

PIEDMONITOR

Piedmont Aviation, Inc.

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Editorials

For sale:

Part of Piedmont is for sale.

It is only a part. And only you, the employees, can buy it at a discount.

It is not airplanes or buildings you're being offered. Nor is it any thing the Company has had or been.

It is a stake in Piedmont's future.

It is definitely a first. And it may be a one of a kind offer.

Called the Employee Stock Purchase Plan, it sounds terribly profound. It is. And we certainly wouldn't suggest that you consider it except in all seriousness.

However, if you like a bargain, we think it is that too.

Of course, a bargain is something that you need or really want.

Study the details of the plan which will be sent to you following stockholder approval on April 21 of this year. In deciding whether to participate you should consider all aspects of your individual financial situation.

Beyond your personal and family financial circumstances are some other points to ponder.

Do you want to share in Piedmont's future? Or is your employer's future unrelated to your own plans for tomorrow?

Do you need to have a part of Piedmont above and beyond what you are paid to do your job?

If a day's work for a day's pay is what you owe your employer, what do you owe yourself?

Do you have enough faith in yourself to invest your money in you? Or do you think it wiser to invest in someone else's company? It is certainly easier to blame the other guy if things don't go as you think they should.

If you don't think you are a bargain you probably aren't.

The Employee Stock Purchase Plan is entirely voluntary. No one will ask you to buy Piedmont stock through the Plan. Your standing as an employee will not be affected in any way whether or not you participate.

It's your decision.

Weigh it carefully.

What about deregulation?

Passage of the proposed Aviation Act of 1975 and other deregulation proposals, now pending in Congress, could threaten the jobs of many of the 300,000 employees of the airline industry. Hearings are scheduled for April by the House and Senate Aviation Subcommittees.

The deregulation proposals would ease route entry and exit requirements. They would cause concentration on heavy traffic routes and abandonment of many lighter traffic routes. That would result in less scheduled airline service for the country as a whole, and this would mean less stable employment and fewer jobs in the airline industry.

You may have heard deregulation advanced in the name of producing lower airline fares and rates. Such a claim is wholly theoretical. Nothing in the deregulation proposals comes to grips with the principal factor in establishing fares and rates — the cost of producing the service. Even if these eased entry and exit provisions were to become law, fuel and landing fees, for example, would not cost less, nor would you want to work for less. In the interests of continued good air transportation for the public, you may wish to write to your representative and senators in Washington, to urge them to vote against the Aviation Act of 1975 and other deregulation proposals.

Policies

on reconfirmation of equal employment opportunities

The Company is pledged to provide equal employment opportunities to all persons without regard to race, color, creed, sex, age or national origin. All personnel actions (recruitment, selection and hiring, training, promotion, termination, compensation and fringe benefits) will conform to this basic premise.

Purpose

The reissuance of this policy serves to demonstrate Piedmont Aviation's continued commitment to the practice of Equal Employment Opportunity. Details of the Affirmative Action Program and mechanisms to ensure implementation of this policy can be found in the Corporate Affirmative Action Plan, in the material displayed on the employee bulletin boards, and in the progress reports that will be issued.

Policy

The Piedmont Affirmative Action Plan was implemented and approved by the Regional Office of the FAA; however, the acceptance of the Corporate Plan does not mean that we can let up in the effect to ensure equal employment opportunities to females and minority group members. Our Affirmative Action Plan is reviewed annually by the Regional Office of the FAA and by the Office of

Federal Contract Compliance (OFCC). The next review could reverse the current status of the AAP.

We will continue to ensure that Corporate and individual opportunities and obligations for achieving equal employment opportunities are properly delineated, clearly understood and properly carried out.

Assignment of overall responsibility for coordinating affirmative equal employment opportunity action is given to the Vice President of Employee Relations as Piedmont's EEO Officer, who in this function serves as deputy to the President. His responsibility has been delegated to local AAP Managers who report quarterly to the EEO Officer. Procedures are established for reporting and monitoring such actions, including specific innovations in our practices addressed to problems in recruiting and utilizing female and minority employees, including hiring, promotions and terminations, as well as the selection and utilization of subcontractors. It also includes our external involvement in community action programs to help achieve equal employment opportunities beyond the Company's own operation. The objectives of this plan continue to be:

To formalize and reaffirm past

Piedmont practices and policies in procedures for hiring, promotion, transfer, training and all other equal employment opportunities to which each individual is entitled.

To identify areas in which minority groups and women are underutilized and any existing deficiencies and problem areas in Piedmont's equal employment practices.

To establish realistic hiring goals to correct underutilization.

To develop affirmative actions to be taken to meet the hiring goals and overcome deficiencies and problem areas.

To establish internal audit procedures to monitor all aspects of the Affirmative Action Program.

This plan is audited quarterly by senior management and reviewed by the President at least annually.

All employees are encouraged to avail themselves of the opportunities for individual initiative provided by the Affirmative Action Plan. Supervisory and management personnel bear a special responsibility for achievement of the Equal Employment Opportunity objectives with the same high priority as they have for attainment of Piedmont's business objectives.

on employment of the handicapped

According to the 1970 census, the employable handicapped population of the United States, between the ages of 16 and 64, numbers nearly 12,000,000.

The Rehabilitation Act of 1973 requires every Federal Government Agency contract of more than \$2,500 to include an affirmative action clause. This clause requires that qualified handicapped applicants be actively recruited, considered and employed and that all qualified handicapped employees be afforded nondiscriminatory consideration for promotion and job advancement. No handicapped individual may be discriminated

against on the basis of his handicap. Affirmative action applies both to initial employment and to what takes place after a person is hired.

It will be the policy of Piedmont Aviation, Inc. to open up more employment opportunities for qualified physically handicapped people and to eliminate job discrimination based on physical handicaps.

The Company will take affirmative action to eliminate all barriers for employment of the physically handicapped.

This program is not interchangeable with other minority affirmative action programs. This is a

separate program, utilizing distinctive standards, and the application is entirely different.

The handicapped individual will be found in all age groups, all religious groups and from every ethnic, cultural and economic group, and they will be found in every geographic location. There is a great variety of handicaps and every individual with a handicap — whatever the variety or combination — has it to a distinctive degree. Qualification and every other factor needed to work may exist, but employment of the individual may be defeated, if employer accommodation is absent.

on hiring of disabled veterans and Viet Nam veterans

Section 402 of the Viet Nam Era Veterans' Readjustment Assistance Act of 1974 and 41 CFR 50-250 requires "affirmative action" to employ and advance in employment, Disabled Veterans and Veterans of the Viet Nam Era.

This law requires affirmative action by both government contractors and the federal government itself, with provisions of the law applying to:

Veterans with a disability compensation of 30 percent or more. Veterans discharged for disability incurred in the line of duty. Viet Nam Era veterans who were not disabled but were discharged (other than dishonorably) between August 5, 1964 and May 7, 1975 and within four

years of their application for employment.

Piedmont Aviation, Inc. will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Viet Nam Era in regard to any position for which the employee or applicant for employment is qualified. The Company further agrees to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam Era.

All jobs will be offered for listing at an appropriate local office of the State employment service system wherein the opening occurs, except: (1) jobs which are to be filled from within our own organiza-

tion, (2) jobs to be filled from an established recall list.

The Company will take affirmative action to eliminate all barriers for employment of the disabled veteran.

There are approximately 2.7 million veterans of the Viet Nam Era now eligible for benefits under this law. In addition, there are about a million covered disabled veterans; about 450,000 covered vets are now estimated to be unemployed. Piedmont will do its share.

The Affirmative Action Plan for Disabled Veterans and Veterans of the Vietnam Era is on file in the Employee Relations Department and may be reviewed during regular working hours.

Security measures are increased

This past year, 1975, was a good year for Piedmont Airlines security-wise. We did not suffer a serious loss. When we look at the senseless, violent acts we witness each day through the various communications media, we can truly count our blessings.

However, the bombing at LaGuardia Airport on December 29, 1975, which killed 11 people and injured at least 55 others, dramatically tells us that the threat still exists.

As a direct result of this incident, Piedmont has increased its preparedness with new security measures primarily in the area of selected checked baggage. Our test samplings indicate this will heighten our current passenger protection with minimal inconvenience.

During 1975, we investigated many Ticket-By-Mail fraud incidents. In most instances we were able to locate the individuals involved, seek and obtain local and federal prosecutions. In one case, a man was told how to perpetrate such a fraud while he was serving a sentence at Sing Sing Prison. When he was paroled, he successfully acquired six Piedmont T.B.M.'s. After he was apprehended, we asked why he had selected our airline for his crime? He answered, "I believed the smaller airlines were not protected." We pointed out, when he was sentenced to two years in prison, that all

carriers, large and small, have stringent security programs.

During the past several months, we have investigated five lost bag claims. As a result of these investigations we have denied liability. In at least three cases we have substantial evidence of passenger fraud. It is our Company policy to fully prosecute.

Another instance involved an employee requesting and receiving a pass for himself and his wife. He allegedly sold the pass to a non-company employee for \$10.00. We were able to prove this to the court. The man was found guilty. He was terminated, given a suspended two year jail sentence and fined \$500. All for \$10.00! Certainly in this case, crime did not pay.

This year, 1976 will be one of great celebration for all of us as we remember our country's birthday. We also will elect a President of our country and watch as Canada hosts the Olympics. These events could be the catalysts for further airline security problems.

As we count our blessings for our good luck during the past year, we realize that every Piedmont employee through his support of our security program helps to insure a safe and prosperous 1976 for our passengers, fellow employees, stockholders and Company.