions against the strategic plan.
- Gather and interpret customer/member data which provides input for strategic direction.
- Trends and Assumptions Document Identifying Key Areas of Focus and Critical Issues.
- Recommend revisions to or new PAMA Ends and Sub-Ends.
- Communicate Linkage of Strategic Plan and Business Plan to Finance Council.

Approved: October 6, 2006



## ROLE OF THE ANNUAL NOMINATING COUNCIL (ANC) G-12.7

**Composition:**

**Scope/Authority:**

**Job Product:**

To Be Determined

Adopted: TBD



# Relationship Policies

The Board clarifies the manner in which it delegates authority to Staff and Operating Committees as well as how it evaluates performance.



## RELATIONSHIP WITH THE PRESIDENT

R-1

The President is accountable to the Board of Directors for the support of achieving Ends within Limitations policies established by the Board of Directors.

1. All Board authority delegated to staff is delegated through the President so that all authority and accountability of staff, as far as the Board is concerned, is considered to be the authority and accountability of the President.
  - 1.1. The President is accountable only to the full Board of Directors, not to any individual Board member, and has full access to the Board.
  - 1.2. The President is authorized to establish staff policies, make decisions, take action, and develop activities as long as they are consistent with a reasonable interpretation of Board policies.
    - 1.2.1. The Board may change the Limitations policy given to the President, but so long as any particular Limitations policy is in place, the Board will respect and support the President's choices.
    - 1.2.2. No Director, Board Council, Operating Committee or member, has authority over the President or the resources assigned to the President except to the extent the Board of Directors has authorized such authority. Information or assistance may be requested by these individuals, or groups but the President may refuse the amount of resources required without the Boards approval for allocating those resources.
  - 1.3. The President of PAMA shall be a regular employee of SAE International and subject to the approval of the PAMA Board of Directors.

Approved: October 6, 2006



## **PRESIDENT JOB DESCRIPTION AND RESPONSIBILITIES R-2**

The President's job description and responsibilities is to staff a system capable to support the achievement of the Board of Directors' Ends.

1. A shared responsibility with the Operating Committees for the achievement of the Ends.
  - 1.1. Implementation of assigned annual goals, which support the Board's Ends and the achievement of the President's focus areas.
  - 1.2. A staff that is open and responsive to the needs of member groups and their requests for support.
  - 1.3. Competency, continuity, progression, and succession of staff support.
    - 1.3.1. A competent staff.
    - 1.3.2. Continuity of operations in light of rotation of volunteer leaders, balanced with receptiveness to change.
    - 1.3.3. Two staff persons fully informed about and capable of performing functions of the President, in case of unexpected loss of the President.
    - 1.3.4. A senior management succession plan.
    - 1.3.5. Staff compensation and benefits consistent with the market\* for employee skills and experience.
    - 1.3.6. Staff treated in a manner consistent with the staff Values and Beliefs document.
  - 1.4. Accurate, concise, and timely information and counsel needed for the work of the Board of Directors, Operating Committees, and Board Councils including the processes imposed by the Board's governance system.
2. Fiscal stability, viability, and the financial competency to meet service obligations to members.
3. Achievement of targeted annual net revenue.
4. Identify and communicate to the Board strategic opportunities for PAMA.
5. Safety of PAMA assets and legal status.
  - 5.1. Proper security, protection, and risk management of assets.
  - 5.2. Avoidance of any activity, which would put PAMA tax status at risk.
  - 5.3. Safe guarding against and immediate suspension of illegal activity by any Operating Committee or Board Council.
  - 5.4. Proper notice to organizations found to be misusing PAMA's name.
6. Accurate, timely, and inclusive information needed for the successful operation of PAMA.
  - 6.1. Performance - monitoring data on Operating Committees at the frequency established by the Board for applicable criteria.
  - 6.2. Performance - monitoring data on the President at the frequency established by the Board for applicable criteria.
  - 6.3. Relevant trends, material incidents and developments, significant decisions, threatened or actual legal jeopardy, changes in the assumptions on which Board of Directors or Operating Committee policies have been based.
  - 6.4. Optional points of view and counsel necessary for fully informed Board choices.
7. Favorable perception of PAMA among key leaders in industry, government, and academia, including a favorable image of the President, developed by working cooperatively with PAMA leadership.
8. Mechanism for official Board, Operating Committee, and Board Council communications.
9. Enhance the image of the President in the aerospace community as a PAMA leader and a spokesperson for the organization.
10. Maintains effective relationships with other organizations, both public and private, and sees that the position of the association and its members is enhanced in accordance with the policies and objectives of PAMA.



11. Ensure PAMA maintains Director and Officer Liability Insurance: PAMA provides, at Association's expense, liability insurance covering Directors and Officers.
12. Ensure PAMA maintains a Crime Bond: PAMA provides, at Association expense, insurance against manipulation or wrongful handling of the Association's finances by the Chairman, President, Treasurer, or any Board Member. Details will be available and may be obtained through the PAMA staff.
13. Public statements (oral or written) of PAMA positions or policies are normally approved, announced by the Chairman, on behalf of the Board.

\*The term "market" is intended to mean the full range established for a position. The full range is considered to be 80-120% of the mid-point for a position.

Approved: October 6, 2006



## MONITORING PRESIDENT PERFORMANCE

R-3

Monitoring President performance is synonymous with monitoring organizational performance against applicable Board policies. Any evaluation of performance, formal or informal, may be derived only from these monitoring data.

1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.
2. A given policy may be monitored in one or more of three ways:
  - 2.1. Performer's report: Disclosure of compliance information to the Board from the President.
  - 2.2. External report: Discovery of compliance information by a disinterested, external auditor, inspector, or judge who is selected by and reports directly to the Board. Such reports must assess performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.
  - 2.3. Direct Board inspection: Discovery of compliance information by a Board member, a Council, or the Board as a whole. This is a Board inspection of documents, activities, or circumstances directed by the Board which allows a "prudent person" test of policy compliance.
3. An annual formal evaluation will be a summative examination of the year's regular monitoring data already received, which will be performed by the Compensation Council.
4. The President's performance metrics will be agreed upon with the Director of the SAE Institute, and the Board of Directors, through the Compensation Committee, with input from the President.

Approved: December 2006



## **OPERATING COMMITTEES JOB DESCRIPTIONS AND RESPONSIBILITIES**

**R-4**

The Board may establish Operating Committees to help carry out its responsibilities. Because the Board of Directors operates with a single voice, these entities shall not be interpreted as a substitute for the Board of Directors. Board Councils may contain Board and/or non-Board members.

### **Composition:**

Composition of Operating Committees is at the discretion of the PAMA Board of Directors in conjunction with the appropriate Operating Committee members. Composition of the Operating Committees should reflect:

1. The Board of Directors' initiative to foster diversity into the whole of the organization. Diversity is defined by the Board to include, but not be limited to: culture, national origin, age, gender, technical/managerial position, race, physical ability, industry sector, and geographic location.
2. In accordance with the PAMA Governance Policy, all other members are appointed by the PAMA Chairman, subject to approval of the Board of Directors.
3. The Chairman, Vice Chairman, and President of PAMA shall be ad-hoc, non-voting members of all Operating Committees thereof unless otherwise specified in the relevant governance policies.
4. Vacancies on Operating Committees shall be filled by appointment by the Chairman, subject to approval by the Board of Directors.
5. The Chairperson of each Operating Committee may attend meetings of the Board of Directors and take part in the discussion of questions affecting the work of the board, but shall not have a vote.

### **Scope/Authority:**

The Means employed to attain Ends may not violate the restrictions imposed by the PAMA Board.

1. Means refers to practices, activities, methods, way of conducting business, circumstances of operating or any other feature of work or behavior, which does not meet the definition of Ends.
2. Limitations on means are recorded in the PAMA Board's "Limitations on Operating Committees" policy category.
3. Operating Committees are authorized to use any reasonable interpretation of the language used by the Board of Directors in its policies.
4. Operating Committees are expected to work cooperatively with other Operating Committees, Councils, and staff.
5. As the situation dictates, Operating Committees may participate in/or organize virtual teams, task forces, etc., for coordinating the implementation of Ends and Sub-Ends of the Board.
6. Operating Committees are accountable directly to the Board of Directors and are governed by policies established by the Board of Directors.

### **Job Product:**

The job product of Operating Committees is the achievement of PAMA's Vision as recorded in Ends policies established by the Board of Directors.

Approved: October 6, 2006



## RELATIONSHIP WITH THE PROFESSIONAL AVIATION MAINTENANCE FOUNDATION (PAMF)

R-4.1

Composition:

Scope/Authority:

Job Products:

To Be Determined

Adopted: TBD



## **RELATIONSHIP WITH MEMBERSHIP SERVICES COMMITTEE R-4.2**

### **Composition:**

The Membership Services Committee (MSC) shall consist of the Chairman, one Board Director, and two PAMA members, appointed by the Chairman, with approval by the Board of Directors.

### **Scope/Authority:**

To establish policies regarding PAMA membership and its benefits, subject to limitations established by the Board of Directors, and developing services and implementing programs, which encourage aviation maintenance professionals from around the world to join PAMA and retain their memberships. The Membership Services Committee is responsible for assigning the appropriate grades of PAMA membership to applicants in compliance with the definitions of these grades in the PAMA Bylaws as well as leaders of industry or government who, through distinguished service or noteworthy accomplishment in aviation maintenance field, have supported PAMA.

The Membership Services Committee will establish a schedule of membership dues and fees consistent with the following:

- Adjusted by inflation, but no more than 25% at one time and no more often than once per three-year period.
- Consistent with the cost of operation devoted to chapter support and direct membership services.
- Competitive with dues levels of like societies.
- Projected to meet the income requirements of the PAMA annual budget.

### **Job Products:**

- Membership services, programs, and benefits.
- Membership retention and growth.
- Evaluation of applicants' membership grade.
- Membership dues and fees schedule (consistent with the Board's policy above).

Approved: October 6, 2006



## RELATIONSHIP WITH PUBLICATIONS COMMITTEE

R-4.3

### **Composition:**

The Publications Committee shall consist of five PAMA members, two of whom shall be appointed each year for three-year terms by the Chair, with approval by the Board.

### **Scope/Authority:**

To develop policies and procedures under which income from PAMA publications shall be derived and under which papers, reports, discussions, and other literature growing out of the activities of PAMA and its membership shall be edited, produced, and distributed with the objective of publishing information which, in quality and quantity, will maximize service to aviation maintenance professionals and others concerned with PAMA's fields of technical interests. PAMA shall give wide circulation to the papers read before its meetings and the reports adopted by its Councils with a view toward making the work of PAMA available for use by others. The Publications Committee shall meet the financial management policy of PAMA.

### **Job Product:**

Publications - magazines, newspapers, standards, books, papers, electronic media, and research reports.

Approved: December 2006



## RELATIONSHIP WITH CHAPTERS COMMITTEE

R-4.4

**Composition:**

**Scope/Authority:**

**Job Products:**

To Be Determined

Approved: TBD



## RELATIONSHIP WITH TECHNICAL & GOVERNMENT COMMITTEE

R-4.5

### **Composition:**

The Technical & Government Committee shall consist of the Chairman, one Board Director, and two PAMA members, selected by the Chairman, with approval by the Board of Directors.

### **Scope/Authority:**

To promote, supervise, and recommend technical activities of PAMA. Including participation in technical Councils of other organizations.

### **Job Product:**

Issue reports recommending opinions and/or actions resulting from its activities to the Board of Directors.

Approved: October 6, 2006



## **MONITORING OPERATING COMMITTEE PERFORMANCE R-5**

Monitoring Operating Committee performance is synonymous with monitoring organizational performance against applicable Board policies. Any evaluation of performance, formal or informal, may be derived only from these monitoring data.

With respect to providing information and counsel to the Board, Operating Committees shall provide the Board information and insights necessary for the Board of Directors to govern well, including:

- Vision and long-range aspirations needed for the Board of Directors to develop overall PAMA Ends.
  - Data regarding Operating Committee performance against expectations stated in the Ends and Limitations policies of the Board of Directors, including information regarding anticipated breaches of these policies or foreseeable changes needed in policies of the Board of Directors.
  - Significant changes in the Operating Committee rules and procedures.
1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.
  2. A given policy may be monitored in one or more of three ways:
    - 2.1. Performer's report: Disclosure of compliance information to the Board from an Operating Committee.
    - 2.2. External report: Discovery of compliance information by a disinterested, external auditor, inspector, or judge who is selected by and reports directly to the Board. The Board may charge the President as the "external" monitoring party. Such reports must assess performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standards.
    - 2.3. Direct Board Inspection: Discovery of compliance information by a Board member, a Council, or the Board as a whole. This is a Board inspection of documents, activities, or circumstances directed by the Board, which allows a "prudent person" test of policy compliance.
  3. Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each policy will be classified by the Board according to frequency and method.
  4. In accordance with the Boards' policy, the Board will establish measures on its critical issues. These measures will assist the Operating Committees and Board Councils in understanding the Boards' policies and assist the Board of Directors in assessing organizational performance.

Adopted: December 2006



## RELATIONSHIPS & PARTNERSHIPS WITH OTHER ORGANIZATIONS

R-6

PAMA shall proactively seek and engage in relationships and partnerships with other organizations which foster an attitude of cooperation, technical interchange, and a general open-door policy.

1. PAMA relationships and partnerships will be aimed at meeting member needs and shall be consistent with PAMA's Ends.
  - 1.1. PAMA relationships and partnerships will provide expertise from individuals and groups to promote synergy and teamwork between industry, government, and academia.
2. PAMA welcomes qualified applications for membership from any country.
3. PAMA relationships and partnerships may include programs, services, and activities (such as Chapter meetings, expositions, Trade Shows, specialty conferences, publications, etc.) and can be located anywhere in the world.
  - 3.1. These relationships and partnerships may result in Memoranda of Understanding (MOU) or other formal agreements that may indicate an expression of willingness and intent to cooperate between PAMA and other industry related societies/organizations for mutually beneficial purposes. Contents of every MOU will contain the following:
    - 3.1.1. The MOU must meet member needs and be consistent with PAMA's Ends.
    - 3.1.2. The MOU must provide mutually beneficial opportunities to accomplish the goals set forth by each organization.
    - 3.1.3. The MOU shall remain in effect until a minimum three-month written notice is given by either organization or terminated at any time by mutual agreement.
4. PAMA shall encourage the exchange of aviation maintenance technology wherever and whenever it is mutually beneficial to PAMA's membership, the aviation maintenance community, or partnering organization.
  - 4.1. In countries, including the U.S., with existing aviation maintenance societies, PAMA Operating Committees and staff are encouraged to look for mutually beneficial cooperative activities (programs, services, etc.) to foster the exchange of aviation maintenance technology and improve the capability of aviation community worldwide.
  - 4.2. In order to satisfy member needs, PAMA could pursue activities on its own.

Approved: October 6, 2006



## RELATIONSHIP WITH THE SAE INSTITUTE

R-7

The SAE Institute is a separately incorporated trade association and has received tax exemption from the IRS as 501(c)(6).

PAMA has agreed to affiliate with the SAE Institute through a signed Participant Program Agreement which requires PAMA to abide to the Bylaws, Policies and Procedures of the Institute. This agreement obligates PAMA to pay the annual membership fee to the Institute.

The PAMA Board of Directors is permitted to nominate an individual to serve on the Institute Board of Directors, subject to approval of the Institute membership.

Annually, PAMA will be requested to provide a status report to the SAE Institute Board of Directors. Any changes to PAMA's purpose, scope, or Bylaws must be reviewed by the Institute Board of Directors to ensure continued compliance with the Program Participant Agreement

Approved: October 6, 2006



# Limitations Policies

The Board establishes the boundaries of acceptability within which subordinate group methods and activities can take place. These limiting policies, therefore, apply to Operating Committee, Council, and staff means, (how it gets things done) rather than to *Ends*, (what is to be achieved)



## GENERAL OPERATING COMMITTEE LIMITATIONS

L-1

Operating Committees shall not cause or allow any practice, activity, decision, or organizational circumstance, which is either imprudent or in violation of law, or of commonly accepted business and professional ethics.

Operating Committees shall not:

1. Operate in disregard of PAMA's interests.
  - 1.1. Use or commit resources including PAMA staff time and facility resources that could be interpreted as operating outside the Financial Management Policy.
  - 1.2. Work within the scope of other Operating Committees and the President, or speak for PAMA in any way reserved for the Board of Directors or others whom the Board has empowered.
  - 1.3. Be in non-compliance with the PAMA Intellectual Property Policy.
2. Operate in disregard of PAMA's standards of integrity.
  - 2.1. Allow commercialism, including the endorsement of products, patents, processes, services, individuals, or ideas, except as specifically authorized by the Board of Directors.
  - 2.2. Exclude any qualified professional willing to participate within PAMA policies.
  - 2.3. Allow its members to act as agents or representatives of any organization they are associated with.
  - 2.4. Operate secretly.
  - 2.5. Engage in activity or communication that knowingly can lead to or appear to result in a conflict of interest including acceptance of financial or other goods or benefits that might influence actions or decisions.
  - 2.6. Participate with government regulatory bodies in activity, including lobbying, that might jeopardize PAMA's impartiality or its 501 (c)(6) status.
3. Use PAMA's official letterhead for communications without the consent of the Board of Directors
4. With respect to providing information and counsel to the board and Operating Committees may not withhold information and insights necessary for the Board of Directors to govern

Approved: October 6, 2006



## GENERAL PRESIDENT LIMITATIONS

L-2

The President shall not allow or cause any action or decision in his/her area of supervision and control which is either imprudent, illegal, unethical, or detracts from PAMA's purpose.

Accordingly, the President may not cause or allow:

1. Use or commitment of resources including PAMA staff time and facility resources that could be operating outside the Financial Management Policy.
2. Activity, communication, or benefit which knowingly can lead to or appear to result in a conflict of interest, including acceptance of financial or other goods or benefits which might influence actions or decisions.
3. Disbursement of funds for member leader travel costs.
4. Improper staff action.
  - 4.1. The formation by staff of members groups in pursuit of results not commissioned by the Board of Directors.
  - 4.2. Allow commercialism, including the endorsement of products, patents, processes, services, individuals, or ideas, except as specifically authorized by the Board of Directors.
  - 4.3. Operate secretly.
  - 4.4. Engage in activity or communication, which knowingly can lead to or appear to result in a conflict of interest including acceptance of financial or other goods or benefits, which might influence actions or decisions.
  - 4.5. Participate with government regulatory bodies in activity, including lobbying, that might jeopardize PAMA's impartiality or its 501 (c)(6) status.
  - 4.6. Allow misuse of the PAMA database as outlined by the Database Management Policy.

Approved: October 6, 2006



## COMMUNICATIONS LIMITATIONS

L-3

1. Official statements by members of the Staff are cleared with the Chairman.
2. Statements by the President of PAMA concerning PAMA positions or policies should conform to the Association's official position, and it is incumbent on the President and Directors to check with the Chairman when any doubt exists as to the official position.
3. The President is expected to take particular care to clearly identify and segregate his/her personal opinions from those of PAMA.

Approved: October 6, 2006