

AGREEMENT

between

PIEDMONT AIRLINES, INC.

and the

FLEET AND PASSENGER SERVICE EMPLOYEES

in the service of

PIEDMONT AIRLINES, INC.

as represented by

THE COMMUNICATIONS WORKERS OF AMERICA



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PURPOSE OF AGREEMENT

- A. The purpose of this agreement is in the mutual interest of the Company and the employees, to provide for operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency of operation, and the continuation of employment under conditions of reasonable hours, proper compensation and working conditions. It is recognized by this Agreement to be the duty of the Company and of the employees to cooperate fully for the attainment of these purposes. To further these purposes, the Company may request a meeting with the Union, or a Representative of the Union may request a conference with the Company at any time to discuss and deal with any general condition that may arise under the application of this Agreement.
- B. No employee covered by this Agreement will be interfered with, restrained, coerced, or discriminated against by the Company, its officers or agents, because of membership in or lawful activity on behalf of the Union.
- C. It is understood wherever in this Agreement employees are referred to in the masculine gender, it shall be recognized as referring to both male and female employees.
- D. Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect.
- E. The Company and the Union agree to comply fully with all applicable Federal and State statutes and regulations prohibiting discrimination with respect to all aspects of employment with the company.

ARTICLE 1

RECOGNITION

In accordance with Certification Case No. R-7252 by the National Mediation Board, the Communications Workers of America (CWA) is the representative union of the craft or class of Fleet and Passenger Service employees.

ARTICLE 2

SUCCESSORSHIP

- A. This Agreement will be binding upon any successor or assign of the Company, unless and until changed in accordance with the provisions of the Railway Labor Act, as amended.

- B. In the event of any merger of the Company with another airline which affects the seniority rights of employees covered by this Agreement, provisions will be made for the integration of seniority lists in a fair and equitable manner, including, where applicable, agreement through collective bargaining among or between the surviving airline and the representatives of the employee groups. In the event of a failure to agree, the dispute may be resolved in accordance with Section 13 of the Allegheny-Mohawk Labor Protective Provisions.

- C. The following additional requirements shall be applicable in the event of a merger:
 - 1. Unless and until any operational merger is finally effectuated, the Union will continue to be recognized as the representative of the pre-merger Company employees, so long as such recognition is not inconsistent with the Railway Labor Act, as amended, and any applicable rulings or orders of the National Mediation Board.

 - 2. The Company will notify the Union in writing of the merger in a timely manner.

 - 3. The Company or surviving carrier, if different than the Company, shall meet promptly with the Union upon request to discuss the implementation of the requirements of paragraph B, above.

ARTICLE 3

SENIORITY

- A. Company-wide seniority will be based upon length of active service with the Company and will begin to accrue on an employee's date of hire with the Company.
- B. Fleet and Passenger Service seniority will be based upon length of active service in a position covered by this Agreement and will begin to accrue on an employee's date of hire in a position covered by this Agreement. Nothing herein will be deemed to effect the relative seniority within a particular station in effect prior to the date of signing of this Agreement.
- C. The relative Fleet and Passenger Service seniority of employees whose date of hire in a position covered by this Agreement is the same will be determined by the employees' dates of birth, oldest first.
- D. Except as may otherwise be provided in this Agreement, Fleet and Passenger Service seniority will govern employees in the case of bidding work schedules, vacation preference, furlough and recall.
- E. The Company will post and make available to the Union an updated station seniority list prior to a work schedule bid. The seniority list will contain the name of each employee, his position, and Company and Fleet and Passenger Service seniority dates. An employee will be permitted a period of 14 days after the posting in which to protest any omission or inaccuracy affecting his seniority. If no protest is made within this 14 day period, the list, as published, will be deemed correct and no changes will be made thereafter.
- F. An employee who transfers to a Fleet and Passenger Service supervisor position after the date of signing of this Agreement will retain and accrue Fleet and Passenger Service seniority for the first 180 consecutive days in such position and thereafter will retain but not accrue Fleet and Passenger Service seniority. An employee holding a Fleet and Passenger Service supervisor or manager position as of the date of signing of this Agreement will retain and accrue Fleet and Passenger Service seniority for the first 180 consecutive days after the date of signing and thereafter will retain but not accrue Fleet and Passenger Service seniority. An employee who transfers to any other position with the Company that is not covered by this Agreement will retain, but not accrue, Fleet and Passenger Service seniority. An employee who transfers to a position not covered by this Agreement may exercise his Fleet and Passenger Service seniority to return to a vacancy covered by this Agreement but may not displace an employee.
- G. Company and classification seniority will be forfeited under the following circumstances:

1. Resignation.
2. Discharge for just cause.
3. Failure to return to service at the expiration of a leave of absence.
4. Retirement.
5. Expiration of recall rights.
6. Or as otherwise provided in this Agreement.

ARTICLE 4

FILLING OF VACANCIES

A. Filling of Vacancies

1. When a vacancy occurs and no bids are on file, the Company will post a Vacancy Notice on line for seven (7) days. Such Notice will specify the position, station, qualifications, and the bid closing date.
2. Except as provided in paragraph A.4., below, bids for vacancies will be awarded in the following order:
 - a. The most senior qualified employee at the same station who bids the vacancy;
 - b. The most senior qualified employee in the system who bids the vacancy;
 - c. The most senior employee in the station who bids the vacancy;
 - d. The most senior employee in the system who bids the vacancy.
3. If no employee bids for a vacancy, the Company will fill the vacancy either by assigning the most junior employee at the station or by hiring a new employee.
4. Bids for the positions of Operations Agent, POC, or other specialty positions will be awarded by the Company at the Company's discretion on the basis of qualifications. Seniority will be considered in the award process.
5. The successful bidder of a vacancy will be promptly notified of the award and its effective date by telephone or in writing (including electronic communication). A written record of the award will be contained in the employee's personnel file. The employee will be given the written record on request.
6. An employee awarded a vacancy will be prohibited from bidding for another vacancy for a period of six (6) months from the effective date of the award. This prohibition may be waived by the Company.
7. An employee awarded or assigned a vacancy will be subject to a sixty (60) day probationary period for evaluating the employee's ability to perform the duties of the awarded or assigned vacancy. If the Company determines that the employee does not have the ability to perform such duties competently, the employee will be returned to his former position. Such a return may not be the subject of a grievance.

ARTICLE 5

FURLOUGH AND RECALL

A. Furlough

1. If an insufficient number of employees accept voluntary furlough in accordance with paragraph B., below, employees will be involuntarily furloughed in inverse order of seniority at the station and position where the furlough is necessary.
2. An employee to be furloughed will be notified at least 21 days in advance of the furlough or receive pay in lieu thereof for any period less than the 21 days notice, except in cases of emergency, strikes, Acts of God or other circumstances beyond the control of the Company. The Company will notify the Union of the reason for the furlough.
3. An employee to be furloughed will have the following options:
 - a. Exercise his seniority to fill a vacancy for which the employee is qualified in the station; if none, then;
 - b. Exercise his seniority to fill a vacancy for which the employee is qualified at another station; if none, then;
 - c. Exercise his seniority to fill any vacancy in the system; if none, then;
 - d. An employee with at least two (2) years of service may bump a more junior employee with less than two (2) years of service anywhere in the system, provided he is qualified to perform the job of the employee he intends to bump;
 - e. Accept furlough at his station.
4. An employee must notify their Station Manager or designee within five (5) days after receipt of notice of furlough as to which of the above options he elects. An employee who fails to provide such notice will be deemed to have elected to be placed on furlough at his station.
5. An employee who is furloughed will accrue seniority, but not longevity, during the furlough.

B. Voluntary Furlough

Prior to involuntary furloughing employees, the Company will offer voluntary furloughs.

1. Voluntary furloughs will be granted in order of seniority at the station and position where the furlough is necessary.

2. An employee on voluntary furlough will accrue seniority, but not longevity, during the furlough.
3. The initial voluntary furlough will be for ninety (90) days unless the employee is recalled sooner. An employee on voluntary furlough may request an extension. Any such extensions will be in thirty (30) day increments.
4. Upon the expiration of the voluntary furlough, the employee will return to the station and position he held immediately prior to the voluntary furlough. If the station is closed, the employee will be considered furloughed and may exercise his rights in accordance with this Article.

C. Recall

1. A furloughed employee will retain recall rights for three (3) years from the date of the furlough.
2. A furloughed employee must keep Human Resources advised of his current address and telephone number.
3. Recall from furlough will be in order of seniority at the station and position from which furloughed. Recall will be attempted first by phone. If telephone attempts fail, a written notice will be sent to the last address on file with the Company. Refusal to accept delivery constitutes delivery. Once telephone contact is made or the written notice is delivered, the employee will have seven (7) days to notify the Station Manager or designee of his intent to accept recall. Unless otherwise extended by the Company, a furloughed employee will have no less than fourteen (14) days after telephone contact or the delivery of the recall notice to return to service.
4. Furloughed employees will be given preference for vacancies at any station while on furlough. Employees who accept such a vacancy will retain recall rights to their original station and position.
5. If the employee is not recalled to the station and position held at the time of furlough or does not accept a vacancy at another station within three (3) years, all recall rights will be extinguished.

D. Vacation Bank Pay Out

Accrued, unused vacation time will be paid to employees who are furloughed.

E. Health, Dental & Life Insurance

The Company will continue to pay the Company's portion of the cost of applicable medical/dental and life insurance until the end of the month in which the employee is furloughed. Thereafter, the employee may continue to participate in the group plan by paying for coverage in accordance with COBRA, including the applicable administrative fee.

F. Furlough Pay

Whether furlough pay will be paid to employees affected by a particular furlough event, and how much furlough pay will be paid in conjunction with a particular furlough event, will be left to the discretion of the Company. The Company will endeavor to transfer employees to vacant positions at other stations in lieu of furlough.

G. Travel in Furlough Status

The Company will provide furloughed employees with the maximum duration of pass privileges that the Company is authorized to offer.

H. Pension & Retirement

In accordance with the Piedmont Airlines Inc 401k Savings Plan and the Internal Revenue Code, participants' vested accounts may be distributed to the participant, rolled into another qualified plan, or maintained in the plan.

ARTICLE 6

HOURS OF SERVICE

A. Work Hours

The normal work week for full time employees will consist of forty (40) hours and for part time varied hours depending on operational needs. An employee may be released from work when flight schedules are cancelled or changed for any reason.

B. Meal Periods

For shifts scheduled for six (6) hours or more, an employee will be given a thirty (30) minute unpaid meal period. Reasonable attempts will be made to provide an uninterrupted meal period between the 3rd and the 6th hour of the shift. An employee who is required to work through his meal period will either be paid at the applicable rate for his meal period or, upon mutual agreement of the employee and his manager, released from work thirty (30) minutes before the scheduled end of the shift.

C. Schedule Bids

1. The Company will post at each station a work schedule bid, which will include shift start times and days off. If applicable, separate work schedule bids will be posted for each position required at a station. Work schedules will be bid at least once every six (6) months.
2. Work schedule bids will be posted and will remain open for at least fourteen (14) days.
3. Work schedule bids will be awarded in order of classification seniority and based on their FT or PT status to employees who have completed any necessary training and are qualified to perform the work being bid. Bids will be awarded at least fourteen (14) days before the start of the next bid period.
4. If no bid is received from an employee by the bidding deadline, he will be assigned a work schedule in an open position for which he is qualified, if available. Such assignments will be made in seniority order.
5. An employee on an authorized leave of absence will not be eligible to bid a work schedule if his projected date of return to service is later than the end of the current bid period. Such an employee who returns to service during a bid period for which he was ineligible to bid will be assigned a work schedule.

6. Certain stations will maintain flex schedules for a limited number of employees. Nothing in the Article will prohibit the expansion of such flex time schedules.

D. Shift Start Times

The Company will establish shift start times based on the needs of the service.

E. Shift Trades

1. Qualifications permitting, employees will be permitted to trade shifts with each other.
2. A shift trade must be requested with reasonable advance notice on the appropriate form or method and approved by the manager or the designee. Approval for shift trades will not be unreasonably withheld.
3. Each employee will be responsible for his own attendance on the date and times of the approved trade.
4. The number of shift trades that an agent may work is not limited except that each employee must have at least one (1) day off in every seven (7) consecutive days and no employee may work more than three (3) consecutive full time equivalent shifts in a row.
5. Shift trades between full-time and part-time agents are permitted.
6. Permanent shift trades, partial shift trades, one way shift trades, and multiple shift trades are subject to management approval.
7. FT employees are expected to average thirty-two (32) hours to maintain full-time status. If an employee does not maintain these hours over a three month period, the Manager will address the issue individually with the employee. The employee will be given a three month period to increase his hours. If the employee fails to maintain the necessary number of average hours, the employee will be required to bid on a part-time line at the next bid. The employee will be prohibited from bidding on a full-time line for twelve (12) months.
8. A shift trade between a supervisor and an agent is permitted subject to manager approval. If the swap is allowed, no pay adjustment will be made.
9. No overtime will be paid as a result of a shift trade.

The Company may deny any trade request if granting the request would require the Company to pay overtime to either or both employees under applicable law.

10. Violations of the shift trade policy may result in the loss of shift trade privileges.

F. Minimum Hours

An employee who is called to report to work on their day off will receive a minimum of 4 hours of pay.

G. Weather or Acts of God

1. Employees must make every reasonable effort to report to work during periods of inclement weather.
2. The Company will inform the employees as soon as practical when operations are reduced or cancelled and employees are not required to report to work.
3. In the event an employee is late or fails to report due to severe weather conditions, their absence will be unpaid unless they may opt to use a DAT vacation day or personal day.
4. The Company will inform employees of any transportation news of which it knows that may affect their ability to leave the airport.

H. Employees may use non-work periods as break time, or if there is no non-work down-time an employee on a schedule shift of at least eight (8) hours and his supervisor will mutually agree on a break period.

I. At stations with Roster Apps, an employee will be able to review his hours in Roster Apps.

ARTICLE 7

PROBATION

- A. An employee will be on probation for the first 90 days in a position covered by this Agreement. This period may be extended for an additional 90 days at the Company's discretion.
- B. If days of work are missed due to sickness, injury, leave of absence or any other reason, the probationary period will be adjusted to meet the probationary requirement.
- C. Employees may be disciplined or discharged at the sole discretion of the Company during the probationary period. The grievance/arbitration procedure will not apply to the discipline or discharge of probationary employees.

ARTICLE 8

OVERTIME

- A. Overtime will be awarded and assigned at each station based on the station's previously-established practices.
- B. Overtime made available for bid at a station will be awarded in the following order:
 - 1. To the most senior qualified part-time employee at the station who volunteers for the assignment; then
 - 2. If no qualified part-time employee volunteers, to the most senior qualified full-time employee at the station who volunteers for the assignment; then
 - 3. If no qualified employees volunteer, to qualified part-time employees in inverse order of seniority; then
 - 4. To qualified full-time employees in inverse order of seniority.
- C. Mandatory overtime consisting of a shift extension will be assigned first to part-time employees on the shift and in the work area where the overtime is needed in inverse seniority order and then to full-time employees on the shift and in the work area where the overtime is needed in inverse seniority order. Nothing in this paragraph will prevent the Company from assigning the work to another employee who volunteers for the assignment in lieu of it being assigned to an employee involuntarily.
- D. The Company will assign mandatory overtime not made available for bid (other than mandatory overtime consisting of a shift extension) first to qualified part-time employees at the station in inverse seniority order and then to full-time employees at the station in inverse seniority order as soon as practical after becoming aware of the need for such involuntary overtime. Nothing in this paragraph will prevent the Company from assigning the work to another employee who volunteers for the assignment in lieu of it being assigned to an employee involuntarily.
- E. In the event that an individual employee disputes whether he should have been awarded a specific overtime assignment, and the Company agrees with the employee, the employee shall be entitled to receive the next available overtime.
- F. Overtime will be paid at one and one-half (1 ½) times an employee's straight time rate of pay for all hours worked over 40 for the work week.

- G. The following will be deemed as hours worked for purposes of overtime calculations:
1. Paid vacation time taken by an employee;
 2. Paid holiday time;
 3. Paid bereavement leave of absence.
- H. Overtime will not be worked without prior authorization or direction from the Company.
- I. An employee who is given a mandatory shift extension will be paid for thirty (30) minutes for the first thirty (30) minutes of the shift extension or fraction thereof, and will be paid for an additional thirty (30) minutes for each subsequent thirty (30) minutes of the shift extension or fraction thereof.
- J. At the station manager's discretion, employees will be given the option of using compensatory time off in lieu of overtime pay. At stations that have decided to permit employees the option of using compensatory time off in lieu of overtime pay, such requests will not be unreasonably denied.
- K. An employee called in for work on a scheduled day off will be paid a minimum of four (4) hours for such call-in.

ARTICLE 9

TRAINING

- A. Employees may be required to be trained on job functions performed at their station.
- B. Employees attending training away from their base will be provided with lodging during training.
- C. Employees must successfully complete training. A non-probationary employee who fails a first attempt at training will be given a second training attempt. If the employee does not successfully complete the second attempt at required training, he may return to his previous position, if qualified. If there is no such position for which the employee is qualified, his continued employment is at the Company's discretion.
- D. Employees who attend training are expected to act professionally. Employees absent or late for class are subject to the Company's dependability program.
- E. Time spent in scheduled training classes or approved travel to and from training will be considered hours worked for the purposes of Article 13 (Compensation) and Article 8 (Overtime).
- F. On a timely (i.e., by its due date) basis, each employee shall be required to successfully complete iLearning Training Courses or the equivalent.

ARTICLE 10

UNIFORMS

- A. An employee will wear the standard uniform and adhere to the appearance standards prescribed by the Company at all times while on duty.
- B. Purchase of the initial standard uniform

An employee will be responsible for the purchase of the initial standard uniform.
- C. The amounts owed by an employee for the initial standard uniform may be paid in cash or payroll deducted. Minimum payroll deductions will be \$25 per pay period until paid in full.
- D. Upon resignation or termination, any remaining balance for the employee's initial standard uniform will become immediately due and payable. The remaining balance may be deducted from the employee's final paycheck.
- E. The Company will make available earplugs, safety vests and lav suits.
- F. Uniform Allowance
 - 1. On an employee's anniversary, he shall receive a \$300 credit to be used to purchase new uniform pieces.
 - 2. \$75 of the \$300 credit will be paid to the employee to be used for the purchase of gloves, knee pads and shoes.
 - 3. The credit will not carry over from year to year but will replenish on the next anniversary date each year.

ARTICLE 11

HOLIDAYS

A. The following dates are designated as paid holidays:

New Year's Day	Thanksgiving Day
Memorial Day	The day after Thanksgiving
Independence Day	Christmas Day
Labor Day	

B. A full-time employee who does not work the holiday as part of his scheduled shift or who is given the holiday off will receive 8 hours of holiday pay.

C. A full-time employee who works the Holiday as part of his scheduled 40 hours will receive 8 hours of Holiday Pay and overtime pay at time and a half for all hours on the Holiday up to a maximum of 8 hours.

D. In order to be eligible for holiday pay, an employee must work his scheduled shift both immediately preceding and following the holiday, except the Company may, excuse an absence for purposes of this paragraph if an employee submits written proof of illness from a medical examiner or for other reasons the Company deems acceptable. An employee on a leave of absence will not be eligible for holiday pay, nor will an employee who fails to report for work on a holiday as scheduled or directed.

E. If a holiday falls during a vacation, an employee may elect to have an extra day added to his vacation period, provided he so notifies the Company in writing at least fourteen (14) days in advance of his vacation.

F. An employee with at least one (1) year of active service with the Company will receive one (1) floating holiday per year in addition to the holidays specified in paragraph A., above. An employee with at least two (2) years of active service with the Company will receive a second floating holiday per year. An employee eligible for a floating holiday will request it in writing at least 48 hours in advance, and such floating holiday will be scheduled by mutual agreement of the employee and the Company. An employee will be paid at his applicable straight time rate of pay for hours of work missed while on a floating holiday.

ARTICLE 12

VACATION

A. Vacation Accrual

1. A full time employee will accrue vacation according to the following schedule:

<u>Years of Continuous Service</u>	<u>Hours Accrued</u>
1st Year	40
2nd Year	80
7th Year	120
15th Year	160

2. On his anniversary date, a full time employee will earn vacation hours accrued during the previous year. Only earned vacation may be taken.

B. Pay for Vacation

1. Except for Day-at-a-Time (“DAT”) vacation under paragraph D., below, vacations may be split into periods of not less than forty (40) hours each.
2. An employee will be paid at his applicable straight time rate of pay for all hours of vacation.
3. If the Company cancels an employee’s vacation or if the employee is unable to use his vacation as scheduled due to operational requirements the employee may elect (with Director approval) to rollover one (1) week of vacation from one year to the next. A full time employee may elect to rollover one (1) week of vacation from one year to the next.

C. Vacation Bidding and Awarding

1. The Company will post requests for vacation preferences for the following year on Company bulletin boards at each station no later than October 15 of each year.
2. Employees must list their vacation preferences no later than November 15. When necessary, an employee may use a proxy to list their vacation preferences.
3. Vacation schedules will be arranged by the Company according to employee preference in order of Company seniority, except that the

number of employees who may be on vacation at the same time will be limited by the requirements of the service. The vacation periods awarded or assigned by the Company will be posted on Company bulletin boards at each station no later than December 1.

4. An employee who does not list his vacation preferences by the bid closing date will be assigned available vacation periods up to the number of vacation hours he will have earned.
5. An employee may trade his awarded or assigned vacation with an available open vacation period after December 1 by submitting a written request at least fifteen (15) days prior to the awarded or assigned vacation or the available open vacation period he wishes to trade for, whichever is earlier. The written request must indicate the awarded or assigned vacation period(s) to be traded and select the vacation period(s) from available open vacation periods in the same calendar year. Trades will be awarded on a first come, first served basis.

D. Day-at-a-Time (“DAT”) Vacation

1. At the time an employee lists his vacation preferences, he may elect to reserve forty (40) hours of vacation for the purpose of taking one (1) to five (5) days of vacation at a time. DAT vacation must be taken in increments equal to the number of hours in the employee’s normal shift.
2. Requests for DAT vacation will be granted in order of Company seniority, unless the requirements of the service prevent such requests from being granted.
3. Requests for DAT vacation will be granted or denied by the Company no less than forty-eight (48) hours in advance of the day the employee is requesting off.
4. DAT vacation may be rolled over from one year to the next pursuant to paragraph B.3 above; however in no case shall an employee be able to roll over more than one (1) week of vacation from one year to the next.

E. Cancellation of Vacation

1. The Company will give at least two (2) weeks notice of vacation cancellation, if the circumstances leading to such cancellation are known sufficiently in advance. If the circumstances are not known sufficiently in advance, as much notice as possible will be given.
2. If an employee’s vacation is canceled by the Company, he will reschedule the vacation by selecting from the remaining available open vacation

periods. If there are no such periods by the end of the calendar year, the employee will carry his vacation over to the next year. The employee will be given priority in choosing one (1) week of his vacation in the next year.

3. If an employee's vacation is canceled and the employee immediately advised the Company that cancellation of the vacation will result in the forfeiture of deposits, the Company will reimburse the employee for all reasonable and actual non-refundable deposits made by the employee in reliance upon the originally scheduled dates. The Company may, at its discretion, require the employee to submit documentation of the forfeited deposits. Vacations will be canceled in inverse order of seniority at a station.
- F. If an employee is awarded or assigned a station vacancy or displaced to a new station from his present station, he will reschedule his vacation by selecting from available open vacation periods at the new station. If there are no such periods by the end of the calendar year, the employee will carry his vacation over to the next year.
 - G. If an employee with at least one (1) year of active service voluntarily leaves the Company and provides at least fourteen (14) days notice, he will be paid for all earned but unused vacation time.
 - H. In the event of an employee's death, his earned but unused vacation time will be paid to his estate.
 - I. If an employee on vacation is hospitalized because of a medical emergency, he may elect to charge the period of hospitalization to sick leave rather than vacation.
 - J. Awarded vacation periods will be scheduled on consecutive days beginning on Monday and ending Sunday. Consistent with operational needs the bid period may be adjusted to permit scheduled days off prior to and following the vacation period.
 - K. Before choosing a vacation slot that involves a prime vacation period, management at a station will give due consideration to the vacation preferences of bargaining unit employees at the station with more seniority. Management and the shop steward at a station will meet and confer over any concerns regarding the award of vacation.

ARTICLE 13

COMPENSATION

- A. An employee hired before January 1, 2012 will receive a minimum lump sum payment of 6% within 30 days of ratification of this Agreement. Also, such employee (1) who earned a 5 or 5.5% increase in 2011 will receive an additional 1% lump sum payment, for a total lump sum payment of 7% or (2) who earned a 6% increase in 2011 will receive an additional 2% lump sum payment, for a total lump sum payment of 8%. The applicable lump sum payment will be calculated based on the employee's base rate of pay on the date of signing multiplied by the total hours worked in 2011. No employee eligible for a lump sum date of signing payment under this paragraph shall receive less than \$400. This provision will also apply to employees at the capped rate of pay for their station.
- B. B The legacy city cap rate of pay in Exhibit A will be increased from \$14.00 to \$14.25 on January 1, 2013 and to \$14.50 on January 1, 2014 and to \$14.75 on January 1, 2015 and to \$15.00 on January 1, 2016.
- C. The growth city cap rate of pay in Exhibit B will be increased from \$10.00 to \$10.50 on January 1, 2013 and to \$11.00 on January 1, 2014 and to \$11.50 on January 1, 2016.
- D. Beginning on January 1, 2013, and going through December 31, 2016, an employee not at the capped rate of pay for his station will receive a 4% increase in his base rate of pay on his anniversary date. Additionally, each such employee will have the opportunity to earn up to a 2% lump sum performance bonus payment on his anniversary date. The lump sum performance bonus will be earned as follows:
1. Dependability
 - a. If the employee has four (4) or less Dependability Occurrences in the previous twelve (12) months, he will earn 1%.
 - b. If the employee has five (5) to eight (8) Dependability Occurrences in the previous twelve (12) months, he will earn 0.5%.
 2. Training

An employee will earn 1% if he successfully completes all of the Company-mandated quarterly training for all quarters in the time frames specified.

3. The lump sum performance bonus will be calculated based on the employee's base rate of pay prior to the 4% anniversary date increase multiplied by the total hours worked in the prior 12 months.
- E. Beginning on January 1, 2013, and going through December 31, 2016, an employee at the capped rate of pay for his station will receive a 4% lump sum payment on his anniversary date. Additionally, each such employee will have the opportunity to earn up to a 2% lump sum performance bonus payment on his anniversary date. The performance bonus will be earned as follows:
1. Dependability
 - a. If the employee has four (4) or less Dependability Occurrences in the previous twelve (12) months, he will earn 1%.
 - b. If the employee has five (5) to eight (8) Dependability Occurrences in the previous twelve (12) months, he will earn 0.5%
 2. Training

An employee will earn 1% if he successfully completes all of the Company-mandated quarterly training for all quarters in the time frames specified.
 3. The lump sum performance bonus will be calculated based on the employee's base rate of pay multiplied by the total hours worked in the prior 12 months.
- F. The starting wage for employees at OAK will be paid in accordance with local ordinance. The cap rate will be the same as the starting wage rate. Beginning on January 1, 2013 if the new rate set by local ordinance is less than a 6% increase the balance the employee would be entitled to in accordance with D above will be paid in a lump sum bonus. The union and the company will discuss on a yearly basis adjustments in the cap consistent with stations throughout the system.
- G. Beginning on January 1, 2014 and going through December 31, 2016, an employee with 5 or more years of service who earns 6% on his anniversary date pursuant to paragraphs D., or E., above, as applicable, will also receive an additional \$500 lump sum payment.
- H. Except as otherwise provided in this Article, the starting rates of pay for employees covered under this Agreement as of DOS, the amount of their 6-month

increase, and their cap rates of pay are established in Exhibits A, B & C, as applicable. The Company shall have the right to establish starting pay rates for employees hired after DOS.

- I. Except as otherwise provided in this Article, the cap rates of pay for employees at stations added after DOS will be those set forth in Exhibit B. All seasonal stations will be added to Exhibit C and pay rates for those stations will be set by the Company.
- J. The Company may determine to pay a high cost differential in an amount and at stations that it designates.
- K. The Company may front end load the 6-month increase if it deems necessary to assist in hiring.
- L. An employee will be paid for actual time worked in hours and fractions of an hour, in minutes, properly reported and verified. An employee may be required to punch in and out at time clocks or other electronic time tracking device.
- M. Paychecks will be distributed via direct deposit bi-weekly (every other Friday).
- N. Paychecks will include an itemized statement of all hours, wages, adjustments and deductions for the pay period, year to date wages, FICA and withholding taxes.
- O. Pay rate increases will be effective with the pay period beginning nearest the employee's anniversary date.
- P. An employee will be eligible for 401K in accordance with the Piedmont Airlines, Inc, Employee Savings Plan.
- Q. An employee who successfully completes training and remains proficient to work airline computer reservations systems for two or more carriers will receive \$250 per quarter.
- R. An employee who works a split shift will receive an extra hour of pay at his straight time rate of pay if the break in his shift is at least two (2) hours in length.

EXHIBIT A

**Piedmont Customer Service Department Pay Scale Effective March 09, 2009
(includes front-end load & City Diff changes)**

CITY	STATION CLASSIFICATION	BASE WAGE	6 MO INCR	CITY DIFFERENTIAL	BASE WAGE CAP	MAX AGENT PAY
AGS	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
AVL	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
BGM	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
BGR	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
BOS	KEY	\$ 8.50	\$ 0.60	\$ 1.00	\$14.00	\$15.00
CAE	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
CAK	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
CHA	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
CHO	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
CLT*	KEY	\$ 8.50	\$ 0.60	\$ 0.60	\$14.00	\$14.60
CRW	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
CVG	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
DAB	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
DAY	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
DCA	KEY	\$ 8.50	\$ 0.60	\$ 1.00	\$14.00	\$15.00
ELM	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
ERI	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
EWN	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
EYW	FIELD	\$12.25	\$ 0.60		\$15.00	\$15.00
FAY	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
FLO	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
GNV	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
GPT	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00

GSP	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
HHH	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
HPN	FIELD	\$ 8.50	\$ 0.60	\$ 0.75	\$14.00	\$14.75
HSV	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
HTS	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
HVN	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
IPT	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
ISP	FIELD	\$ 8.50	\$ 0.60	\$ 1.00	\$14.00	\$15.00
ITH	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
JAN	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
LGA	KEY	\$ 8.50	\$ 0.60	\$ 1.00	\$14.00	\$15.00
LIT	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
LYH	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
MDT	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
MGM	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
MOB	FIELD	\$ -	\$ 0.60	\$ -	\$0.00	\$0.00
OAJ	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
PGV	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
PHF	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
PHL	KEY	\$ 8.50	\$ 0.60	\$ 1.00	\$14.00	\$15.00
PWM	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
ROA	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
SBY	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
SDF	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
STL	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
SWF	FIELD	\$ 8.50	\$ 0.60	\$ 0.25	\$14.00	\$14.25
SYR	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
TLH	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
TRI	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00

TYS	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
VPS	FIELD	\$ 8.50	\$ 0.60	\$ -	\$14.00	\$14.00
ALL INCREASES AND LUMP SUMS ARE TO BE CALCULATED ON THE BASE WAGE WITHOUT DIFFERENTIALS INCLUDED						

EXHIBIT B

Piedmont Customer Service Department Pay Scale

CITY	STATION CLASSIFICATION	BASE WAGE	6 MO. INCR	CITY DIFFERENTIAL	BASE WAGE CAP	MAX AGENT PAY
ALB	FIELD	\$ 7.50	\$ 0.50	\$ 1.00	\$10.00	\$11.00
ANC	FIELD	\$ 7.50	\$ 0.50	\$ 3.00	\$10.00	\$13.00
AUS	FIELD	\$ 7.50	\$ 0.50	\$ 1.00	\$10.00	\$11.00
BTV	FIELD	\$ 7.50	\$ 0.50	\$ 1.50	\$10.00	\$11.50
DRO	FIELD	\$ 7.50	\$ 0.50	\$ 1.00	\$10.00	\$11.00
FAT	FIELD	\$ 7.50	\$ 0.50	\$ 1.00	\$10.00	\$11.00
FLG	FIELD	\$ 7.65	\$ 0.50	\$ 1.00	\$10.00	\$11.00
GSO	FIELD	\$ 7.50	\$ 0.50	\$ 0.50	\$10.00	\$10.50
IAD	FIELD	\$ 7.50	\$ 0.50	\$ 2.00	\$10.00	\$12.00
ILM	FIELD	\$ 7.50	\$ 0.50	\$ 0.50	\$10.00	\$10.50
LGB	FIELD	\$ 7.50	\$ 0.50	\$ 2.00	\$10.00	\$12.00
MHT	FIELD	\$7.50	\$ 0.50	\$1.00	\$10.00	\$11.00
OAK	FIELD	See below				
OMA	FIELD	\$ 7.50	\$ 0.50	\$ 1.00	\$10.00	\$11.00
PHX	HUB	\$ 7.65	\$ 0.50	\$ -	\$10.00	\$10.00
SAT	FIELD	\$ 7.50	\$ 0.50	\$ 0.50	\$10.00	\$10.50
SNA	FIELD	\$ 7.50	\$ 0.50	\$2.00	\$10.00	\$12.00
YUM	FIELD	\$ 7.65	\$ 0.50	\$ -	\$10.00	\$10.00

ALL INCREASES AND LUMP SUMS ARE TO BE CALCULATED ON THE BASE WAGE WITHOUT DIFFERENTIALS INCLUDED

OAK - California rate set for station at \$11.70 for full time, \$13.45 for Part time - Fixed rate - adjustments done by state on July 1st of each year.

EXHIBIT C

Piedmont Customer Service Department Seasonal Pay Scale

CITY	STATION CLASSIFICATION	BASE WAGE	3 MO. INCR	CITY DIFFERENTIAL	DUAL SYSTEM DIFFERENTIAL	BASE WAGE CAP	MAX AGENT PAY
EYW	FIELD	\$ 12.25	\$ 1.75	\$ -	\$ -	\$15.00	\$15.00
ACK	FIELD	\$ 7.50	\$ -	\$ 3.50	\$ -	\$ -	\$ -
MVY	FIELD	\$ 7.50	\$ -	\$ 3.50	\$ -	\$ -	\$ -
Cross functional paid \$15 @ 3 months for EYW							

ARTICLE 14

LEAVES OF ABSENCE

A. Personal Leave of Absence

Upon written request to a Company designated representative, the Company may, at its discretion, grant an employee an unpaid personal leave of absence. Such request will not be unreasonably denied. An employee will retain and accrue Fleet and Passenger Service seniority but not longevity for purposes of pay and benefits during the leave. No employee on a personal leave of absence may be gainfully employed without first receiving written approval from the Company.

B. Medical Leave of Absence

Upon written request to a Company designated representative accompanied by satisfactory medical evidence of his inability to perform the duties of his position, an employee, who is either ineligible for or has exhausted his sick leave, will be granted an unpaid medical leave of absence not to exceed a continuous period of two (2) years. During such leave, an employee will retain and accrue Fleet and Passenger Service seniority. An employee will accrue longevity for purposes of pay and benefits for the first ninety (90) days of such leave and thereafter retain longevity.

C. Union Leave of Absence

At the request of the Union and with thirty (30) days notice, an employee will be granted an unpaid leave of absence to accept employment with the Union for up to three (3) years. No more than three (3) employees may be on Union leave of absence at any one time. During such leave, an employee will retain and accrue Fleet and Passenger Service seniority. An employee will accrue longevity for purposes of pay and benefits for the first ninety (90) days of such leave and thereafter retain longevity.

D. Family and Medical/Military Leaves of Absence

Requests for military, and family and medical leaves of absence will be granted in accordance with applicable law. Such leaves will be unpaid except as provided herein. Employees must exhaust sick and then vacation time if the leave is for their own illness. Employees must exhaust vacation time if the leave is to care for a family member. An employee on a military or family and medical leave of absence will retain and accrue seniority and longevity.

E. Workers' Compensation

The Benefits Coordinator 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 within 48 hours or as soon as possible. A co-worker may report an injury to a supervisor or company representative should the employee be physically unable.

F. Jury Duty Leave of Absence

1. An employee who is summoned to jury duty will notify a Company designated representative as far in advance as possible of the scheduled jury duty.
2. An employee will be granted a leave of absence to serve jury duty. An employee will be paid at his straight time rate of pay for all scheduled hours of work missed while on a jury duty leave of absence, up to a maximum of 80 hours per year, minus any amount the employee receives from the court. No salary adjustment will be made for transportation, meals or other allowances granted by the court.
3. When jury duty has ended, an employee will not be required to report to work until his next scheduled duty assignment after the day on which he was released from jury duty. An employee called for jury duty whose services in court are not required on a day that he was scheduled to work must report to work.
4. When jury duty has ended, the employee must furnish the Company with a written statement provided by the court validating his dates of attendance.
5. Employees who are required to appear in court as a result of a subpoena or to give a deposition to an attorney or to a law enforcement official may request leave without pay which will not be unreasonably denied.

G. Bereavement Leave

1. In the event of the death of his spouse, child, step-child, parent, step-parent, brother, sister, father-in-law, mother-in-law, daughter-in-law, son-in-law, grandparent or grandchild, or legal guardian, ward or domestic partner, an employee will be granted a bereavement leave of absence for up to three (3) days mutually agreed upon by the employee and the Company.
2. An employee will be paid at his regular straight-time rate of pay for scheduled hours missed because of bereavement leave.
3. Upon request, the Company may grant, at its discretion, additional leave in the event of unusual circumstances. An employee will use earned

vacation time, if available, to be paid at his straight time rate of pay for scheduled work hours missed while on such additional leave, or such leave will be unpaid.

4. If a death in the immediate family occurs during an employee's vacation, bereavement leave under this provision will commence on the date of death. The vacation will be rescheduled by mutual agreement of the employee and the Company.

H. Parental Leave of Absence

1. An employee whose wife gives birth to a child will be allowed one (1) day off with pay for the absence from work for one (1) of the following reasons:
 - a. Take his wife to the hospital;
 - b. Remain with her during labor and delivery;
 - c. Provide care for other children; or
 - d. Bring his wife home from the hospital.
2. An employee will be granted one (1) day off with pay to attend proceedings for the adoption of a child.
3. An employee will be paid at his regular straight time rate of pay for scheduled hours missed because of parental leave.

I. General

1. An employee's return to work after a leave of absence must be coordinated with a Company designated representative. The Company may require, if applicable, a physician's statement verifying that the employee is able to perform the duties of the position to which he is returning.
2. An employee returning from a leave of absence will return to the position and station to which he was assigned immediately before the leave began, subject to any necessary training in accordance with Section 9 (Training) of this Agreement. If the station no longer exists, the provisions of Section 4 (Filling of Vacancies) will apply.

ARTICLE 15

SICK LEAVE

- A. An employee will accrue four (4) hours of sick leave for each month of active service with the Company up to a maximum of 300 hours. Sick leave is earned and will be credited to the employee's sick leave bank on the last day of the month in which it accrues and may be taken in following months.
- B. Provided he has sufficient time in his sick leave bank, an employee who is absent from work because of illness or non-occupational injury will receive sick leave pay for the number of hours of work missed, calculated at his straight time rate of pay. An equivalent number of hours will be deducted from the employee's sick leave bank. An employee who has exhausted his sick leave may elect to use earned vacation time to be paid for any additional hours of work missed because of illness or non-occupational injury.
- C. An employee who is unable to report to work because of illness or injury must notify his immediate supervisor at least one (1) hour prior to the scheduled start of his shift on the first day of the absence and each day thereafter if he remains unable to report for work, unless otherwise mutually agreed between the supervisor and the employee.
- D. The Company will require a medical examiner's written statement before the employee is allowed to return to work after an illness or injury of seven (7) or more consecutive days or when the Company has reason to suspect the misuse or abuse of sick leave. The statement will verify the date of the employee's full release to return to full duty.
- E. Benefits for occupational injuries will be in accordance with the applicable Workers' Compensation laws.
- F. Employees' existing sick leave banks on the date of signing of this Agreement will not be altered as a result of this Agreement.
- G. Sick Leave Repurchase Program
 - 1. An employee who has at least fifty six (56) hours in his sick leave bank is eligible for the Sick Leave Repurchase Program.
 - 2. At the end of each calendar year an employee will have the option to be compensated at his straight time rate of pay for up to 48 hours of sick leave if such leave is available in their sick bank.
- H. An employee who voluntarily resigns or is terminated from his employment with the Company will not be compensated for any time remaining in his sick leave bank and is not eligible to participate in the Sick Leave Repurchase Program.

- I. An employee may use sick leave on an hourly basis in cases where an employee leaves work early due to an illness.

ARTICLE 16

ALCOHOL AND DRUG TESTING

- A. Employees will be tested for alcohol and drug use, and such use will be handled and treated, pursuant to the Company's alcohol and drug policy and in accordance with the applicable FAA and DOT regulations. Any changes to FAA and DOT regulations will be implemented and not subject to negotiations.

- B. The Company will continue to administer and apply the Company's non-DOT alcohol and drug policy. Before implementing any changes to that policy, the Company will negotiate such changes with the Union.

ARTICLE 17

BENEFITS

The Company will continue to make available health, dental, life, and short-term and long-term disability insurance benefits as set forth herein. Should it become necessary to change benefit levels, the Company will notify the Union before they are implemented.

1. Health and Dental Insurance
 - a. Employees will be eligible for coverage under the Health and Dental Insurance plan on the sixtieth (60) day of active service with the Company.
 - b. Employees may enroll or add dependents to the coverage of the plan at open enrollment, or within thirty-one (31) days of a qualifying change in status under the plan including upgrade to full-time, loss of other insurance coverage, or the addition of a new dependant through birth, marriage, or adoption.
 - c. The Company may require an employee to submit periodic certification that his/her dependents are not eligible for health and/or dental coverage through their employers (if employed).
 - d. Employees may voluntarily elect to waive all medical and dental benefits and receive a premium of \$40.00 per month. The Full-Time Benefit Waiver Form must be signed and received before the premium is paid to an employee. Employees may enroll in medical and dental benefits during open enrollment.
 - e. Employees who are enrolled in medical insurance will pay the following monthly premium beginning January 1, 2013:

\$72.65 Single
\$184.96 Employee / Child
\$191.13 Employee / Spouse
\$197.29 Family (employee, spouse, child)
\$210.00 Family

Effective January 1, 2014, employees who are enrolled in medical insurance will pay 15% of costs of the fully insured rate adjusted annually. At each January 1 thereafter, the percentage paid by employees shall increase by 1% until the amendable date. The Company shall have the discretion to lower the employee

percentage, either for the employees as a whole or on an individual employee basis.

- f. Employees who are enrolled in dental insurance will pay the following monthly premium beginning January 1, 2013:

\$11.22 Single
\$28.05 Family

Effective January 1, 2014, employees who are enrolled in dental insurance will pay 15% of the costs of the fully insured rate adjusted annually. At each January 1 thereafter, the percentage paid by employees shall increase by 1% until the amendable date. The Company shall have the discretion to lower the employee percentage, either for the employees as a whole or on an individual employee basis.

- g. Employees with more than three (3) years of service may continue to receive health and dental insurance while on a leave of absence by paying the applicable employee contribution rates. Employees with more than one (1) year of service and less than three (3) years of service may continue to receive health and dental insurance for up to 26 weeks while on a leave of absence by paying the applicable employee contribution rates.

2. Disability Insurance

- a. Full-time employees will be eligible for coverage under the Short Term Disability Insurance on the sixtieth (60) day of active service with the Company. Eligibility for benefits for non-work related injuries or illnesses will be governed by the Plan terms.
- b. The Short Term Disability plan provides benefits equal to 66 2/3% of the employee's base pay, up to the plan maximum of \$500 per week. The Company will pay the full cost of the benefit. Short Term Disability commences on the first day of an injury, and on the eighth day of an illness or the first day of hospitalization for an illness, whichever is earlier, and continues for up to a maximum of twenty-six (26) weeks. An employee will not be eligible for Short Term Disability benefits until he has exhausted his earned sick and vacation leave. FML will run concurrently with Short Term Disability.
- c. Full-time employees will be eligible for coverage under the Long Term Disability Insurance after two (2) years of service.

Eligibility for benefits for non-work related injuries or illnesses will be governed by the Plan terms.

- d. The Long Term Disability plan provides benefits equal to 60% of the employee's base pay, offset by social security disability benefits received, up to the plan maximum of \$5,000 per month. Long Term disability commences after exhaustion of Short Term Disability benefits and continues until age sixty-five (65), retirement or death, whichever occurs first.
- e. To be eligible to receive Short Term or Long Term Disability Insurance benefits, an employee must immediately notify his manager of injury or illness and provide the manager with a physician's statement certifying that he is unable to perform the duties of his classification. Appropriate forms to initiate a claim for Short Term or Long Term Disability Insurance benefits can be obtained from the Benefits Department. The employee must provide all information requested by the Company and the insurance carrier. The insurance carrier will notify the employee whether benefits are approved under the plan and the disability time period in which benefits are payable.
- f. An employee who receives Short Term or Long Term Disability Insurance benefits must submit a signed "Release to Work" form from his attending physician before returning to work.

3. Life Insurance

The Company will provide a full-time employee with \$40,000 of life insurance and AD&D insurance at no cost to the employee.

ARTICLE 18

SAFETY AND HEALTH

- A. Employees will be required to observe all safety regulations and policies issued by the Company and to work in a safe manner. Employees will be covered on applicable safety regulations and policies.
- B. The Company will maintain safe and sanitary conditions in all work areas. Company vehicles and equipment will be inspected in accordance with state and airport regulations and will be maintained in safe working order. An employee will not be required to work in unsafe or unsanitary areas or under unsafe or unsanitary conditions. An employee will immediately notify the Company of an unsafe or unsanitary area or condition and will suffer no retaliation from the Company or the Union for doing so.
- C. The Company will furnish first aid equipment and necessary safety devices and protective equipment for employees.
- D. The System-wide Safety Committee and Local Station Safety Committees will assist the Company in reviewing, investigating and resolving safety concerns. The Company and Union will meet to discuss the structure and role of these committees.
- E. The Company will pay a fine levied against an employee through no fault of his own for operating a Company vehicle within the scope of his employment that fails to comply with state or airport regulations.

ARTICLE 19

GRIEVANCE PROCEDURE

- A. A grievance is a dispute between the parties concerning either the discipline or discharge of a non-probationary employee or a dispute between the parties arising out of the interpretation or application of any of the terms of this Agreement.
- B. Nothing herein will prohibit the Company from holding an employee out of service without pay pending an investigation. If an employee is held out of service without pay pending investigation and is subsequently exonerated of the charges, he will be made whole as it pertains to wages, seniority, longevity and benefits, and his personnel file will be cleared of all references to the incident.
- C. A grievance arising out of the application or interpretation of the terms of this Agreement must contain a reference to the provision(s) of the Agreement alleged to have been violated and a statement of the facts involved, sufficiently detailed to allow investigation of the incident.

D. Step One

A written grievance must be filed with the Station Manager within 20 days after the affected employee became aware or reasonably should have become aware of the circumstances from which the dispute arises. The Station Manager or designee will hold a hearing within fifteen (15) days following receipt of the grievance. Within fifteen (15) days after the completion of the hearing, the Company will issue its decision in writing to the employee, unless further investigation is required, in which case the Company will notify the employee and the Union for the reasons of the delay.

Step Two

If the decision of the Company is not satisfactory to the employee or the Union, it may be appealed by the Union to the System Board of Adjustment within fifteen (15) days after receipt of the decision by serving written notice on the Vice President of Human Resources or her designee.

- E. If an employee or the Union fails to comply with the time limits prescribed in this Article, the decision of the Company will be final and binding. If the Company fails to comply with the time limits prescribed in this Article, the grievance will be deemed automatically appealed to the next step. All time limits in this Article may be extended, in writing, by mutual agreement.
- F. At any meeting or hearing conducted under this Article, an employee is entitled to be represented by a steward of his choice, provided that the selection of a specific steward does not cause an unreasonable delay in the proceedings.

ARTICLE 20

SYSTEM BOARD OF ADJUSTMENT

- A. In compliance with Section 204, Title II, of the Railway Labor Act, as amended, a System Board of Adjustment is hereby established for the purpose of deciding disputes arising under this Agreement that are properly submitted to it. This Board will be known as the "Fleet and Passenger Service Employees' System Board of Adjustment," hereinafter referred to as the "Board."
- B. The Board will consist of four (4) members, two (2) selected by the Union and two (2) selected by the Company. The Board Members must either be employees of the Company or Union business agents, except an individual may not serve as a Board Member in a case in which he was directly involved in Step 1 of the grievance.
1. The office of Chairman will be filled alternately by the parties. A Union representative will serve as the first Chairman .
 2. The Board will meet quarterly at the general offices of the Company, unless a different place for the meeting is jointly agreed upon by the Company and the Union. The meetings will continue in session until all matters before it have been considered unless otherwise mutually agreed upon in writing.
 3. In cases of discharge, a CWA Representative and the Vice President of Human Resources or designee will meet to determine whether the case will bypass the four (4) member Board and be submitted directly to a five (5) member Board with a Neutral Chairman selected in accordance with paragraph G., below. If there is no agreement, the case will go directly to the five (5) member Board.
 4. Members of the Board who are employees of the Company will be afforded the necessary pass privileges to attend Board hearings.
- C. Except as provided herein, the Board will have jurisdiction over all disputes which arise out of disciplinary or discharge grievances or out of the interpretation or application of any of the terms of this Agreement. For employees with less than five (5) years of Fleet and Passenger Service seniority, disciplinary action that occurs as a result of theft, term pass violations, physical violence, or drug and alcohol testing violations, only the issue of whether the employee engaged in the alleged misconduct may be the subject of a submission to the System Board of Adjustment.

- D. The Board will consider any grievance properly submitted to it by the Union or the Company when such matter has not been previously settled in accordance with the terms provided for in this Agreement.
- E. Grievances submitted to the Board will be addressed to the Vice President of Human Resources or her designee.
1. Each submission will include:
 - a. Question(s) at issue;
 - b. Statement of Facts;
 - c. Position of the employee(s) or the Union;
 - d. Position of the Company; and
 - e. Relief requested.
 2. When possible, joint submissions should be made, but if the parties are unable to agree upon a joint submission, then either party may submit the grievance and its position to the Board.
 3. Unless the Company and the Union agree upon a combination of grievances to be presented to the Board, each grievance presented will be treated as a separate case.
- F. Following a hearing of a grievance properly submitted to it, the Board will attempt to decide the case. If a majority of the Board Members concurs, they will render a decision in writing at the conclusion of the Board hearing. Decisions of the Board in matters properly referable to it will be final and binding. If a majority of the Board Members does not concur on a grievance, a "Neutral Board Member," will be selected in accordance with paragraph G., below, to become a member of the Board.
- G. When a Neutral Board Member is necessary to resolve a grievance, the Company and the Union will select the Neutral Board Member from the panel of arbitrators listed below. If the Company and the Union cannot agree upon the Neutral Board Member or a method for selecting him, the Neutral Board Member will be selected from the panel by using an alternate strike method.
1. Charlotte Gold
 2. Frederic Horowitz
 3. Ira Jaffe
 4. Joyce Klein
 5. George Nicolau
 6. Richard Perkovich
 7. Martin F. Scheinman
 8. Gil Vernon
 9. Christine VerPloeg

- H. In coordination with the Neutral Board Member, the parties will set a time and date for the hearing. The Neutral Board Member will preside at meetings and hearings of the Board and will serve as Chairman. It will be the responsibility of the Chairman to guide the parties in the presentation of testimony, exhibits and argument at hearings to the end that a fair, prompt and orderly hearing of the grievance is afforded.
- I. The decision of the Neutral Board Member will be final and binding.
- J. The expenses and compensation of the Neutral Board Member will be borne equally by the parties.
- K. Employees may be represented at Board hearings by such person or persons as they may designate, and the Company may be represented by such person or persons as it may designate. Evidence may be presented orally or in writing or both.
- L. The number of witnesses summoned at any one time will not be greater than the number which can be spared without interference with the operation of the Company. Witnesses providing testimony will do so under oath.
- M. Each witness summoned by the Board or called by either party will be free from retaliation or adverse action by either the Union or the Company because of giving testimony in good faith.
- N. Each of the parties will assume the compensation, travel expenses and other expenses of the witnesses called by it.
- O. It is mutually agreed that a stenographic report is to be taken of all Board hearings, and that the cost will be borne equally by both parties to the dispute.

ARTICLE 21

NO STRIKE, NO LOCK-OUT

- A. During the term of this Agreement, the Company will not lock out any employee covered hereby, and neither the Union nor the employees will authorize, encourage or take part in any strike, slowdown, picketing (other than informational picketing), sympathy strike or other concerted interference with the operation of the Company.
- B. An employee who participates in the activities prohibited in paragraph A., above, will be subject to disciplinary action.

ARTICLE 22

UNION REPRESENTATION

- A. The Company will provide the Union with up to an hour to address each new hire class of employees either before or after a scheduled orientation or training session.
- B. The Company will make space available at each station for a bulletin board of adequate size for the exclusive use of the Union to post notices relating to Union meetings and other Union business. Posted materials will not contain derogatory, defamatory, or inflammatory material.
- C. Union representatives who are employees will be permitted to attend System Board Hearings as necessary, except if the representatives cannot be spared without interference with the operation of the Company.
- D. An authorized union representative who is not a Piedmont employee, after notifying management, will be given access to Piedmont break rooms to transact union business as is necessary for the administration of the contract, so long as such access is not prohibited by applicable airport or TSA regulation. Such union business will not interfere with the operation of the Company.

ARTICLE 23

UNION SECURITY and MAINTENANCE of MEMBERSHIP

- A. Each employee shall, as a condition of continued employment, within sixty (60) days following the beginning of such employment or the effective date of this Agreement, whichever is later, become a member of, and thereafter maintain membership in good standing in the Union except as provided otherwise herein.

- B. For the purposes of this Section, "membership in good standing in the Union" shall consist of payment by the employee of dues (as described herein) for each calendar month not later than the last day of the second following calendar month, as may be levied in accordance with procedures set forth in the Union's Constitution. Each employee of the Company covered by this Agreement who fails to voluntarily acquire or maintain membership in the Union shall be required, as a condition of employment, beginning sixty (60) days after the effective date of this Agreement or sixty (60) days after the completion of his probationary period, whichever is later, to pay the Union each month a service charge as a contribution for the administration of the Agreement and the representation of such employee. The service charge for the first month shall be in an amount equal to the Union's regular and usual monthly dues, and for each month thereafter in an amount equal to the regular and usual monthly dues uniformly required as a condition of acquiring or retaining membership.

- C. All rights of an employee under this Agreement and such supplements and amendments as may apply are contingent upon his or her acquisition and maintenance of membership in good standing in the Union.

- D. If any employee of the Company covered by this Agreement becomes delinquent in the payment of this service charge or any Union member becomes delinquent in payment of his dues, the Union shall notify such employee by certified mail, return receipt requested, copy to the Company's Vice President of Human Resources, that he is delinquent in the payment of such service charge or membership dues as specified herein and is subject to discharge as an employee of the Company. Such letter shall also notify the employee that he must remit the required payment within a period of thirty (30) days or be discharged. If, upon the expiration of the thirty (30) day period, the employee still remains delinquent, the Union shall certify in writing to the Company's Vice President of Human Resources, copy to the employee, that the employee has failed to remit payment within the grace period allowed and is therefore to be discharged. The Company will, within ten (10) working days after receipt of notice from the Union, discharge any employee who is not in good standing in the Union, as defined above.

- E. When new employees are hired into classifications covered by this Agreement, the Company will furnish to the Union the names, home addresses and location of employment of such employees within 30 calendar days after they are hired.
- F. Upon receipt by the Company of a signed authorization to the Union of dues and payable to the Union, the Company will deduct from the employee's check such dues as are uniformly required as a condition for acquiring or retaining membership. This assignment shall be revocable by written notice of the employee, such notice to be sent in duplicate by certified or registered mail to the Union, or upon the termination date of the applicable collective bargaining agreement, whichever occurs sooner.
- G. An employee who has executed a dues authorization and who has been transferred or promoted to a position to which the provision of this Agreement are not applicable (excluding "temporary" or "acting" promotions or transfers) or who quits, resigns or is discharged for just cause from the Company shall be deemed to have automatically revoked his or her assignment as of the date of such action. If he or she transfers back or returns to a position to which the provisions of this Agreement are applicable or is rehired, further deductions of Union dues will be made only upon the execution and receipt by the Union of a new dues authorization.
- H. Deductions provided for in this Section shall be remitted to the properly authorized Union official during the month following the deduction, and the Company will furnish a record of the names of those employees from whom deductions have been made.
- I. No Deductions shall be made for employees for any period during which they are on unpaid leave.
- J. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reasons of the provisions of this Section, including attorney's fees and costs incurred in the defense of any such action. The Company shall promptly notify the Union of any such claim of liability made against the Company.

ARTICLE 24

GENERAL AND MISCELLANEOUS

- A. The Company will furnish each employee with an identification card and, if necessary, an airport identification badge. Replacement costs for lost identification cards will be the responsibility of the employee.
- B. All formal agreements, amendments, deletions and additions to this Agreement will be made by written mutual agreement and signed by the designative representative(s) of the Company and the CWA.
- C. An employee will not be interfered with, restrained, coerced, or discriminated against by the Company because of his membership in or lawful activity on behalf of the Union.
- D. This Agreement will be binding on both the Company and the Union and will supersede any and all agreements or previously executed agreements between the Company and any other organization representing employees.
- E. Employees and their eligible family members will be provided free and reduced rate travel privileges as are extended to other Company employee groups in accordance with Company policy, as may be amended.
- F. Employees will be given reasonable time to complete their learning training and are expected to remain current.
- G. An employee, upon written request, will be permitted to inspect and copy his personnel file during normal business hours. The Union, or its representative, will be provided access to a grievant's personnel file, with written permission from the grievant, for review in any disciplinary or discharge case.
- H. The Company will post a copy of this Agreement on the Piedmont Airlines website. The Union will print copies of the Agreement and the Company will distribute a copy of the Agreement to new hire employees at new hire orientation.
- I. The Company will continue to apply limited duty, moving and travel expenses in a consistent manner. The Company will meet and confer with the Union in advance of any changes to these policies and any changes to the Employee Handbook and Policy and Procedures Handbook.
- J. Employees will be permitted to use personal electronic equipment in break rooms during non-working time.
- K. Any employee working on a TDY assignment will receive positive-space transportation between the TDY station to report for the TDY assignment and his permanent station as necessary for days off.

- L. The Company will provide the Union with an updated seniority list on each January 15 and July 15.
- M. A gate agent who is not working will be allowed to leave his working area with permission of his supervisor.
- N. The Company and the Union will meet to discuss the future function and composition of the employee committees.
- O. A station manager will meet with Union representatives at mutually agreeable times and will not refuse reasonable requests to meet.
- P. The parties acknowledge that employees covered by this Agreement on date of signing who came to the Company from Mesa Airlines were credited with their years of service at Mesa for the purposes of pay and bidding at their station.
- Q. Employees who are required by the Company to transfer from one station to another will not lose pay as a result of the transfer. Employees who transfer between departments within the fleet and passenger service craft and class within a station will not lose pay.
- R. An employee whose flight benefits or swap privileges are suspended as a result of failing to complete required training by the required date will have his flight benefits or swap privileges reinstated upon successful completion of the training. The Company will not suspend both flight benefits and swap privileges as a result of failing to complete required training. This does not impact any other discipline that is administered as a result of repeated failure to complete the training.
- S. The Company will remove the "failure to follow procedures" section from the Corrective Counseling Form. The Company will meet and confer with the Union regarding the Corrective Counseling Form and consider the Union's input in making additional changes.
- T. The Company will administer dependability and other disciplinary matters on separate tracks. Nothing herein will preclude the Company from taking an employee's dependability into account in determining the appropriate level of discipline to administer.
- U. Disciplinary letters will become inactive and will not be referred to in a subsequent discipline or discharge action after twelve (12) months from the date of the disciplinary letter.
- V. The Union will designate up to ten (10) full time employees to handle union business without losing their full time status. Once a quarter, the Union will submit any changes in the list of these employees.
- W. A union steward will be able to attend an investigatory meeting of an employee where the results of such meeting may result in disciplinary action.

- X. An employee will be entitled to union representation at a disciplinary meeting.
- Y. A union representative who is an employee of the Company will be permitted to use his space available travel privileges to conduct union business.
- Z. The Union and Company will meet within 60 days of the signing of the contract to discuss the dependability program and will work toward establishing revised guidelines that:
 - a. A grace period that can be used to mitigate lateness issues; and
 - b. A system that recognizes different degrees of tardiness in order to determine the appropriate disciplinary level.

ARTICLE 25

POLITICAL ACTION FUND

- A. The Company shall deduct and transmit to the Communications Workers of America Political Action Fund, 501 Third Street, N.W., Washington, D.C. 20001 contributions to CWA from the pay of each employee who voluntarily authorizes such contributions in a writing signed by the employee on a form provided for that purpose by CWA. Such forms received by the Company's payroll department by the tenth (10th) day of the month shall become effective on the first (1st) day of the following month.

- B. The Company shall remit to CWA Political Action Fund at the address above one (1) check covering all deductions made in the prior month no later than the fifteenth (15th) day of each month, together with a list of all employees for whom deductions were made and the amount of each deduction.

- C. An employee may withdraw from this program at any time by providing a notice of revocation in writing, signed by the employee, and delivered to CWA Political Action Fund and the Company's payroll department.

- D. CWA shall indemnify and hold harmless the Company from any claims which may be made by employees arising out of or related to the application of this Letter of Agreement.

ARTICLE 26

NON-DISCRIMINATION

- A. The Company will recruit, hire, transfer, train and make all other employment decisions without regard to race, color, religion, sex, age, national origin, ancestry, handicap, disability, veteran status, sexual orientation, genetic information or any other legally protected characteristic. The Company is committed to maintaining a work environment that is free from all forms of unlawful intimidation and harassment, including sexual harassment.
- B. 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.
- C. All employees should work in an environment free from unlawful discrimination and harassment. The Company will not permit employees to engage in unlawful discriminatory practices, including sexual harassment, or harassment based on race, color, religion, national origin, ancestry, age, disability, or any other legally protected characteristic. Any form of unlawful harassment is strictly prohibited and will not be tolerated.
- D. The Company will not condone retaliation resulting from the reporting of a complaint of discrimination or sexual harassment.

ARTICLE 27

PART-TIME EMPLOYEES

- A. The provisions of this Agreement will apply to part-time employees excepted as otherwise stated in this Article.
- B. The provisions of Article 14 (Leaves of Absence) will not apply to part-time employees except as follows:
 - 1. A part-time employee is eligible for the following unpaid leaves of absence
 - a. Personal leave of Absence
 - b. Medical Leave of Absence
 - c. Family and Medical Leave of Absence (if he satisfies the statutory eligibility requirements)
 - d. Military Leave of Absence
 - e. Union Leave of Absence
 - 2. Jury Duty Leave of Absence
 - a. A part-time employee who is summoned to jury duty will notify a Company designated representative as far in advance as possible of the scheduled jury duty.
 - b. A part-time employee will be granted a leave of absence to serve jury duty. A part-time employee will be paid at his straight time rate of pay for all scheduled hours of work missed while on a jury duty leave of absence, up to a maximum of 40 hours per year, minus any amount the employee receives from the court. No salary adjustment will be made for transportation, meals or other allowances granted by the court.
 - 3. Bereavement Leave: A part-time employee with at least two (2) years of active service will be entitled to bereavement leave as set forth in Article 14, and will be paid at his regular straight-time rate of pay for scheduled hours missed because of bereavement leave.
- C. The provisions of Article 15 (Sick Leave) will not apply to part-time employees.
- D. The provisions of Article 17 (Benefits) shall not apply to part-time employees. A part-time employee will be eligible to purchase health/dental and life insurance at full Plan cost.

- E. The provisions of Article 11 (Holidays) will not apply to part-time employees except that:
1. A part-time employee who reports to work as scheduled or directed on a holiday as designated in Article 11 will receive four (4) hours of pay in addition to the hours actually worked on that day, paid at straight time.
 2. A part-time employee who does not work the holiday as part of his scheduled shift or who is given the holiday off will receive four (4) hours of holiday pay.
 3. In order to be eligible for holiday pay as set forth in subparagraph (a), above, a part-time employee must work his scheduled shift both immediately preceding and following the holiday, except the Company may, at its discretion, excuse an absence for purpose of this subparagraph if a part-time employee submits written proof of illness from a medical provider or for other reasons the Company deems acceptable.
- F. The provisions of Article 12 (Vacation) will apply to part-time employees except as follows:
1. A part-time employee will accrue vacation according to the following schedule:

After 2-6 years	40 hours	Taken as 2 weeks
After 7-14 years	60 hours	Taken as 2 weeks
15+ years	80 hours	Taken as 2 weeks
 2. Part-time employees will bid for vacation in accordance with local procedure.
- G. A part-time employee will be required to work a minimum number of hours in accordance with Article 6 (Hours of Service). This minimum number will be set by the Company. Employees who fail to meet this minimum hour standard will not be permitted to swap.
- H. A part-time employee on an involuntary shift extension of more than two (2) hours will be paid at time and one-half after the second hour of the shift extension.

ARTICLE 28

DURATION

- A. This Agreement shall become effective on August 6, 2012 and shall remain in full force and effect pursuant to the Railway Labor Act through February 5, 2017 and shall then renew itself without change each succeeding year thereafter, unless written notice of intended change is served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party hereto at least 60 but not more than 180 days prior to the amendable date or any subsequent anniversary of the amendable date thereafter, as applicable.

- B. The Company and Union mutually agree to open negotiations for an amended Agreement no more than six (6) months prior to the amendable date set forth in paragraph A., above, upon the written request of either party.

IN WITNESS WHEREOF, the parties have signed this Agreement this 6th day of August, 2012.

FOR COMMUNICATIONS WORKERS
OF AMERICA

FOR PIEDMONT AIRLINES, INC.

Jimmy Tarlau

Stephen R. Farrow
President

Abdur Balil

Michelle R. Foose
Vice President of Human Resources

Charmaine Celestine

Eric Morgan
Vice President of Customer Service

Dennis Dougherty