

ARTICLE 37 - SEVERANCE ALLOWANCE

(a) Any employee with one (1) year or more of service who is laid off for reasons other than those set forth in paragraphs (b), and (e) will receive severance allowance as provided in paragraph (d), subject to the limitations set forth herein.

(b) Severance allowance will not be paid if the layoff is the result of an act of God; a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, dismissal for cause, resignation, retirement, or a strike or picketing causing a temporary cessation of work.

(c) If an employee is released except as noted in this article, he will be eligible for the immediate payment of the severance allowance as set forth in this Article.

(d) The amount of severance allowance payable under this Article to employees eligible is set forth in the following table and will be based on length of compensated service with the Company from date of employment and will be in addition to all other benefits set forth in this Agreement. A week of severance allowance will be computed on the basis of the employee's regular straight-time hourly rate at the time of layoff, multiplied by the appropriate number of hours that his work schedule will generate.

| <u>If Employee<br/>Has Completed:</u> | <u>Severance<br/>Allowance:</u> |
|---------------------------------------|---------------------------------|
| 1 year of service                     | 3 weeks                         |
| 2 years of service                    | 3 weeks                         |
| 3 years of service                    | 4 weeks                         |
| 4 years of service                    | 5 weeks                         |
| 5 years of service                    | 6 weeks                         |
| 6 years of service                    | 7 weeks                         |
| 7 years of service                    | 8 weeks                         |
| 8 years of service                    | 9 weeks                         |
| 9 years of service                    | 10 weeks                        |
| 10 years of service                   | 11 weeks                        |
| 11 years of service                   | 12 weeks                        |
| 12 years of service                   | 13 weeks                        |

(e) Severance allowance will not be granted when (1) the employee elects to exercise his seniority to remain with the Company in his classification, or (2) he accepts any other employment offered by the Company prior to the expiration of four (4) months from the date of layoff.

(f) An employee recalled to work under the terms of Article 16 who is again laid off under conditions that would entitle him to severance allowance, will be entitled to the amount specified for his years of compensated service with the Company in accordance with this Article, less the dollar amount received on the occasion of the previous severance.

(g) An employee who has been given severance allowance at the time of layoff and who is rehired in less than the number of weeks covered by the severance allowance will have the amount of over-payment deducted from his subsequent earnings.

(h) An employee who has been reemployed under the conditions outlined in paragraphs (f) and (g) will retain all seniority and length of service credit for pay and other purposes accrued prior to the date of his severance.