



Employee Handbook

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Salisbury, MD 21804

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Introduction

The information in this Handbook is designed to provide useful information to all employees. It is not intended to describe all employment practices, policies and procedures. Please consult your supervisor or Human Resources for clarification or amplification on any matter.

This Handbook is subject to revision from time to time, and Piedmont reserves the right to modify in any way, or eliminate any policy or practice in whole or in part.

This Handbook is not a contract of employment, and does not confer any contractual right, either expressed or implied, to remain in the Company's employ, nor does it guarantee any fixed terms or conditions of your employment. Your employment is not for any specific time and may be terminated at will, with or without cause and without prior notice, by the Company. You may also resign at any time. Certain employee groups, including some management employees and employees covered by collective bargaining agreements, may be subject to additional or different rules than appear in this Handbook. In the event that the provisions of the Handbook or department manual conflict with a collective bargaining agreement, the collective bargain agreement will govern.

This Handbook is Company property. Each employee who leaves Piedmont Airlines for whatever reason is responsible for returning this Handbook as well as all other manuals, Company IDs, and any other Company property.

Welcome to Piedmont Airlines

This handbook is designed to be a guide for our Company's policies and procedures and to be used along with any applicable department manual you may also have. These resources, along with periodic updates from our Human Resources department, should provide guidance for most any situation you may encounter while working here at Piedmont.

One of our goals is to develop an environment where our employees feel supported and empowered to contribute to the success of our company. Treating each other with respect is a key ingredient in achieving this goal and maintaining the rich culture that has been developed here at Piedmont over our long history.

This handbook outlines how the Company will take care of our employees and our expectations of how employees will conduct themselves while working for our company. Taking care of our employees will allow our employees to take care of our customers. It's that simple.

Thank you for complying with the policies and procedures outlined in this handbook. It is our sincere hope that you enjoy your time here at Piedmont and that your experience is as rewarding and fulfilling as possible.

Eric Morgan

President and CEO

History of Piedmont Airlines

The origins of Piedmont Airlines can be traced to 1931, when the late founder Richard A. Henson, an aviation pioneer and Fairchild Aircraft test pilot, began a fixed-base operation as Henson Aviation in Hagerstown, Maryland.

More than thirty years later, in 1962, Henson Aviation instituted scheduled passenger service as the Hagerstown Commuter between Hagerstown and Washington National. Since that time, the company has focused its efforts on scheduled service, and has grown into one of the nation's preeminent regional airlines. Several notable milestones have marked that growth.

In 1967, Henson Aviation joined with the former Allegheny Airlines (later US Airways) to form the first "code share" affiliation that now dominates the airline industry worldwide. Operating as Allegheny Commuter, Henson Aviation purchased and operated its first turbo-prop aircraft, the Beech 99. One year later, Henson replaced Allegheny service at Salisbury, Maryland, the site of today's headquarters. A route structure to Washington DC, Philadelphia and Baltimore was developed.

The fleet of Beech 99's grew, and in 1977 the airline purchased four Shorts 330 aircraft. Also in that year, the one-millionth passenger was boarded. Two years later, the airline purchased the first of its new 50-seat, four-engine de Havilland Dash 7 aircraft.

In 1981, Air Transport World named Henson the Regional Airline of the Year.

The 1980s were a decade of dramatic growth and change for Henson. The addition of new equipment transformed the airline into a modern regional carrier. The first significant change occurred in 1983, when legacy Piedmont Aviation agreed to purchase Henson, causing Henson to drop its affiliation with USAir and to operate as Henson, The Piedmont Regional Airline. Legacy Piedmont's purchase of Henson sparked the vigorous period of sustained growth to come. In 1984, eight de Havilland Dash 8 aircraft were purchased. Through subsequent reorders for the Dash 8, Henson became the world's largest operator of that highly efficient, passenger-friendly aircraft.

By the late 1980s, Henson celebrated many milestones. The five millionth passenger was boarded in 1985, and boarding for 1986 alone surpassed one million. This number grew to almost two million enplanements per year by decade's end.

With capacity growth came geographic expansion, as the airline gained a foothold in Florida. In addition to an extensive intra-Florida route structure, Henson Airlines opened an overnight maintenance facility in Jacksonville. By the end of 1987, the route structure touched 38 cities in ten states plus the Bahamas. Also, by the end of that year, the next round of corporate changes

was underway. Henson Aviation's affiliation with USAir was reestablished in 1987 when USAir Group, Inc purchased legacy Piedmont Airlines and Henson. Two years later, legacy Piedmont merged into USAir and Henson planes were painted to reflect the new regional name: USAir Express. After the Beech 99s retirement in 1987 and then the Shorts in 1989, Henson boasted a fleet of 33 Dash 8s and five Dash 7s. In addition, by the end of the decade the employee population had reached over 1,000.

The trend of corporate changes that began in the 1980s continued into the next decade. In 1993, Henson was renamed Piedmont Airlines in order to preserve the Piedmont identity within the USAir Group family. In 1997, USAir underwent a name change, becoming US Airways. Piedmont and the other Express carriers followed suit, and began operating as US Airways Express with a new color scheme and logo.

Whereas the '80s were characterized by fleet expansion, the 1990s brought a dramatic expansion to the airline's station and customer service areas. Economic forces caused US Airways to turn over ground and passenger handling duties to Piedmont at several airports, including Key West, Lynchburg, Charlottesville, Tallahassee, White Plains and Newport News. The most dramatic move came in 1994, when USAir agreed to allow the Express carriers to handle their own flights at six major hubs and stations in the East. Piedmont took over the ground operations at Baltimore, Washington National and Tampa, and the company grew to more than 1,700 employees.

Amidst the rapid growth in station services, Piedmont pursued fleet stabilization and rationalization. Older Dash 8s were replaced by a newer, faster version. Retirement of the Dash 7 in 1997 consolidated the airline to one aircraft-type. As of mid-1997, Piedmont was operating a fleet of 48 Dash 8s and enplaning three million passengers a year.

At the turn of the century, Piedmont was operating a fleet of 57 Dash 8s. This fleet was a mix of the 100, 200 and 300 series Dash 8s. Maintenance experienced significant changes and the heavy check program was moved to the Jacksonville, Florida. The company grew to more than 2,600 people.

In 2000, Piedmont prepared for a new area of operation: international customer service. Piedmont assumed the ground handling operations in Ottawa, Canada.

Piedmont was one of the first airlines of any size with a fully operational Advanced Qualifications Program for pilot training. Piedmont was also the first regional to be certified for use of the TCAS anti-collision system. At the turn of the century, Piedmont was recognized by the FAA with a Team Spirit Award. The award was presented for Recognition of superior team effort for proactive strategic action promoting the Safer Skies Agenda throughout the government and industry partnership. The FAA also recognized Piedmont's

maintenance department. The department received the distinguished Diamond Certificate Award each year for the period 2000 through 2004 for its proactive role in aircraft maintenance training of its technical maintenance work force.

In 2001, Piedmont added eleven new cities to our ground handling operation. The addition of these cities increased our total employee headcount to 3,100 employees.

The tragic incidents of September 11, 2001, changed the airline industry forever. Piedmont's parent company and other legacy U.S. airlines fought to survive after the terrorist attack that claimed more than 2,000 lives. US Airways would eventually emerge after two bankruptcies to a new, often bleak, industry landscape.

In January 2002, Piedmont's maintenance team established a heavy check operation at our Salisbury, Maryland location. In 2004, Piedmont merged with regional Allegheny Airlines based in Pennsylvania. After the merger, Piedmont had 3,500 employees, a fleet of 55 Dash 8 aircraft, three maintenance bases, seven crew bases and 49 customer service stations.

Piedmont experienced another period of rapid growth in the late 2000s. While many airlines were shrinking their workforces, Piedmont was expanding customer service to include multiple locations in the western United States and Alaska. We became a true coast-to-coast company in 2011, ground handling more than 70 stations for US Airways and growing our company to more than 5,000 employees.

In 2013, Piedmont's parent company, US Airways, merged with American Airlines to create the world's largest airlines. One year later, Piedmont announced a change in fleet type from the aging Dash 8 to the Embraer 145 regional jet. Piedmont took delivery of its first jet in October of 2015, began test flights in January of 2016, and flew the first revenue flight (Philadelphia to Albany, NY) on February 11, 2016. In the meantime, Piedmont began retiring the Dash 8 aircraft, starting with the "Queen of the Fleet," N906HA. The aircraft flew more than 1.5 million passengers and made the equivalent of nine round trips to the moon in its 30-plus year tenure at Henson/Piedmont.

On April 23, 2017, Piedmont marked 55 years of revenue flights. By the end of 2017, Piedmont had grown to more than 8,000 employees, including more than 5,500 in customer service. In early 2018, Piedmont announced a customer service expansion to Detroit, with plans to hire over 175 new employees.

2016 and 2017 also marked a significant growth in the pilot group after Piedmont and parent company American implemented a pilot "flow" program that allowed Piedmont pilots to join American after flying for Piedmont. Piedmont added a maintenance base in Richmond, Va., a crew base in

Philadelphia and closed crew bases in Harrisburg and Salisbury. The Piedmont fleet of Embraer jets hit 36 in 2017 and the Dash 8 -100 fleet was phased out in January, 2018. Eleven Dash 8 -300 aircraft continue to fly in Piedmont's southeastern markets and will be retired in July, 2018.

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Chapter 1: Employee Relations

1.1 Employee Relations Philosophy

The Piedmont Airlines employee relations philosophy is predicated on two interrelated principles. The first is that we are essentially and fundamentally a service-oriented business. While our success and growth are dependent on many factors, first and foremost are the skills, intelligence, creativity and dedication of our employees. The second principle is a resolute commitment to excellence in all areas at all times. This means the standard we use for measuring performance is not just accomplishment, but superior accomplishment.

Adherence to these principles is a two-way proposition, placing obligations and responsibilities on both the Company and each individual employee.

In meeting its obligations and responsibilities, Piedmont Airlines will endeavor:

- to treat employees with respect, dignity, and concern for their rights, freedoms, and individual needs.
- to recruit, select and appoint the most qualified people available, on the basis of demonstrated ability, experience and training.
- to provide training and development opportunities through which employees can upgrade their job skills, improve their potential for advancement, and enhance their personal development.
- to place employees in assignments that make the best use of their abilities, taking into account individual performance, experience and interest.
- to provide a working environment that is challenging, stimulating and rewarding, and encourages long term employment with the Company.
- to inform employees of what is expected of them in their jobs, including regular evaluations and reviews of their performance.
- to apply all policies and programs in a manner that is consistent with applicable state and federal laws and regulations.
- to provide employees with compensation and benefits that are competitive with those offered by other regional airlines, within the Company's ability to do so.
- to give employees insight into the direction of the Company's business, timely reports on its progress and the opportunity to express their views

and ideas on how the Company might improve its services and operations.

In return, each employee is expected:

- to act with honesty, integrity and professionalism in accordance with the Company's high standard of ethical conduct, and to comply with all laws that apply.
- to respect the rules and policies of the Company, and the rights of other employees.
- to know and accept the goals of the Company, and contribute fully to their attainment.
- to assume primary responsibility for his or her own professional development, and to pursue additional training and education, as appropriate, both inside and outside the Company.
- to exercise individual initiative, creativity and the courage to be innovative in the best interest of the Company.
- to strive for superior job performance characterized by maximum effort and a personal commitment to quality in all activities of the business.

The Company's employee relations policies and practices are the bridges by which these principles move from being simply a philosophy to becoming a way of life at Piedmont Airlines. Carrying out, monitoring, evaluating and improving our policies and practices are shared responsibilities involving all levels of the organization.

1.2 Equal Employment Opportunity

Piedmont Airlines, Inc has always and will continue to recruit, hire, transfer, train and make all other employment decisions without regard to race, color, religion, sex, age, national origin, ancestry, disability, veteran status, genetic information, sexual orientation, gender identity or any other legally protected characteristic. In addition, Piedmont is committed to maintaining a work environment that is free from all forms of unlawful intimidation and harassment, including sexual harassment. Employees may also be entitled to a reasonable accommodation to assist them in performing the essential functions of their job, or related to their religious practices. You should consult Human Resources to discuss questions you may have related to accommodations. Additionally forms to begin the accommodation process are available on Piedmont's employee website.

Unlawful harassment is conduct, whether verbal, physical, or visual that denigrates or shows hostility toward an individual because of his or her race,

color, religion, gender, national origin, ancestry, age, disability, or other legally protected characteristic, and that is so severe or pervasive that it creates, in the view of a reasonable person, an intimidating, hostile, or offensive working environment. Harassment may include, but is not necessarily limited to, epithets, slurs, jokes, or other verbal or physical conduct relating to an individual's race, color, religion, gender, national origin, age, disability or any other legally protected characteristic.

While all types of harassment are prohibited, sexual harassment deserves special reference. Harassment because of sex is prohibited both in opposite sex and same sex situations, regardless of the sexual orientation of the individuals involved. Sexual harassment can consist of unwelcome sexual advances, requests for sexual favors and/or other verbal or physical conduct of a sexual nature that creates an offensive or hostile work atmosphere in the eyes of a reasonable person, that affects pay or benefits, or that interferes with an individual's work performance.

It is our policy that all personnel should work in an environment free from unlawful discrimination and harassment. Accordingly, Piedmont states emphatically that it does not and will not permit employees (or vendors and other non-employees who have reason to be on Piedmont's premises or who otherwise have dealings with our employees) to engage in unlawful discriminatory practices, including sexual harassment, or harassment based on race, color, religion, national origin, ancestry, age, disability, veteran status, genetic information, sexual orientation or any other legally protected characteristic. Any form of unlawful harassment is strictly prohibited and will not be tolerated.

Please be aware that our supervisors and managers are covered by this policy and are prohibited from engaging in any form of harassing conduct which is based on a legally protected characteristic. Further, no supervisor or other member of management has the authority to engage in such harassing or discriminatory behavior including but not limited to suggesting to any employee or applicant that the individual's employment, continued employment, or future advancement will be affected in any way by the individual's entering into (or refusing to enter into) any form of personal relationship with the supervisor or member of management. Such conduct is a direct violation of this policy and should be reported to one of the company representatives designated below.

If you believe that a supervisor, co-worker, member of management, vendor, or any other individual has acted inconsistently with this policy, please advise your manager, orally or in writing, and state the specific details of the harassing behavior or denial of accommodation. Alternatively, if you desire,

you may report the behavior directly to the Vice President of your department, or the Vice President of Human Resources. You will find forms on the Piedmont employee website to assist with such reporting.

Piedmont will listen to all reasonable complaints, promptly investigate those complaints with due regard for confidentiality, and, if appropriate, impose upon the offending employee sanctions meant to end any offensive behavior. Sanctions imposed for a substantiated claim of sexual harassment or other form of impermissible harassment or discrimination will depend upon the facts and circumstances of the incident. Violations of this policy may result in corrective counseling up to and including termination.

If you believe that your complaint of harassment or discrimination has not been handled to your satisfaction or if the action taken by Piedmont's representative has not ended the harassing behavior, please call or go to any one of the individuals listed above, or to the President and, orally or in writing, state the specific details of your complaint.

Piedmont's system for resolving complaints under this policy is available to employees without fear of retaliation. An employee who believes retaliation has resulted from the reporting or participating in an investigation into a complaint of discrimination, harassment, or after seeking an accommodation should immediately report this belief to the individuals above or directly to the President.

Please do not assume that Piedmont is aware of your problem. Instead, bring your complaints and concerns to our attention so that we may resolve them. If you have any questions concerning this policy, please contact our Human Resources Department.

1.3 Open Door Policy

For people to work together effectively there must be a friendly, congenial atmosphere based on mutual trust and respect. In all human relationships, however, there are bound to be occasional misunderstandings and disagreements. It is important that these be resolved without delay. In most cases, this is a simple matter handled easily by the supervisor. In other cases, Piedmont Airlines open door policy provides recourse to higher authority when that becomes necessary.

In general terms, the policy is an attitude of fair and friendly consideration of each individual's viewpoint. It invites you to express yourself freely to your supervisor about your job or any Piedmont Airlines policies. If you have a problem, misunderstanding or request, talk with your supervisor about it. If he/she is unable to provide a satisfactory answer, he/she will arrange for your

problem to be taken to the proper authority-his/her supervisor, the Human Resources Department, or ultimately to the President of the Company.

1.4 The Employee's Role

Your primary and most important responsibility, of course, is to do a good job on the work assigned to you by your supervisor. Your supervisor is ultimately responsible for the work that you do, therefore, it is important to respect his/her experience and carry out instructions carefully and promptly. In addition, your supervisor will expect and require you to work independently, to ask questions when necessary, and to make suggestions to improve processes or the department. The anticipated result of this interactive relationship will be accomplishment and job satisfaction.

Doing a good job also implies certain other obligations on your part, such as: maintaining good health and mental alertness; exercising good judgment and cooperating with your fellow employees; being prompt and in regular attendance; and being loyal to the Company, its people, and its products.

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Chapter 2: General Personnel Policies

2.1 Definitions of Employment

2.1.1 Full-Time Employee. An individual who is employed forty (40) hours per week for an indefinite period. Full-time employees are generally eligible for benefits not extended to other categories of employees. Full-time employees accrue Company longevity and seniority from date of hire.

2.1.2 Part-Time Employee. An individual who is normally scheduled to work less than forty (40) hours per week for an indefinite period. Part-time employees receive limited benefits, but accrue Company longevity and seniority from date of hire.

2.1.3 Temporary/Seasonal/Intermittent/Intern Employee. An individual hired for a specific period of time due to manpower shortages caused by leave of absence or seasonal fluctuations in flying or work load. Such employees are entitled to no benefits other than those required by law, and do not accrue Company seniority or longevity.

A full-time employee voluntarily downgrading to part-time status (including employees downgraded for disciplinary or performance reasons) will be considered Part-Time and will receive corresponding benefit levels provided to part-time employees. For example, accrued, unused sick and personal time is forfeited, and insurance coverage will cease.

2.2 Probationary Periods

Employees may, for periods of time, be placed in a probationary status. This generally indicates that the employee's performance is being more closely monitored than while in a non-probationary status. Also, probationary employees are not eligible for all the same benefits as non-probationary employees and may not accrue longevity for pay purposes. However, release from probation is not a guarantee of continued employment, and does not give rise to any contractual rights. Non-probationary employees may be terminated with or without cause in the same manner as probationary employees.

2.2.1 Initial. The initial six months of employment is referred to as the Probationary Employment Period. After six months of active full- or part-time employment, each employee will receive a job performance evaluation. An employee receiving a favorable evaluation will be released from probation and may be eligible for a merit pay increase.

Filling of Vacancies

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2.2.2 Extended. An employee receiving an unfavorable evaluation will either be terminated or placed on extended probation.

2.2.3 Promotion. An employee promoted to a new job classification will be on probation for the first six months in the new classification, but is generally not eligible for a pay increase at the end of that period.

2.2.4 Performance Reviews. An employee's job performance will normally be evaluated on an annual basis by the appropriate supervisor. Employees receiving favorable evaluations may be eligible for merit pay increases. Employees receiving unfavorable evaluations may be terminated or placed on extended probation.

2.3 Filling of Vacancies

1. Job vacancies that are posted and filled through the Human Resources Department remain posted for a minimum of five business days, and qualified applicants should apply online. Employees who apply for internal job opportunities in no way jeopardize their current position.
2. Employees who are on any kind of probation or who have been in their position less than six months are generally not eligible to transfer to another position or location. The Company reserves the right to permit transfers in such situations where necessary to meet the needs of the airline.

2.4 Seniority and Longevity

2.4.1 Longevity for Pay Purposes. Annual job performance evaluations and, where available, merit pay increases, are based on an employee's longevity date. The longevity date is initially established as the date on which an employee began full or part-time employment. The date may be adjusted due to promotion into a new job classification, rehire after termination, extended leave or some other reason.

2.4.2 Longevity for Vacation Purposes. An employee's length of service for vacation purposes is determined in accordance with Section VII.C.

2.4.3 Company Seniority. Company seniority is used to establish total length of service with Piedmont, and may also affect travel benefits. Company seniority is defined as the total accumulated time which an employee has continuously worked for Piedmont from date of hire or last date of rehire.

2.4.4 Job Classification Seniority. Seniority in a job classification may affect matters such as bidding for schedules. It begins at the date of entry into that classification, provided the employee successfully completes the probationary period, and continues to accrue until the employee changes job classifications.

2.4.5 Service Recognition. Piedmont appreciates and values dedicated employees who commit their careers to the Company. On the anniversary month of each employee who has reached a service level plateau of five, ten, fifteen, twenty, twenty-five and thirty years of service, the employee will receive a service pin to recognize their respective years of service.

2.5 Rehiring Former Employees

Any employee who resigns from the Company may apply for rehire. Rehired employees will be assigned a new date of hire and will not receive credit for past service. The decision of whether to rehire a particular former employee will depend on his or her prior work record and will be at the sole discretion of the Company. Generally, employees that are terminated from the Company will not be rehired.

2.6 Employment of Relatives

Piedmont recognizes the sensitive nature of having family members employed within the same Company. For the purpose of this policy, "relatives" are defined to include: spouse, children, parents, siblings, step-parents, siblings-in-law, children-in-law, nephews, nieces, aunts, uncles, cousins, grandchildren, children for whom the employee is a guardian, and persons related in one of the above manners by virtue of adoption. Under no circumstances shall a relative be allowed to work in a supervisor/subordinate position and the Company reserves the right not to employ, transfer, assign or promote relatives into positions where a family relationship exists. Our policy is to consider all qualified applicants for employment on the basis of an objective evaluation of their ability to perform the requirements of the position applied for without regard to race, color, religion, sex, national origin, age, disability, genetic information, sexual orientation, or veteran status or any other characteristic protected by law. The Company's Affirmative Action commitments take precedence in all phases of its employment activities.

2.7 Personnel Files

Piedmont maintains an official personnel file for each employee. The Human Resources Department maintains this file. An employee may review the

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contents of his or her file in the presence of a Company official in the Human Resources Department. Any employee wishing to review his or her file should make an appointment with Human Resources. Personnel files are solely the property of Piedmont Airlines. Medical and other confidential information is maintained separately from the official personnel file, and is not available for review by employees.

2.8 Termination of Employment

1. The Company expects employees resigning employment to provide at least two weeks written notice. Once an employee gives notice, the Company may allow the employee to work the entire two-week period or may make the resignation effective at an earlier date. In such cases, the employee will still be considered to have given two weeks' notice. Failure to provide adequate notice may result in forfeiture of any travel and vacation benefits.
2. Once an employee gives written or oral notice of his or her resignation, the employee may not unilaterally change or rescind that notice. However, such employee may request that the effective date of the resignation be postponed or that the notice be rescinded. The decision of whether to grant such requests lies within the sole discretion of the Company.
3. Terminating employees must return all Company property, including Company identification cards, airport identification cards and parking passes, automated time cards, handbooks, manuals, keys and other items. Failure to return any Company property may result in amounts being withheld from the final paycheck and/or referred to a collection agency.
4. Paid vacation, sick or personal time may not be used to extend an employee's date of termination, and the Company reserves the right to deny payment of such time used during the two-week notice period.

2.9 Pay and Payroll Practices

2.9.1 Pay Periods. The payroll week begins on Monday and ends on Sunday. The majority of employees are paid bi-weekly (26 paychecks per year), while some are paid semi-monthly (24 paychecks per year). When payday falls on a weekend or holiday, paychecks (or direct deposit notifications) will be issued on the preceding business day.

2.9.2 Recording of Time Worked. Hourly employees are generally required to "punch" or "swipe" in and out on a time clock or similar device when reporting to work and when leaving the premises for any purpose not related to work, including lunch periods. Falsifying time records by punching the time card of another employee, making unauthorized markings on a time

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card or any other falsification of time worked is a serious offense that will normally lead to termination of employment.

2.9.3 Overtime. The normal workweek is forty (40) hours. However, overtime is a condition of employment, and all employees are expected to work overtime when directed. Employees should not work overtime without prior authorization from management. Hours worked by hourly employees in excess of forty (40) in a week will be paid at one-and-one-half times the employee's hourly rate. Paid holiday time counts towards "hours worked"; paid sick and vacation time, and unpaid time off, do not.

2.9.4 Deductions from Pay. An earnings record is included in your direct deposit statement showing hours worked, pay and any deductions. No deduction is made from a paycheck without the employee's consent, except those required by law (such as tax withholding, Social Security, and valid and binding court orders). To ensure proper withholding of state taxes, you must contact the Payroll Department whenever you make an interstate change of residence. Please report any errors in your pay or withholding to a supervisor as soon as possible so that any problems may be quickly resolved.

2.9.5 Direct Deposit. All employees are required to establish direct deposit. Pay stubs will be available electronically for employees to access as necessary.

2.10 Foul Weather Closing

In the event of foul weather, including snowstorms, the airline will at all times be considered open for business. Hourly employees who report to work will be paid for the time they work. Salaried employees who report to work will be paid for the entire day. Generally, when an employee does not report to work they will not be paid. If the Company permits employees to leave early due to bad weather, hourly employees will be paid for all hours actually worked.

2.11 Solicitation and Distribution of Literature

To avoid disruption of operations, interference with work and inconvenience to other employees, the following rules apply to solicitation and distribution of literature on Company premises.

1. Non-employees are prohibited from solicitation or distribution of literature on Company premises at any time.
2. Employees may not solicit or engage in the distribution of literature during working time. "Working time" includes the working time of both the

employee doing the soliciting/ distribution and the employee to whom the solicitation/distribution is directed. "Working time" does not include break, periods, meal times or other periods during the workday in which employees are properly not engaging in their tasks.

3. Employees may not distribute literature at any time for any purpose in working areas. "Working areas" includes all areas in which the work of the Company is being performed. "Working areas" generally does not include cafeterias, employee lounges or parking lots.
4. Under no circumstances may customers be subjected to solicitation or distribution of literature.

2.12 News Media Contact

Through the normal course of duty, Piedmont employees may come in contact with the news media. Queries from the news media about Piedmont activities should normally be directed to our Corporate Communications Department. The following guidelines should be followed by all employees if approached by the news media, either in person or on the telephone:

1. Be courteous and professional at all times.
2. Give the reporter the contact information for Corporate Communications.
3. Do not comment. Never discuss company business with any member of the news media unless given approval to do so by a Company officer. This applies to employees of all levels.
4. "Off the record" comments are not permitted under any circumstances.
5. Piedmont does not require members of the media to obtain permission to film or videotape in public areas of the airport, including areas in front of the ticket counter or the gate areas as long as this activity comports with local airport rules and does not hinder Piedmont's normal business activity. However, permission must be obtained from an officer of the Company if a reporter requests an interview or wishes to enter a non-public area.
6. All news media inquiries relating to incidents/accidents involving Piedmont aircraft or personnel shall be forwarded, without exception, to Corporate Communications.

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Chapter 3: Leave of Absence

The Company recognizes that circumstances may require an employee to take a temporary leave of absence from his or her position at Piedmont. In all cases, a request for leave must adhere to the following guidelines: all requests must be made in advance, submitted in writing, and already have appropriate approvals obtained prior to the beginning of the leave. Should you fail to return to work when your leave expires, you will be considered as having voluntarily resigned your employment.

3.1 Personal Leave

Piedmont generally does not grant requests for personal leave. All requests for Personal Leaves of Absence will be reviewed and approved on an individual basis by the respective department Vice President or their designee. Any approval of a personal leave is solely at the Company's discretion. Employees on a Personal Leave of Absence may continue the insurance coverage in effect prior to their Leave of Absence by paying the premium to the Company in advance.

3.2 Bereavement Leave

Piedmont Airlines will grant time off with pay to eligible employees who have suffered a death in their immediate family.

1. Eligible employees are permanent, full-time employees who have successfully completed probation. Other employees may request unpaid time.
2. For the purpose of this policy, the immediate family includes: spouse, domestic partner, parent, son, daughter, sibling, parent-in-law, stepparent, grandparent, grandchild and child for whom the employee is a legal guardian.
3. Time off with pay will be granted for a maximum of three (3) normal working days, up to and including the day of the funeral. Payment will be at the employee's regular base rate. Payments will not be granted for the employee's normally scheduled days off.
4. When a holiday occurs during an absence granted by this policy, the employee will not be paid holiday pay in addition to the payment granted by this policy.
5. If a death in the immediate family occurs during an employee's vacation, the benefits for this policy will commence on the date of death. Vacation should be rescheduled by mutual agreement of the affected employee and

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management.

6. The employee's department manager must approve any additional time off due to unusual circumstances. Such time may be taken on an unpaid basis, charged against vacation accrual or otherwise accounted at the Company's discretion.
7. An employee granted paid or unpaid time off must provide a copy of the death certificate or newspaper obituary as soon as possible.
8. An employee on leave of absence for another purpose is not entitled to paid bereavement leave.

3.3 Family & Medical Leave (FMLA)

Employees may apply for FML using the Piedmont website. F&H Solutions Group (FHSG) administers FML for our Company and is responsible for the intake and processing of all FML applications, communicating with employees regarding eligibility, and tracking leave. In addition to advising the Company of an absence in accordance with your department's call-in procedures, you must also report your absence to FHSG. In order to receive FML protection for your absence, FHSG must be contacted within two (2) calendar days from the first date of your absence. This will apply except in unforeseen or extraordinary circumstances. Specific details may be found on the Piedmont website.

1. Eligibility for FMLA Leave

- a. An "eligible employee" is one who:
 - i. Has been employed by Piedmont for at least twelve months;
 - ii. Has been employed for at least 1,250 hours of service during the twelve-month period immediately preceding the commencement of the leave; and
 - iii. Is not based at a location that employs fewer than fifty (50) Piedmont employees within a seventy-five (75) mile radius.
- b. An eligible employee may take FMLA leave:
 - i. For incapacity due to pregnancy, prenatal medical care or child birth;
 - ii. To care for the employee's child after birth, or placement for adoption or foster care;
 - iii. To care for the employee's spouse, son, daughter or parent who has a serious health condition; or
 - iv. For a serious health condition that makes the employee unable to perform the essential functions of the employee's job.

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- c. An eligible employee may take up to twelve weeks of leave in a twelve-month period. For purposes of determining how much leave an employee may use, Piedmont uses a rolling twelve-month period measured backward from the date the employee uses any FMLA leave.
- d. Eligible employees with a spouse, child or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FML also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the Nation Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

2. Pay and Benefits During Leave

- a. An employee on FMLA leave will be required to exhaust all applicable accrued, unused paid time, which shall run concurrently with the FMLA leave, except that sick time may be used only if the leave is due to the employee's own serious health condition. If all paid time is exhausted but the allotted FMLA leave time has not expired, the remainder of the leave will be unpaid.
- b. An employee on FMLA leave will continue to participate in the Company health insurance plan on the same basis as if actively at work. Required employee contributions will continue to be payroll-deducted until the employee is on unpaid leave. After that, the employee will be responsible for transmitting the contribution directly to the Company. An employee who does not return to work after an FMLA leave may be responsible for the full premium costs of their coverage during the period of the leave.

3. Rules Applicable to Particular Types of Leave

- a. Leave to care for a newborn: An employee who takes leave for this purpose must provide original medical documentation of the anticipated date of birth and a copy of the birth certificate after the

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- birth. The leave must be completed no later than twelve months following the birth. Intermittent or partial leave is not permitted under these circumstances.
- b. Leave for placement for adoption or foster care: An employee who takes leave may take it prior to the placement only if such leave is required for the placement. The leave must be completed no later than twelve months following the placement. Intermittent or partial leave is not permitted under these circumstances.
 - c. Leave to care for a family member: An employee requesting leave for this purpose must provide the Company with original medical certification of the serious health condition and the need for the employee to care for the family member. The employee may be required to provide updated certification every 30 days or as frequently as circumstances require.
 - d. Leave due to the employee's own serious health condition.
 - i. When planning medical treatment, the employee must consult with the Company and make a reasonable effort to schedule the leave so as not to unduly disrupt the employer's operations, subject to the approval of the health care provider.
 - ii. An employee requesting leave due to a serious health condition must provide the Company with original medical certification of the serious health condition.

The employee must provide updated certification when requested.

A serious health condition is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

- e. Leave for family member called to Active Duty: An employee requesting leave must provide a copy of their family member's orders. An employee may be required to submit documentation detailing the

qualifying exigency they need to address during their leave.

4. Notice and Designation of Leave
 - a. An employee must provide at least 30 days advance notice before FMLA leave is to begin if the need for the leave is foreseeable based on an expected birth, placement for adoption or foster care, or a planned medical treatment for a serious health condition of the employee or a family member. The onset of the leave may be delayed until 30 days' notice has been given, provided the leave was foreseeable. A request for FMLA leave should be made by applying on the Piedmont website.
 - b. If 30 days' notice is not practicable, notice must be given as soon as practicable, meaning that at least verbal notification should be made within one or two business days of when the need for leave becomes known to the employee.
 - c. The Company will notify the employee whether the leave is approved and designated as FMLA leave. In some cases, the Company will not have sufficient information to determine whether a leave qualifies as FMLA. In such cases, the Company will contact the employee and request the necessary information. An employee who disagrees with the Company's designation should call Human Resources to discuss the matter.
 - d. The Company will place an employee returning from FMLA leave in a timely fashion into the same or an equivalent position of equal compensation, benefits and terms and conditions of employment as if the employee had not taken the leave. The employee must provide an original note from a doctor releasing that employee to return to work.

3.4 Disability Leave

A Disability Leave of Absence is any leave, other than an FMLA leave, necessitated by an employee's temporary physical or mental inability to perform the essential functions of his or her job or an alternative available position for which the employee is qualified. Disability Leaves of Absence may be granted for an employee's illness, injury or medical condition (regardless of whether the condition arose on or off the job), as supported by an attending physician's medical report. The physician's statement must verify the employee's need for leave and expected inability to perform the essential functions of their job, and the initial and the expected dates of absence. The Company may, at its discretion, require the employee to submit to one or more fitness-for-duty examinations by a Company selected physician in appropriate circumstances to determine if the employee cannot perform the essential job functions and/or may be able to perform the essential functions of an

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alternative position before granting, extending, or ending an employee's Disability Leave of Absence. The Company reserves the right to request a confidential written statement from an employee's physician verifying that the employee can return to work and safely perform the essential functions of his or her job.

No employee will be subject to harassment, discrimination, or retaliation as a result of requesting or taking a Disability Leave of Absence. Please see our Equal Employment Opportunity Statement for guidance if you are concerned about discrimination or retaliation.

1. **Return to Work:** Upon the completion of the Disability Leave, the employee will in most cases resume his or her previous position, or a comparable position, provided the employee promptly returns at the conclusion of the approved leave. It is the employee's responsibility to submit a written request for reinstatement to their supervisor and a copy of the request to the Benefits Coordinator-SSO within three days after the employee's physician has given the employee an expected return to work date. The employee's failure to seek reinstatement within the prescribed period may be considered a voluntary resignation.
2. **Duration and Effect on Longevity:** Piedmont Airlines will typically approve a disability leave of absence for the period the employee is unable to work and continuing for up to two (2) years, although each individual's circumstances are considered on a case-by-case basis and in accordance with the laws protecting individuals with disabilities. Disability leaves are unpaid; however, an employee will be compensated using any accrued vacation and any other accrued paid leave while unable to work. If the employee's disability leave continues beyond the point at which he or she has exhausted all available paid leave, the employee may qualify for wage replacement benefits pursuant to our short- and/or long-term disability insurance programs.

If the employee returns to full-time active service for a continuous period of at least one-week, any subsequent Disability shall be deemed a new Disability. A clearly unrelated Disability will be considered a new Disability if the employee has returned to active service for at least one day. Successive periods of disability separated by less than two (2) weeks of continuous active employment will be considered one continuous leave of absence unless due to distinct and unrelated causes. Longevity for pay purposes will accrue for the first 90 days of such leave.

3.5 Military Leave

The Company appreciates the importance of serving in the nation's armed

forces. Military Leave and reemployment rights are governed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and other applicable law. Employees must provide the Company with advance notice of the need for military leave, unless military necessity dictates otherwise. Employees must also provide the Company with a copy of the applicable orders, including amended orders that alter or extend the duty period. Compliance with the law's procedures for reemployment is expected.

3.6 Court Appearances

3.6.1 Jury Duty. Piedmont recognizes jury duty as a civic responsibility and makes every effort to excuse the employee from work when summoned. An employee who receives a notice or summons for jury duty must immediately notify his/her supervisor. If the employee does serve the Company will pay the employee his/her regular wage, minus any amount the employee has due from the court. No salary adjustment is made for transportation, meals, or other allowances the court grants.

3.6.2 Subpoena for Testimony. Employees appearing as a witness for the Company will receive their regular wage or salary. The Company will make no compensation for the time lost due to court appearances for any other cause.

3.7 Workers' Compensation

3.7.1 General. The Benefits Coordinator - SSO will administer Worker's Compensation claims in accordance with the applicable rules and regulations. It is the responsibility of the employee to report any occupational injury or illness to the immediate supervisor or company representative within 48 hours or as soon as possible, regardless of how minor the injury or illness may appear. A co-worker may report an injury to a supervisor or company representative should the employee be physically unable.

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Chapter 4: Safety

4.1 Safety and Security

Our priority at Piedmont Airlines is safety and security. That includes the safety of our passengers and the safety of our employees. You, and every member of the Piedmont team, are responsible for the safety and security of our airline.

Our policies and procedures come from years of experience. We use the best practices from the aviation industry and maintain a robust Safety Management System (SMS) as the cornerstone of our operation.

Accidents and injuries overwhelmingly are caused by not following procedures, or "non-compliance." Our established procedures are designed to keep you, your co-workers and our customers safe. It is important that each and every employee commits to 100 percent compliance every day in every task. It is important that you remind your team members of proper safety procedures, and critical that you report any safety concerns. You should contact your manager, call our Safety Hotline (**1-800-955-5927**) or go to PDTSafety.com with any safety issues.

At Piedmont, we strive for a "Culture of Compliance." That means we each do our very best to follow established procedures at all times. Please take a few minutes to review the Piedmont Airlines Safety Policy to better understand our commitment to safety and your role in our Safety Management System.

Eric Morgan

President and CEO

4.2 Corporate Safety Policy

Piedmont Airlines is committed to safety, security and compliance, which are the pillars of our business. We strive to exceed industry standards throughout our operation. Every team member is responsible for the safety and security of their person, workplace, co-workers, and customers.

We maintain and are committed to the following primary safety objectives:

- Create a sustainable, proactive safety culture
- Comply with all regulatory requirements and standards
- Ensure zero passenger and employee fatalities
- Ensure zero aircraft accidents
- Reduce the number and severity of passenger and employee injuries

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- Reduce the number and severity of aircraft ground damage and aircraft incidents
- Regularly assess and control safety/security hazards and risks

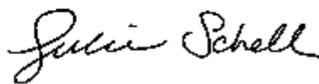
Leadership, accountability, communication and resources are essential to fulfilling these objectives. Therefore:

- Management must educate team members on policies and procedures, promote safety culture, and lead by example.
- Team members are required to comply with all policies and procedures. Failure to do so will result in appropriate discipline as outlined in employee handbook(s) and/or applicable union agreement(s).
- Every team member is expected to report safety/security hazards, concerns, incidents, and errors immediately to their direct supervisor and report any behavior that violates policy, industry standards, or law. We maintain several non-punitive, non-reprisal reporting systems including the Piedmont Safety Reporting System (PDTSafety.com) and the Safety Hotline (800-955-5927).
- We maintain an emergency response plan that allows for the safe transition into emergency operations, the coordination of emergency procedures within the company, and with external organizations.
- We are committed to creating and supporting the Safety Management System (SMS) to meet our objectives. We will provide the resources necessary to regularly review and continually improve upon the SMS and communicate its importance to our team members.



Eric Morgan

President and CEO



Julie Schell

Vice President Safety and
Regulatory Compliance**4.3 Safety Management System (SMS)**

Every employee is integral to the success of Piedmont's Safety Management System (SMS), therefore, each employee is expected to report safety hazards, concerns, incidents and errors immediately to his or her direct supervisor, as well as report any behavior that violates policy, industry standards, regulatory requirements or law. Piedmont maintains several non-punitive reporting systems, including the Piedmont Safety Reporting System

(www.PDTSafety.com) and a Safety Hotline (800-955-5927). All employees are expected to use these resources with the understanding that they may do so without fear of reprisal.

4.4 Reporting Workplace Injuries and Accidents

Employees must report workplace injuries and accidents to management as soon as possible. Employees who have any knowledge of a workplace accident or injury must fully participate in the subsequent investigation which includes but it not limited to providing statements, etc.

4.5 Unacceptable Behaviors

1. Actions by employees that cause accidents as a result of negligence, carelessness and/or lack of concern for safety may result in corrective counseling, written warning, suspension without pay or termination of employment, depending on the seriousness of the incident(s) and the safety and overall work record of the employee. The following list of negligent and improper violations of safety is illustrative only and does not include all circumstances, which could result in disciplinary action.
 - a. Operating machinery or vehicles improperly or without authorization. Persons who knowingly operate equipment without the required training and operations certificate are also considered in violation of this rule.
 - b. Horseplay or scuffling.
 - c. Throwing objects or careless running.
 - d. Participating in a fight while working.
 - e. Smoking in an unauthorized area.
 - f. Deliberate failure to report an accident or injury involving oneself or another employee.
 - g. Failure to use personal protective equipment (i.e., gloves, hearing protection, etc.) where required and provided.
 - h. Using stools, chairs or boxes instead of ladders for the purpose of retrieving parts, etc. from elevated areas.
 - i. Failure to use mechanical lifting aids where provided or to seek assistance on oversized manual lifting tasks.
 - j. Blocking or stacking boxes, etc., in front of electrical panels, firefighting equipment or exit pathways.
2. Willful actions by employees which result in injury to other employees, passengers, themselves or in damage to a passenger or Company property will result in immediate termination. The following list of such willful

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actions is illustrative only and does not include all circumstances, which could result in immediate termination.

- a. Initiating a fight or willfully injuring an employee or passenger while working.
- b. Willful destruction or destructive use of Company property.
- c. Use of fire-fighting or life-saving equipment for other than the intended purpose.
- d. Destruction or bypassing of any safety device or procedure designed to ensure safe operation of equipment or system.

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Chapter 5: Standards of Personal Conduct

It is our belief that our employees desire to be efficient in their work and to conduct themselves with a proper regard for the rights and feelings of others. These standards are not designed to restrict the rights of anyone, but rather to create an assurance that our personal conduct--in both our business and personal life--avoids any action which might be harmful to ourselves or other employees or the Company, or cause any unfavorable reaction from current or potential customers and/or fellow employees.

The guidelines set forth below deal with only a few of the standards expected to be met by Company employees. This list should not be considered to be all-inclusive, and employees should be aware that a failure to meet other standards not set forth in this handbook may result in appropriate corrective action by the Company.

5.1 Outside Employment

As employees of Piedmont, our first loyalty is to Piedmont. Therefore, the Company reserves the right to ask employees to give up outside employment which interferes with their job performance, or which is performed for companies that support or compete with Piedmont. No employee may maintain employment with another airline or airport vendor without written permission by management.

5.2 Personal Appearance

All employees are required to maintain a neat and clean appearance in keeping with the requirements of their position. Employees must comply with specific departmental rules. Radical departure from conventional dress or personal grooming will not be permitted. Any questions about what you can or cannot wear to work should be directed to your supervisor. Company management has sole authority to determine when an employee's dress and grooming is offensive to Company standards or does not conform to Company management's idea of good taste, conventional dress or personal grooming.

5.2.1 Uniforms. Based upon the department in which you are employed and your specific job classification assignment, you may be expected to wear a uniform. Your department supervisor will advise you of appropriate dress for your respective job classification and assist you in making arrangements for the purchase of necessary uniforms.

5.3 Attendance and Punctuality

To conduct its operations and serve its customers, the Company requires dependable employees. Regular and consistent attendance and punctuality are necessary conditions of employment. Unplanned absences, including tardiness, seriously hamper efforts to maintain adequate staffing and may result in lowered operating performance and/ or service levels, undue burdens caused by a reduced work force, or increased overtime expenses.

5.3.1 Notice. An employee who expects to be late or absent for work must notify their supervisor or designated contact point directly as soon as possible. An employee who is absent for two (2) consecutive days or shifts without notice to management will be considered to have abandoned their employment. In such cases, the Company will consider this a voluntary resignation and coded as not eligible for rehire.

5.3.2 Consequences. A daily record of tardiness and attendance is maintained for each employee, and is considered in connection with an individual's overall performance evaluation. All time lost from scheduled work, including absences supported by medical certifications and paid sick or disability absences (other than FMLA leaves of absence), will be recorded regardless of the reason. Tardiness and/or poor attendance are valid reasons for corrective action, including termination of employment, where corrective efforts fail to achieve the desired effect. Fraudulent or improper use of sick time is a serious offense that will normally result in termination of employment.

Sick time usage is for time in which the employee is sick, not dependents. If a dependent is sick and the employee must remain at home, the time will be taken as vacation or as unpaid.

5.4 Personal Data

Every employee is required to provide Piedmont with an official home address (street and mailing) and current telephone number. The Company uses this address to send items of interest and importance, including documents affecting employment status, taxes, benefits and compensation. Employees will be held responsible for all mailings sent to this address, and may not take steps to avoid legitimate Company contact or correspondence. It is every employee's responsibility to notify the Company if there is any change in personal data, such as a change in beneficiary, emergency contact person or a change in family status that might affect employee benefits.

5.5 Confidential Information

In the course of performing their duties, employees may have access to personal and financial information about Piedmont, other airlines, passengers, employees and others. Misappropriation, personal use or release to the public or press of such information is strictly prohibited. Employees may not obtain or release personal information (such as home telephone numbers or addresses) about co-workers for personal use.

5.6 Company and Personal Property

1. Employees may not damage, destroy or make personal use of Company property or facilities.
2. Employees may at times find on an aircraft or elsewhere-personal property that belong to passengers, co-workers or others. In such cases, the employee must report the matter to a supervisor and take all steps to identify the owner and return the property to the rightful owner. Willful destruction or misappropriation of the property of others is strictly prohibited.
3. Where, in the opinion of Piedmont Airlines, there is reason to believe that an employee is in wrongful possession of the property of the Company, co-workers, passengers or others, Piedmont officials may conduct a search of any of the employee's personal effects (including vehicles, handbags, gym bags, etc.) that have been brought on to Company property. The Company may also conduct a search of Company property, including lockers, desks, mailboxes, vehicles, file cabinets and similar areas. The employee will be notified and may be present during any such search.
4. The Company is not responsible for protection of personal property brought by employees to the worksite. This includes personal vehicles parked in Company lots.

5.7 Corrective Counseling

From time to time, some employees will fail to achieve expected performance standards, while others will commit outright violations of Company policy. It is the policy of Piedmont Airlines to provide a uniform and consistent procedure for administering corrective counseling for below-satisfactory work performance and infractions of Company rules. Corrective counseling may range from verbal warnings for minor offenses to suspension and discharge for more serious or repeated offenses. However, counseling may not be feasible in every situation. The appropriate action to be taken in dealing with performance deficiencies is within the sole discretion of the Company.

5.8 Company Investigations

In response to allegations of misconduct or breaches of safety or security, the Company will normally conduct an investigation of the relevant facts. Employees involved in the incident being investigated may be held out of service pending the outcome of the investigation. An employee cleared of any misconduct will be paid for time missed. In the course of an investigation, the Company may direct employees to provide written statements and/or answer questions about matters within their personal knowledge. No employee may refuse to provide such information, provide false, misleading or incomplete information, or refuse in any way to participate in a Company investigation.

5.9 Personal Conduct

The guidelines set forth below deal with only some of the standards expected to be met by Company employees. This list should not be considered to be all-inclusive, and employees should be aware that a failure to meet other standards not set forth in this Handbook may result in appropriate corrective action by the Company. Good judgment and common sense are sufficient to avoid becoming involved in any of these undesirable situations.

However, if you need clarification on any Company policy, please feel free to ask your supervisor or contact Human Resources.

1. The following infractions will generally subject an employee to corrective counseling or termination of employment depending on the severity of the incident, the employee's work record and the employee's honesty and forthrightness in dealing with the incident.
 - a. Absence from work or a work assignment.
 - b. Unsatisfactory work performance.
 - c. Failure to report criminal charges of a disqualifying crime or loss of license.
 - d. Failure to report emergencies such as accidents, fire, or violation of Company policy to appropriate supervisors or management.
 - e. Sleeping or giving the appearance of sleeping while at work.
 - f. Unauthorized access to Company property or premises during non-scheduled work hours.
 - g. Failure to follow Company rules as outlined in Company Manuals.

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2. The following is a list of willful acts that will normally result in termination of employment. The list is illustrative only and does not include all circumstances that could result in termination. Other acts that may result in termination are listed throughout this Handbook.
 - a. Falsification of personnel or other company records, including employment applications; employment records; records of time worked or work performed; and benefit, insurance and medical plan applications and records, or other dishonest conduct associated with work.
 - b. Theft, misappropriation or destruction of Company or other personal property.
 - c. Insubordination.
 - d. Improper or disorderly conduct (rough horseplay, fighting, creating a nuisance or disturbance) on Company property.
 - e. Possession of weapons on Company property.
 - f. Using your employment or association with Piedmont to make financial arrangements with passengers or vendors for personal financial gain.
 - g. Making a personal announcement that commits the Company to any course of action without prior approval.
 - h. Mistreating or abusing customers.
 - i. Failing to successfully complete required training.

5.10 Unlawful Activity

Piedmont employees should maintain the highest standards of business ethics and comply with both the letter and spirit of all laws. Employees and representatives of the Company shall not participate in or condone unlawful activity. Employees must report unlawful activity to either their supervisor, Human Resources or, for safety-related matters, to the Safety Department. The report can either be in writing or telephonic. The Company will not tolerate retribution against employees who in good faith report suspected violations of the law. Supervisors will be held responsible if they condone or negligently fail to report unlawful activity by their employees.

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Chapter 6: Information & Technology Security

6.1 Policy

Information is an important Piedmont Airlines/American Airlines asset and must be managed accordingly. Accurate, timely, relevant, and properly protected information is essential to Piedmont Airlines/American Airlines. Piedmont Airlines personnel are responsible for the information in their possession. To ensure that information is properly handled and used, all access to, uses of, and processing of Piedmont Airlines information must be consistent with this policy. Departments may develop and apply a higher standard as their needs dictate.

6.2 E-Mail, Internet and Social Media

The following includes employee guidelines for using Piedmont and American Airlines IT resources including: the Internet, email, instant messaging, uploading and downloading content, and audio/voice communication (telephones and Internet-based video/audio). Please review these guidelines which also provides guidance for participating in social media communities such as blogs, message boards, Facebook, and Twitter.

6.2.1 Email. To better assist you with your job and help you stay informed with the latest company and industry news,

Piedmont Airlines/American Airlines provides you with a corporate email address. As a condition of access to e-mail, employees expressly consent that Piedmont Airlines/American Airlines may intercept, access, retrieve, read, disclose, and use any electronic mail. Any e-mail that you send or receive is stored and can be retrieved by the Company even if the e-mail has been permanently deleted. In the case of e-mails sent over the Internet, copies of the e-mail may reside indefinitely on the recipient's system or as a hard copy in the recipient's files. Hence, employees should regard every e-mail created, sent or received as a permanent document.

Examples of appropriate and inappropriate uses of Company e-mail follow. This list is not intended to be all inclusive.

Appropriate use.

- When using the Company's electronic mail systems, employees are to use the systems primarily for
- Company-related communications and file-transfers.

- Limited e-mailing with friends and family is allowed if it does not interfere with the employee's job responsibilities.
- Respecting the copyrights, software licensing rules, property rights, and privacy of others when transmitting e-mails.

Inappropriate use.

- Sending chain mail, unauthorized political lobbying/campaigning mail, unsanctioned or otherwise non-work related mass mailings.
- Impersonating another user.
- Sending harassing, threatening, pornographic, or otherwise offensive communications, including but not limited to offensive comments regarding race, gender, disabilities, age, sexual orientation, religious beliefs, political beliefs, or national origin.
- Using e-mail to violate any law or Company guidelines.
- Using anonymous "re-mailers" or other methodologies to conceal one's own identity when sending emails.
- Disseminating confidential and/or proprietary information to those without a need to know the information, or outside the Company, except as required for legitimate business purposes.
- Using the account to conduct a private business.
- Sharing your email password or providing anyone with access to the company's email system.
- Sending unnecessary large non-work e-mail attachments or video files. Participating in peer-to-peer networks (such as BitTorrent or USENET).

• Note •

If you receive an inappropriate email, immediately notify your supervisor/manager or Human Resources.

6.2.2 Internet. Employees may not view, copy, alter, or destroy Piedmont Airlines/American Airlines IT data, software, documentation or communications without authorization; and only American Airlines IT-approved sites may be used for Internet voice communication. Any software or files downloaded via the Internet or e-mail into the American Airlines network immediately becomes property of American Airlines. Any such files or software may be used only in ways that are consistent with their licenses or copyrights.

Piedmont Airlines/American Airlines may monitor any Internet activity on Piedmont Airlines/American Airlines computers, other computing resources or accounts, and/or limit access to any Internet sites. Internet and network records are stored and can be retrieved.

Examples of appropriate and inappropriate uses of the Internet follow. This list is not intended to be all inclusive.

Appropriate use.

When using the Company's computing resources, employees are to use the Internet as appropriate for:

- Communicating with fellow employees primarily for business purposes.
- Communicating with business partners, clients, and customers of American Airlines in connection with the employees' job functions.
- Work-related Internet searching and research.
- Participating in education, public service, or professional development activities.

Inappropriate use.

Employees may not use the Internet or any Company computing resources for anything the Company deems inappropriate, including:

- Anything illegal, unlawful or malicious, including but not limited to defamation, fraud or harassment.
- Accessing pornography, gaming, or gambling sites.
- Personal use of streaming audio or video, or uploading or downloading files for personal use.
- Allowing non-employees to access American Airlines resources.
- Internet use should not interfere with your assigned work and duties.
- Exporting software, technical information, encryption software, or technology without proper authorization.

6.2.3 Social Media. American Airlines has an active social media presence with a dedicated team trained in social media functions. American's social channels are a place for the brand to engage with existing and prospective customers.

Official Social Media Channels:

- Facebook
- Twitter
- YouTube
- Instagram
- Google Plus
- LinkedIn

If your department wants to utilize social media, the communications team will work with you to discuss your ideas and define a strategy. Contact the Communications Department for assistance. Internal departments, stations, or groups are not authorized to open public social media channels.

Personal Social Media Use Guidelines.

When you participate in public discussions on social media sites, we ask that you observe the following guidelines for E-Mail, Internet and social media.

Do:

- **Have fun:** Social media brings together friends, family and colleagues from across the world. Respect that each one of us has different backgrounds and different opinions.
- **Share:** Feel free to follow American Airlines official social channels and share any content that is posted with your friends or followers.
- **Be transparent:** If you are blogging or commenting about Piedmont Airlines/American Airlines, identify that you are an employee with Piedmont Airlines, and clarify your role. Social media is all about honesty and transparency and those reading your comments deserve to know who you are and what stake (if any) you have in the conversation topic. Be clear that what you are saying is your personal view and not necessarily the official view of the airline unless you are attributing and linking to an official Company statement.
- **Be responsible:** Do not disclose or communicate proprietary and/or confidential, non-public information and content that you may have access to or hear about from others. Also, respect the proprietary

information of others including customers, vendors, suppliers, and competitors. If you are not sure if the information you want to post is confidential or not, please double check with your manager. What you say could influence customers, investors, regulators, or members of the media, so be sure that what you say is accurate and truthful public information and consistent with the American Airlines' Standard of Business Conduct. At the same time, respect Company resources and time. Since anything you post is your personal view, participation in online conversations, whether related to American Airlines or not, should be conducted on your own time, on your own computer, or your own mobile device.

- **Be respectful & honest:** When discussing American Airlines, your statements and comments should be truthful to the best of your knowledge and not intended to mislead those reading your posts. And if you are commenting on other companies, be respectful and factual and do not denigrate our industry peers. As an employee, what you say reflects on the Company and all of your colleagues. Remember, the Internet has a very long memory and what you say will stick around for a very long time. So, take a moment to think carefully about what you are saying and the potential impact of your words.

Don't:

- Use Company logo or trademarked items as your account photo or avatar unless authorized.
- Use copyrighted material, or other intellectual property of third parties.
- Post discriminatory, insulting or hostile comments to/or about customers or other employees. Don't use ethnic slurs, personal insults, obscenity, and abusive, harassing or embarrassing language when referring to the Company and its customers or employees. Be conscious of who may potentially see your profile, content, or comments.
- Post inappropriate pictures. Don't post inappropriate pictures and/or post pictures of you or others in uniform.
- External Company Social Media platforms such as Facebook, Twitter, Instagram, etc. aren't the place to vent issues you may have with the Company, your co-workers or policies or products. Discussions about pay, job dissatisfaction, comments about co-workers, non-revenue travel, issues with Company E-Mail, Internet and social media policy, or general criticisms about Piedmont Airlines/American Airlines should be directed to your manager/supervisor. When offering comments or opinions, keep in mind that you may not know the whole

story. If you identify Piedmont Airlines as your employer on any personal social profile, you should be cautious about the content you post, including photos, check-ins, comments and other likes. We recommend that you use the privacy settings available on social sites to determine what of your profile content is accessible to the public.

6.3 Security

For security purposes, do not share account or password information. Only authorized users may access network and Internet accounts. Please protect your password. If you think that someone may have learned your password or accessed your account please notify IT immediately.

6.4 Things to Consider

Advise your pass travelers to go to you for assistance with travel benefits. Frustrations regarding pass travel should not be voiced within the social media space by you or your pass riders. You're responsible for educating your pass riders about the standby travel experience and their expected behavior within the social media space as it relates to American Airlines pass travel. Pass rider comments posted to social media platforms are not acceptable and any violation of these guidelines by pass riders will be handled with the employee associated with the pass rider as with any other infractions.

Piedmont Airlines employees aren't eligible for social media contests sponsored by American Airlines. As with any competition, sweepstakes or promotion intended for customers, Piedmont Airlines employees and their families are not eligible to enter. This information is always contained in the terms and conditions. In accordance with the IT Security Policy, Piedmont Airlines/American Airlines reserves the right to monitor or record communications on its networks.

Without assuming any duty in these regards, the Company reserves the right to remove, or seek the removal of, posts that violate these guidelines. Employees found to have violated these guidelines may be subject to consequences including temporary or permanent restriction from some or all computing and Internet resources and facilities.

Chapter 7: Benefits

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Chapter 7: Benefits

Piedmont offers a comprehensive benefit package. This Section summarizes benefits available to Piedmont employees. The actual terms and conditions of the benefit plans (other than sick and vacation benefits) are contained in separate plan documents and manuals. The summaries below do not alter or amend the actual benefit provisions sets forth in those documents and manuals, and the latter will govern in the event of a conflict with these summaries. Not every employee participates in every benefit program. Eligibility is determined by plan provisions and, where applicable, collective bargaining agreements. The Company reserves the right to adjust and modify the benefits package at any time.

7.1 Sick Days

Piedmont provides paid sick time for full-time employees to use in the event of the employee's own illness or injury. The purpose of this benefit is to prevent loss of income, not to encourage taking days off. Employees excused from work due to the illness of a family member may use vacation, personal day or unpaid time off. The consequences of excess absences, even if due to using paid sick time, are set by each department. Because the intent of this policy is to provide a benefit for active employees, employees terminating from the Company are not entitled to a payout of sick time. Likewise, sick time may not be used to extend an employee's termination date.

7.1.1 Accrual. Newly hired full-time employees are credited with paid sick time at a rate of 4.0 hours per full calendar month of service. Full-time employees will receive six (6) days/forty-eight (48) hours in each calendar year.

7.1.2 Year-End Reconciliation. Salaried employees who do not exhaust all of their allotted sick time may carry all such time forward to the following year. Hourly employees who do not exhaust all of their allotted sick time at the end of each calendar year will have the option of:

- a. Receiving the equivalent of straight-time pay for the unused balance up to six (6) days; or
- b. Carrying forward into the following year the unused portion of available sick time up to a maximum of thirty (30) days/two hundred forty (240) hours.

7.2 Vacation

Full-time employees are entitled to periods of paid vacation, which may be used after the employee has completed six months of full-time service. For purposes of this section, "date of hire" shall mean the date on which the employee was most recently placed on the payroll in a full-time position.

7.2.1 Accrual. On January 1 of each year, full-time employees are awarded vacation credit based upon their number of full calendar years of full-time service, in accordance with the following table:

1st full calendar year:	1 week
2nd-7th full calendar year	2 weeks
8th - 14th full calendar year	3 weeks
15th+ years	4 weeks

7.2.2 Newly-Hired Employees. Vacation credit for new full-time employees is based on their month of hire in accordance with the following table:

Date of Hire/Full Time Status	Vacation Days/Hours
January 1 - March 15	5/40
March 16 - May 15	4/32
May 16 - August 15	3/24
August 16 - October 15	2/16
October 16 - December 31	1/8

Employees may begin using vacation time after six months of full-time service.

7.2.3 Downgrading. Employees that downgrade to part-time or upgrade to full-time will receive a prorated amount of vacation based on the number of months of part-time and full-time status. For example, if a 4-year employee works 6 months as a full-time employee then downgrades to a part-time employee for the remaining six months of the year, the employee will receive 40 hours for their full-time service plus 20 hours for the part-time service.

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Part-time employees, who have two or more continuous years of service with the Company as of January 1, each year, will receive paid vacation as follows:

2nd-7th full calendar year	1 week at 40hrs.
8th-14th full calendar year	2 weeks at 30hrs.
15th + years	2 weeks at 40 hrs.

7.2.4 Vacation Carry-Over.

- a. Employees completing their first partial calendar year of full-time employment may carry over accrued, unused vacation to the following year.
- b. At the end of each full calendar year of full-time employment, any unused vacation time will be forfeited.
- c. On some rare occasions, extenuating Company circumstances might prevent an employee from using the full complement of vacation days during the calendar year. Requests for exceptions to carry forward vacation time must be made in writing to the employee's manager and approved by the President or Human Resources prior to the end of that year.

7.2.5 Use of Scheduled Vacation. Vacations will be arranged with the particular requirements of the individual and the welfare of the Company in mind. Company seniority will be the determining factor in establishing the priority or choice of vacation dates. Vacation periods normally start on Monday and should be taken by week rather than individual days.

7.2.6 Payment of Accrued/Unused Vacation. Because vacations are intended as annual periods of rest and relaxation, payment in lieu of time off will not normally be permitted. However, an employee who resigns and gives the Company at least two weeks' notice or an employee whose service is terminated shall be paid for unused earned vacation, prorated for each month worked in the calendar year provided the initial six (6) month employment period is completed. An employee who resigns without giving the Company at least two weeks' notice may not be entitled to payment for unused vacation. Vacation used in excess of that credited for the calendar year period worked will be appropriately reconciled and reimbursed to the Company. Vacation credit may not be used to extend an individual's effective termination date.

7.3 Holiday Pay

1. The Company recognizes the following holidays on the dates established by federal law:

New Year's Day	Thanksgiving Day
Memorial Day	Day After Thanksgiving
Independence Day	Christmas Day
Labor Day	

2. Active, full-time employees are normally eligible for holiday pay at their base, straight-time rate. Full-time employees will receive eight (8) hours pay credit for all holidays.
3. Employees who are scheduled to work on a holiday for which they are eligible to receive holiday pay will be paid the holiday pay in addition to their regular earnings for time worked on the holiday. No employee may work on a holiday unless properly authorized by management.
4. When a holiday falls on an employee's regularly scheduled day off (including vacation and personal day); the employee will receive holiday pay. The scheduling of additional day(s) off in lieu of holiday pay is normally not permitted.
5. To be entitled to holiday pay, an employee must have worked the shift immediately preceding and the shift immediately following the holiday, unless on an approved vacation or personal day.
6. Generally, a holiday that falls on a Sunday will be recognized on the following Monday, and a holiday that falls on a Saturday will be recognized on the previous Friday.

7.4 Personal Day

Every full-time hourly employee with at least six months of full-time service is entitled to two paid Personal Days, which must be used in the calendar year in which it is credited. The Personal Day will be compensated at eight (8) hours and must be taken as a full day. Supervisory approval is required for scheduling use of the Personal Day. Personnel terminating their employment with Piedmont will not be entitled to payment of an unused Personal Day.

7.5 Travel

All permanent full- and part-time employees are eligible for travel privileges in accordance with the American Airlines travel program. These privileges and

the rules governing them are set forth in the American Airlines Travel Guide, a copy of which is located on the Piedmont website.

Every employee is responsible for knowing and following the rules below and the rules in the Guide. Violations of travel rules may result in suspension of travel privileges, disciplinary suspensions or termination of employment.

1. The employee is solely responsible for ensuring that family members and companions traveling on that employee's travel authority are aware of and actually complies with applicable rules. Employees should pay particular attention to rules governing conduct and dress code. Interline travel (on airlines other than American Airlines) may be available at a reduced rate. Employees are responsible for ensuring compliance with non-revenue rules while on interline travel.
2. "Blocking" seats by making reservations for space positive or full revenue travel for the purpose of facilitating space available transportation is a serious violation of travel privileges, and may result in termination of employment.
3. Travel privileges are for personal and vacation travel only. Any travel for business affairs associated with self-employment or employment with any firm other than American Airlines or an American Eagle carrier is a violation of travel privileges.
4. Effective on the first day of employment, employees and eligible dependents are eligible for space positive travel for certain personal emergencies. The emergency must involve the death or critical illness of the employee, spouse, children, employee's parents, employee's grandparents, spouse's parents, spouse's grandparents and employees or spouse's siblings. In the event of such an emergency, the employee should contact his or her supervisor or manager who will contact the emergency travel line at 888-WE-FLY-AA.
5. An employee or eligible family members may not travel for leisure purposes until a travel application has been completed and activated in the travel system by the Pass Bureau administrator located in MDT. Employees do not need their travel card but they must know their travel number. There will be a charge to replace a lost, stolen, or damaged ID/travel card.
6. While traveling on a non-revenue basis, employees and their dependents should not draw passenger attention to their status as non-revenue passengers, and should avoid distracting fellow employees from working.

Full and part-time employees may purchase up to eight round-trip, space-available Companion Passes a year. Employees will be responsible for the full-fare value of any companion passes purchased over their allotment.

7.6 Full-Time Health Insurance

Full-time employees are eligible for health benefit after two months of service. You may refer to the Summary Plan Document for specific details. The insurance enrollment application must be completed and returned to the SSO-Benefits Coordinator within the first 60 days of employment. If not, employees may apply during open enrollment or if they have a Qualified Change of Status as defined in the Summary Plan Document. The company provides a Preferred Provider Organization (PPO) health benefit option to all full-time non-contract employees.

A PPO Plan typically utilizes a "Network" of physicians and hospitals. The physicians and hospitals "In-Network" provide services to participants at a discounted rate. If an "In-Network" physician or hospital is used, the Plan will generally pay at least 90% of the "In Network" expenses. While you are not required to use an "In-Network" physician or hospital, the Plan will only cover 70% of expenses after an annual deductible is satisfied if a physician or hospital that is not "In-Network" is used. A list of the "In-Network" providers can be found on Piedmont's web page, or by calling the SSO Benefits Department. Also, under the PPO Plan there are co-pays for general practitioner office visits and specialist office visits. The co-pays are paid by the participant to the physician at the time of service. The Plan also includes a vision benefit and a prescription drug card.

7.6.1 Full-Time Dental Insurance. Full-time employees are eligible for dental insurance after two months of service. The plan offers complete freedom of choice of dentists. Preventive services are covered at 100% of reasonable and customary charges. After the annual is paid deductible, restorative services are paid at 85% or 50% depending on nature of work performed. The maximum calendar year benefit is currently \$1,000 per person; however, check the Summary Plan Document for updates.

7.7 Part-Time Health Insurance

Part-time employees are eligible for a limited health insurance plan. The premium for this plan is entirely employee-paid. This plan does not provide "minimum essential coverage" as defined by the Affordable Care Act. Employees must enroll within the first of the month of employment.

7.7.1 Part-Time Dental Benefit. Part-time employees are eligible for a limited dental insurance plan. The premium for this plan is entirely employee-paid. Employees must enroll within the first of the month of employment.

7.8 Life Insurance

Full-time employees automatically receive a basic level of life insurance after two months of service. This basic coverage is company paid and the coverage amount is dependent on your work group. Full-time employees are also eligible to purchase supplemental life insurance for themselves and their dependents at an additional cost. Employees may have to fill out a Personal Health Application when requesting supplemental coverage.

Part-time employees are not eligible for basic-level coverage, but do have the option to pay for supplemental life insurance.

7.9 Short-Term Disability

Full-time employees automatically enrolled in the company-sponsored disability insurance after two months of service. The Short-Term Disability policy is a total of twenty-six (26) weeks of paid leave at a rate of 2/3 of your weekly base salary with as maximum benefit of \$500.00 per week.

7.10 Long-Term Disability

Full-time non-contract employees are eligible after two years of service. All other work groups are eligible depending on their collective bargaining agreement. The benefit level for non-contract employees is 60% of base salary up to maximum monthly benefit of \$5,000. All other work groups' coverage amounts are specified in their collective bargaining agreement. Long-Term Disability benefits will only be paid after the exhaustion of Short-Term Disability benefits has occurred.

7.11 Flexible Benefit Plan

Full and part-time employees are eligible after two months of service. Employees may set aside pre-tax earnings to pay for up to \$2,500 annually in unreimbursed medical expenses and up to \$5,000 annually in day care expenses. Expenses are reimbursed by check, direct deposit or debit card.

7.12 401(k) Savings Plan

All employees both Full-Time and Part-Time are eligible to participate in the 401(k) plan offered through Piedmont Airlines, Inc. The 401(k) plan is a way for employees to save for retirement through pre-tax deductions from your paycheck. Piedmont Airlines, Inc. also contributes some monies on your behalf to help you save for retirement. Please see the 401(k) Summary Plan Description for additional information concerning matching and base contributions as well as vesting schedules.

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Chapter 8: Drug & Alcohol Policy

Piedmont has established two parallel drug and alcohol policies: the first is a Company policy applicable to all employees. The second is a FAA-mandated program applicable only to specified categories of covered employees. Employees covered by the FAA program are also covered by the Company policy.

Piedmont recognizes that some employees might have a problem regarding use of drugs, alcohol or other substances. We strongly encourage such employees to request rehabilitation assistance through their supervisor, department manager or Human Resources. This request must be made prior to the notification of a testing situation involving the employee. Coverage for treatment will be handled in accordance with Company health insurance.

8.1 Drug & Alcohol Company Policy

1. Scope: This policy applies to all employees of Piedmont Airlines.
 - a. Prohibited Conduct: Violations of this policy will result in termination of employment. The following conduct is prohibited:
 - i. Reporting to or being at work in a condition that impairs satisfactory work performance due to drugs and/or alcohol. This includes alcohol in any form and from any source and includes both "legal" drugs for which the employee does not have a current, valid prescription and illegal drugs.
 - ii. Possession of open alcohol or possession, sale or distribution of illegal drugs or drug paraphernalia on airline property. For the purpose of this policy, "airline property" encompasses property of any nature owned, controlled or used by Piedmont Airlines, including parking lots, vehicles, office desks and lockers.
 - iii. Refusal to submit to a required drug or alcohol test. Failure to provide adequate breath for alcohol testing or an adequate urine sample for drug testing without a valid medical explanation is considered a refusal to submit to a test.
 - iv. Drinking in public while in Company uniform.
 - b. Testing: Employees will be tested under the following circumstances:
 - i. Prior to employment (drug testing only);
 - b. Where, in the opinion of the Company, there is a reasonable cause for believing that an employee on duty is in a condition that impairs satisfactory work performance due to drugs and/or alcohol.

- c. Following any work-related accident or incident involving injury or property damage, in which the employee's performance cannot be eliminated as a contributing factor;
- d. As a follow-up to a course of substance abuse treatment (if provided) as prescribed by a medical professional on an unannounced basis.

8.2 FAA Anti-Drug & Alcohol Misuse Prevention Program

Piedmont Airlines has adopted a drug and alcohol testing policy that meets or exceeds federal regulations. For drug testing, our Company falls under two sets of Regulations. The first is the Drug-Free Workplace Act enacted in March 1989, and the second is the United States Department of Transportation's Procedures for Transportation Workplace Drug Testing Programs Final Rule effective December 1, 1989. For alcohol testing, we fall under the Alcohol Misuse Prevention Program for Personnel Engaged in Specified Aviation Activities effective January 1, 1995.

In concept, the Drug & Alcohol-Free Workplace Legislation requires us to inform our employees that it is against our policy to use, make, distribute or sell illegal drugs, or utilize alcohol during or just prior to performing a safety sensitive function. It further requires that we inform you of the dangers of drugs and alcohol in the workplace and that we inform you of what help is available in combating drug and alcohol problems. The law requires that we give you our written policy and related rules and it requires you to abide by them.

The D.O.T. Rule is much more specific about our industry and requires, among other things, that we administer drug and alcohol tests to employees in certain safety sensitive positions.

Protection of the employee's rights and absolute accuracy of the testing process were primary considerations in our development of this policy. The objective for the development of the policy was to meet or exceed all requirements of the regulation.

Read this policy carefully since you will be required to sign a receipt acknowledging that you have done so. If you have any questions regarding the policy, you may direct them to Jennifer Dennis, Drug & Alcohol Designated Employer Representative (410-572-5116), or any Human Resources Manager.

8.3 Policy Statement

Piedmont Airlines believes that our employees and passengers have the right to a workplace free from alcohol and illegal drugs. The safety of your co-workers and that of our passengers requires that all employees in safety-sensitive positions be drug and alcohol free. Piedmont's policy regarding the use of illegal drugs and alcohol is one of "zero-tolerance". For those safety sensitive positions listed herein, the Company will neither hire, nor retain as an employee any person who fails to pass a drug test, who refuses to take a drug or alcohol test, tests at a breath alcohol concentration of .02 or greater on a post-accident or reasonable suspicion alcohol test, any verified instance of on duty consumption, or any FAA violations that result in application of the permanent bar. This policy is designed to cover the use of illegal drugs at any time, and the use of alcohol just prior to or during the performance of a safety sensitive function.

The use of prescribed or over-the-counter drugs and medications is subject to additional restrictions in the Piedmont Airlines Employee Handbook and the Flight Operations Manuals.

8.4 Safety Sensitive Positions (covered positions)

Positions deemed to be safety-sensitive are those with:

- Flight Crewmember duties
- Flight Attendant duties
- Flight and Ground Instruction duties
- Aircraft or Ground Dispatch duties
- Aircraft or Preventative Maintenance
- Aviation Security or Screening duties
- Ground Security Coordinator duties

In addition to successfully passing a pre-employment drug and alcohol test, final selects for employment into such positions will be required to authorize written certification from former employers that they have neither failed, nor refused to take such drug or alcohol tests previously.

8.4.1 Drugs That You Will Be Tested For. •

- Amphetamines/Methamphetamine
- Marijuana metabolites (THCA)
- Cocaine metabolite (Benzoylcegonine)

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- Opioids (Codeine, Morphine, Hydrocodone, Hydromorphone, Oxycodone, Oxymorphone)
- Phencyclidine

Dispatchers, Mechanics, Ground Security Coordinators, and Security Screeners are prohibited from performing safety sensitive duties with a breath alcohol concentration of .04 or greater. These safety sensitive employees are also prohibited from utilizing any product containing alcohol within 4 hours of performing a covered function. A duty day for the positions listed above is any time in which the employee is on the premises to perform the duties of a safety sensitive employee.

Crew members are also prohibited from performing safety sensitive duties with a breath alcohol concentration of .04 or greater. Crew members are prohibited from utilizing any product containing alcohol within 12 hours of performing a covered function. A duty day for crew members includes any time in which a crew member is to report to duty to perform a covered function or any time a crew member is standing reserve and is required to be available to perform a covered function. Employees will only be tested while at their work site to perform a safety sensitive function.

The use of medication containing alcohol that results in a positive alcohol test is a violation of this regulation.

8.5 The Drug Testing Process

You will be directed by the collector to follow very specific steps throughout the collection process. It is very important that you follow all steps included but not limited to washing your hands, removing your jacket, emptying your pockets, providing photo identification, signing and initialing appropriate sections of the chain of custody form. You will be asked to provide a urine specimen consisting of 45ml for laboratory analysis. The collector will subdivide your specimen into two bottles. The primary specimen, consisting of 30 ml and the split, consisting of 15 ml will be labeled, sealed, and shipped to the laboratory in a single container. The collection site may be either at a job site, or a central collection location. Your right to privacy will be ensured unless the trained collection site person has reason to suspect that you have adulterated the sample in any way, if it is suspected that the sample you supply is not your own, or if directed by the MRO following an invalid test result. In such cases an observed sample (by someone of the same gender) may be required. At that time you will be permitted to note any prescription or over-the-counter medications you may be taking on your personal copy of the collection form and to witness the sealing of the specimen bottle. You will then be asked to certify that the control numbers on the bottle and the form

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coincide. The chain-of-custody of your sample will be handled to court room legal standards throughout the testing process. Any break-down in the chain of custody process will void the sample and another may be requested.

8.5.1 Sample Analysis. The primary sample will be analyzed only at a Department of Health and Human Services approved laboratory. It will be screened twice for the five covered substances by immunoassay testing and will be tested for pH and specific gravity. Any samples testing negative are reported as negative tests to Piedmont Airlines. Any samples that screen as "positive" will be confirmed using Gas Chromatography/Mass Spectrometry (GC/MS) testing. Should the GC/MS testing confirm the "positive" test result, the quantities of each covered substance (or metabolite thereof) will be compared to the federally mandated minimum cutoff levels. Samples that test negative using GC/MS, or that do not meet the minimum cutoff level are reported to Piedmont Airlines as negative tests. Only those samples with substance quantities that exceed the cutoff levels are reported to the Medical Review Officer (MRO) as positive urine specimens. The MRO then reviews the lab information and test results and contacts the employee or selectee. The employee/selectee will be questioned regarding the test results and any additional information that should be considered will be analyzed by the MRO. Only after the MRO, in his medical opinion, is convinced that the test is indeed positive will such positive result be reported to Piedmont Airlines as a confirmed positive test. Once the MRO notifies the company of a positive test result, the employee will be terminated.

If the primary result tests positive, the employee may request the split to be tested at a second Department of Health & Human Services laboratory. The cost of the retest will be the employee's responsibility. The MRO will inform the employee of their right to test the split. The employee has 72 hours after MRO verification of a positive result to request a test of the split. Analysis of the split is simply for the presence of the drug, cut off levels do not apply. If the split analysis fails to reconfirm the primary result, the test will be canceled and the employee will be reinstated to his position. If the test confirms the positive, the termination will stand.

8.6 Alcohol Testing Process

The DOT regulations require that alcohol testing be conducted on an Evidentiary Breath Testing Device (EBT). The EBT utilized must be on the National Highway Transportation Safety Administration Conforming Products List. The EBT must have the ability to detect mouth alcohol as opposed to deep lung alcohol. The EBT must be capable of providing sequentially

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numbered results in triplicate. All EBT's on the Conforming Products List meet these requirements.

A Breath Alcohol Technician (BAT) must perform the alcohol testing. The BAT must be trained to proficiency on the principles of the EBT methodology, operation, and calibration checks; the fundamentals of breath analysis of alcohol content; and the procedures in 49 CFR Part 40 for obtaining a breath sample.

The employee will be required to provide identification to the BAT. The BAT will explain the testing procedure. The BAT will complete Step 1 of the form and require the employee to sign the form. If the employee refuses to sign the form, it shall be considered a refusal to test and the employee will be terminated. The BAT will open a sealed mouthpiece in view of the employee. The BAT will require the employee to blow into the mouthpiece for at least 6 seconds. If the EBT does not have a printer capable of generating a printed result, a sequential test number, the manufacturer's name for the device, the device's serial number, and the time and date of the test; the BAT will show the employee the result displayed on the EBT. The BAT will record the displayed result, test number, testing device, serial number of the testing device, date, time and quantified result in Step 3 of the form; record the test number, date of the test, name of the BAT, location, and quantified test result in a log book. The employee will initial the log book entry. If the EBT provides a printed result, but does not print the results directly onto the form, the BAT will show the employee the result displayed on the EBT. The BAT will then affix the test result printout to the breath alcohol test form in the designated space, using a method that will provide clear evidence of removal. If the EBT prints the test results directly onto the form, the BAT will show the employee the result displayed on the EBT. If the result is less than .02, the BAT will sign the form in Step 3 and the employee will sign the form in Step 4 and the test is complete. If the employee refuses to complete the test, sign the form, or willingly falsifies information, it shall be considered a refusal to test and the employee will be terminated. In this event, the BAT will note the failure to sign in the "remarks" section of the form.

If a test result printed by the EBT does not match the displayed result, the BAT will note the disparity in the remarks section. Both the employee and the BAT will initial or sign the notation. The test is then invalid and Piedmont and the employee will be so advised. No further testing is authorized. The BAT will transmit the result of less than .02 to Piedmont in a confidential manner and Piedmont will receive and store the information so as to ensure that confidentiality is maintained as required.

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If the result is .02 or greater, a confirmation shall be performed 15 minutes after the initial test. The employee will be required to remain with the BAT during the 15-minute wait. The employee will not be permitted to eat, drink, or smoke during the wait. The testing process will be repeated as indicated above. The BAT will explain to the employee the reason for this requirement and the fact that it is for the employee's benefit. The BAT will also explain that the test will be conducted at the end of the waiting period, even if the employee has disregarded the instruction. If the BAT becomes aware that the employee has not complied with this instruction, the BAT will so note in the "remarks" section of the form.

If the confirmation test is conducted by a different BAT, the BAT who conducts the screening test will complete and sign the form and log book entry. The BAT will provide the employee with Copy 2 of the form. If a BAT other than the one who conducted the screening test is conducting the confirmation test, the new BAT will initiate a new breath alcohol testing form. The BAT will complete Step 1 on the form. The employee will then complete Step 2 on the form, signing the certification. Refusal by the employee to sign this certification will be regarded as a refusal to take the test. The BAT will note in the "remarks" section of the form that a different BAT conducted the screening test.

The BAT will conduct an "air blank" to ensure that the device is working correctly. The air blank result must be 0.00. If the reading is greater than 0.00, the BAT will conduct one more air blank. If the reading is greater than 0.00, testing will not proceed using that instrument. However, testing may proceed on another instrument.

If the confirmatory result is less than .02, the employee and the BAT will sign the form and the employee may perform their safety sensitive function.

If the result is .02 or greater, the employee and the BAT will sign the form. The employee will be removed from covered duty, suspended for 30 days, and referred to a Substance Abuse Professional (SAP) for evaluation. Prior to returning to covered duty, the employee will be required to sign a last chance agreement, follow all recommendations as set forth by the SAP, and complete a non-DOT alcohol test with a result less than .02. If the employee violates the last chance agreement, he will be terminated immediately. If an employee receives a subsequent test result of .02 or greater, the employee will be terminated immediately. Any employee refusing to be tested or who fails to sign the form, or willingly provides false information, will be terminated under the refusal to test provision of the rule.

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A breath alcohol test is invalid if:

- the EBT does not pass its next external calibration check
- the BAT does not observe the minimum 15-minute waiting period prior to the confirmation test
- the BAT does not perform an air blank of the EBT before a confirmation test, or such an air blank does not result in a reading of 0.00
- the BAT does not sign the form
- the BAT fails to note in the remarks section of the form that the employee has failed or refused to sign the form after the test has been conducted
- the EBT fails to print the confirmation test result, or
- the sequential test number or alcohol concentration displayed on the EBT is not the same as the sequential test number or alcohol concentration on the printed result.

8.7 When you will be tested

8.7.1 Pre-employment. Final selects for employment in those previously identified positions will be drug tested prior to performing a safety sensitive function.

8.7.2 Random. All employees in covered positions will be part of a random testing program that currently will be administered by the Regional Airline Association Consortium. Each year, 25% of the total covered employees of this consortium will be selected for drug testing, 10% for alcohol testing. Drug testing will be completed at the end of a crew member's day. Drug testing will be completed for all other safety sensitive positions during any duty day. Alcohol tests will be completed before, during, or after duty for all safety sensitive positions. Selection will be done by the consortium's computer random number generating program. The percentage of Piedmont Airlines' employees tested will vary with the random selection process. It should be noted that once an employee has been selected for testing, his number immediately goes back into the eligible pool. Due to the truly random nature of the selection process, it is conceivable that an individual employee could be tested more than one time per year. Piedmont Airlines will play no part in the selection process, other than supplying the consortium operator with the names and employee numbers of all covered employees.

8.7.3 Post-Accident. Employees involved in an accident (as defined in 49 CFR section 830.2) whose performance either contributed to, or cannot be

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completely discounted as contributing to an accident must be drug tested no later than 32 hours following the accident.

Following an accident, any covered employee with actual knowledge of an accident involving an aircraft for which he performed a safety sensitive function at or near the time of the accident would be prohibited from using alcohol for 8 hours or until the employee has been given a post-accident test or the employer determined that the employee's performance could not have contributed to the accident. Post-accident alcohol testing must be conducted within 8 hours of the accident. If any employee receives an alcohol test result of .02 or greater, the employee will automatically be terminated from employment.

8.7.4 Reasonable Cause. Covered employees who are reasonably suspected of using a prohibited drug will be tested. Such a decision will be based upon specific and contemporaneous physical, behavioral or performance indicators of probable drug use. Some sample reasons are: evidence of repeated errors on the job, regulatory or company rule violations and unsatisfactory time and attendance patterns. Two supervisors, one of whom must have had specific training in detection of symptoms of drug use, must substantiate and concur in the decision to test based on reasonable cause.

Covered employees who are reasonably suspected of using alcohol will be tested. Such a decision will be based on specific contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the employee. Only one supervisor, who has been trained in detecting the symptoms of alcohol misuse, is required to make the determination to test based on reasonable cause. If any employee receives an alcohol test result of .02 or greater, the employee will automatically be terminated from employment.

8.8 Drug Test Results

Drug test results will normally be received from the MRO within five (5) days of testing. All results (negative and positive) will be sent to Piedmont Airlines. Should the employee's results be negative, no additional communication is required. Should the results be positive, the MRO will contact the employee directly. If the MRO attempts to contact you, it is extremely important that you return his call as soon as possible. Should the required contact not be made, the MRO will contact the Drug Abatement Manager and advise that he needs to speak to the employee. The Drug Abatement Manager will attempt to contact the employee and will notify the MRO once contact is made. Continued failure of the employee to contact the MRO will, at the MRO's discretion, constitute a confirmed positive.

Test results will be maintained as strictly confidential and will be released to the affected employee/applicant upon written request. It should be noted, however, that for tests with confirmed positive results the MRO is required by federal law to notify the Federal Air Surgeon if his research suggests probable drug dependence. (Federal Air Surgeon Notification applies to person required to hold a Medical Certificate under FAR Part 67.)

8.9 Alcohol Test Results

The BAT will provide the result to each employee after the testing process is complete. Any employee who tests .02 or greater will be removed from covered duty, suspended for 30 days, and referred to an SAP for evaluation. The employee will also be required to sign a last chance agreement, follow all recommendations as set forth by the SAP, and complete a non-DOT alcohol test with a result less than .02 prior to returning to his safety sensitive function. Any employee who tests .04 or greater on the confirmatory alcohol test will be removed from duty and immediately terminated.

8.10 Additional Consequences for Violating the Drug and Alcohol Rule

As stated above, any employee who violates the provisions of the drug or alcohol policy will be removed from their safety sensitive function will be subject to disciplinary action up to and including termination from employment. Specifically, any employee fails to pass a drug or alcohol test or refuses to submit to a drug or alcohol test, will be terminated. Any employee found on duty using drugs or alcohol will be terminated. Any employee found to possess, manufacture, distribute or sell any controlled substances will be terminated. Any employee who receives a .02 or higher on two alcohol tests will be terminated from employment. Any employee who receives a verified adulterated or substituted drug test result, will be considered a refusal to test and will be terminated immediately.

The following constitutes a refusal to submit to a drug test:

- Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by the employer, consistent with applicable DOT agency regulations, after being directed to do so by the employer. This includes the failure of an employee to appear for a test when called by a C/TPA.
- Fail to remain at the testing site until the testing process is complete; provided that an employee who leaves the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test;

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- Fail to provide a urine specimen for any drug test required by this part or DOT agency regulations; provided that an employee who does not provide a urine specimen because he or she has left the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test;
- In the case of a directly observed or monitored collection in a drug test, fail to permit the observation or monitoring of your provision of a specimen;
- Fail to provide a sufficient amount of urine when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
- Fail or decline to take an additional drug test the employer or collector has directed you to take;
- Fail to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER. In the case of a pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment. If there was no contingent offer of employment, the MRO will cancel the test; or
- Fail to cooperate with any part of the testing process (e.g., refuse to empty pockets when directed by the collector, behave in a confrontational way that disrupts the collection process, fail to wash hands after being directed to do so by the collector).
- For an observed collection, fail to follow the observer's instructions to raise your clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if you have any type of prosthetic or other device that could be used to interfere with the collection process.
- Possess or wear a prosthetic or other device that could be used to interfere with the collection process.
- Admit to the collector or MRO that you adulterated or substituted the specimen.
- As an employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.
- As an employee, if you refuse to take a drug test, you incur the consequences specified under DOT agency regulations for a violation of those DOT agency regulations

The following constitutes a refusal to submit to an alcohol test:

- Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by the employer, consistent with applicable DOT agency regulations, after being directed to do so by the employer. This includes the failure of an employee to appear for a test when called by a C/TPA;
- Fail to remain at the testing site until the testing process is complete; provided that an employee who leaves the testing site before the testing process for a pre-employment test is not deemed to have refused to test;
- Fail to provide an adequate amount of saliva or breath for any alcohol test required by this part or DOT agency regulations; provided that an employee who does not provide an adequate amount of breath or saliva because he or she has left the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test;
- Fail to provide a sufficient breath specimen, and the physician has determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
- Fail to undergo a medical examination or evaluation, as directed by the employer as part of the insufficient breath procedures;
- Fail to sign the certification at Step 2 of the ATF;
- Fail to cooperate with any part of the testing process.
- As an employee, if you refuse to take an alcohol test, you incur the same consequences specified under DOT agency regulations for a violation of those DOT agency regulations.

As a covered employee if you refuse to take a required drug or alcohol test, you will be immediately terminated from employment.

Any employee who cannot produce an adequate level of urine for drug testing or breath for alcohol testing, claiming shy lung or shy bladder, will be sent to a physician for an evaluation. If the physician determines the condition does not exist, it will be considered a refusal to test for the purposes of the drug and alcohol testing procedures.

If a covered employee is determined to have violated the on duty use of drugs or alcohol prohibition, the employee will be terminated and permanently precluded from performing the safety sensitive duties performed prior to the violation.

If a covered employee is determined to have violated the prohibited drug and alcohol related conduct provisions, other than on duty use, two times after January 1, 1995, the employee will be permanently precluded from performing the safety sensitive duties he performed before such violation. The bar on two-time violators will apply both to persons who go through rehabilitation and to those who, after evaluation by an SAP, are determined not to need treatment.

Any covered employee who holds an airman medical certificate issued under 14 CFR Part 67 who violates the provision of the drug or alcohol rule will be reported to the Federal Air Surgeon. Any covered employee who holds a Part 67 airman medical certificate will be prohibited from performing a safety sensitive function after a violation unless and until, the Federal Air Surgeon has recommended that the employee be permitted to perform such duties. Any covered employee who holds an airman certificate issued under 14 CFR part 61, part 63, or part 65 that refuses to submit to required testing will be reported to the FAA within two days.

8.11 Employee Information

To heighten general awareness of the effects and consequences of drug abuse on the employee's health and safety, Piedmont Airlines will make materials on drug and alcohol abuse available at each of its locations. Additionally, all employees will have access to a toll-free hotline for the Medical Review Officer's office to make referrals for employee assistance. This number is 800-732-3784. Employees may also call the FirstLab EAP at 888-720-7277. Periodic newsletters and informational material on the subject will be distributed.

8.12 Employee Rehabilitation Program

While Piedmont Airlines does not itself maintain in-house Employee Rehabilitation Programs for drug use and alcohol abuse, such programs are covered under our Group Health Insurance Plan. We encourage employees who have a drug or alcohol problem to come forward and obtain assistance. Piedmont has always and will continue to support employees through a rehabilitation process. If an employee successfully completes a voluntary rehabilitation program, the company will reinstate the employee to their position. Employees who hold a Part 67 airman medical certificate may be subject to special issuance requirements as set forth by the FAA. The benefits above are available to those employees who seek assistance before a situation arises which could lead to a disciplinary termination from the Company. Such rehabilitation programs shall be available only once during the employee's working career with the Company. Employees who have successfully completed Drug or Alcohol Rehabilitation Programs and have been returned to

work will be subject to unannounced testing at any time without cause.

Examples of activities which will result in termination are as follows:

- Any employee found on or off duty to use, abuse, possess, manufacture, distribute, or sell or involved in the sale of controlled substances.
- A positive test result for controlled substances.
- Refusal to submit to a drug test.
- Adulterating any sample submitted for drug testing.
- Reporting for duty under the influence of alcohol or found consuming alcohol or under the influence of alcohol while on duty will be terminated from the Company.

8.13 The High Cost of Drug Abuse

Most American workers do not use illicit drugs. Unfortunately, however, there are millions who do. Consider the prevalence of drug use in the work place.

77% of American drug users are employed

25% of workers report drinking during work at least once in the past year.

One in ten full time workers in the US has had a substance abuse problem.

Drugs in the work place are also costly. Drug use contributes to accidents, high health care costs, and attendance problems. Drug users may steal, sell drugs on the job, and undermine employee morale.

Drug users are almost four times more likely than non-users to be involved in on-the-job accidents, and five times more likely to file a workers' compensation claim. They use sixteen times as much sick leave. Other studies of corporate accidents have shown 3 times as many reportable accidents in those who use drugs.

At Georgia Power Company, average annual medical benefits were 8 times higher in those who tested positive for drugs. Workers' compensation claims were also 8 times higher. This study also showed 3.4 times as many unexcused absences in workers who tested positive for drugs.

A study of U. S. Postal Service workers showed that those who tested positive for drugs were 59% more likely to be absent than those who tested negative. Unexcused absences were 1.5 times higher in those who tested positive for marijuana and 4 times higher in those who tested positive for cocaine. The Postal Service estimated that it would have saved \$105,000,000 over the average 12-year tenure of postal employees if they had not hired those who tested positive for drugs.

8.14 The Impact of Drugs in Society

The U.S. Government has spent many years trying to curtail the supply of illegal drugs into the United States. The problem with this is that each year, there are hundreds of millions of border crossings, automobiles and containers entering the U.S. To monitor each and every point is virtually impossible. Therefore, the government has shifted its efforts toward reducing the consumer demand. Education is the most effective weapon in our fight to rid our nation of illegal drugs.

Are you aware that every day nearly 400 children are arrested for use of illegal drugs and 850 children are arrested for drinking or drunk driving? This is a result of the fact that children begin using drugs by the time they are in the 6th or 7th grade. By the time they reach 17, nearly half of the males who use alcohol are problem drinkers. According to the National Council on Alcoholism, 4.6 million teenagers are considered problem drinkers. Is it little wonder that in one year over 9,000 drivers between the ages 15-24 are killed in alcohol-related auto accidents. As a matter of fact, accidents, suicides and homicides, many of which are drug and alcohol related, are responsible for 75% of the deaths of young people in the United States.

8.15 Impact of Alcohol Use on Society and the Workplace

Although Piedmont Airlines has no history of substance abuse problems, we recognize that alcoholism and alcohol misuse are problems throughout America.

There are several good reasons why you should be concerned if any of your coworkers are using drugs or alcohol on the job:

- Your health and safety may be at risk.
- Alcohol misuse costs you money.
- Alcohol creates a negative work environment.

According to the National Institute on Alcohol Abuse and Alcoholism, drug and alcohol use on the job costs society an estimated \$200 billion a year. Since most of this cost is passed on to you in the form of higher health insurance rates or in the prices you may pay for a product, drug and alcohol use on the job costs you and your fellow workers.

Absenteeism among problem drinkers or alcoholics is 3.8 to 8.3 times greater than normal. If your co-worker does not report for work, you may be required to perform their job in addition to your job function. Additionally, workers who misuse alcohol do not function to their full potential. Not only is

absenteeism a problem, when they are at work these employees may have reduced capabilities and productivity. Since our product is the safe transportation of the public, alcohol misuse is an especially serious problem.

Two thirds of all homicides are committed by people who drink prior to the crime. Two to three percent of the driving population is legally drunk at any one time. This rate is doubled at night and on weekends. Two thirds of all Americans will be involved in an alcohol related vehicle accident during their lifetime. The rate of separation and divorce in families with alcohol dependency problems is seven times the average. Forty percent of family court cases are alcohol problem related. Alcoholics are 15 times more likely to commit suicide than other segments of the population. More than 60 percent of burns, 40 percent of falls, 69 percent of boating accidents, and 76 percent of private aircraft accidents are alcohol related.

8.15.1 Health Effects of Alcohol Misuse. Alcohol is a central nervous system depressant. Taken in large quantities, it causes not only the euphoria association with being drunk but also adversely affects your judgment, your ability to reason, and your motor functions. If you consume enough alcohol at a fast enough rate, it can kill you. Long term overuse of alcohol can cause liver damage, heart problems, sexual dysfunction, and other serious medical problems. Additionally, long term use may cause dependency, fatal liver disease, kidney disease, pancreatitis, increased cancer, ulcers, and birth defects.

8.16 Public Opinion

The great majority of Americans are fed up with drugs and drug users. A Gallup poll, conducted for the Institute for a Drug-Free America, reported that workers considered drugs the greatest problem facing the United States today. According to the survey, 97% of the workers consider drug testing appropriate in some circumstances and 86% believe that drug testing would be effective in deterring drug abuse among employees.

8.17 Signs and Symptoms

It is important that you are aware of the signs and symptoms of substance abuse.

8.17.1 Work Performance and Work Patterns. Typical indicators of substance abuse are changes in the quantity or quality of the individual's work, inconsistency, poor judgment, mistakes, carelessness, difficulty remembering, overreaction, and financial difficulties.

8.17.2 Physical Symptoms and Conditions. Physical indicators may be weariness, exhaustion, excitability, excessive yawning, blank stares, drowsiness, slurred speech, unsteady walking, inappropriate wearing of sunglasses, and unusual efforts to cover arms. Other symptoms may also occur such as dilated pupils, excessive sweating, aggressiveness, excessive weight loss, and paranoia.

8.17.3 Absenteeism and Personal Health. A substance abuser frequently has a lower resistance. As a result, they will experience a higher incidence of colds, flu, headaches, and other health problems. They are more likely to frequently miss work.

8.17.4 Accidents and Concentration. A substance abuser will experience an increased number of accidents due to the fact that they may take unnecessary risks. Additionally, their reaction time may be slowed.

If you have any questions about substance abuse or our company anti-drug policy, please direct them to our Human Resources Department.