

Severance Pay Plan

Introduction

The employment relationship between the employee and the company is at will and may be terminated with or without cause by either the employee or the company at any time. As a result, most employment termination situations do not entitle the employee to severance pay. An exception is made where an employment is terminated due to a workforce restructuring.

Eligibility

Employees who have at least one year of recognized company service credit may be eligible for severance pay if their employment is terminated due to an official workforce restructuring.

Schedule of Benefits

Severance pay benefits for eligible employees are based on years of recognized company service credit, as follows:

<u>Years of Company Service</u>	<u>Weeks of Severance Pay</u>
1 but less than 2	1
2 but less than 4	2
4 but less than 7	3
7 but less than 10	4
10 but less than 15	6
15 but less than 20	9
20 but less than 25	12
25 or over	16

Severance pay is calculated using your base weekly rate of pay. Your base weekly rate of pay is your regular hourly rate of pay multiplied by 40 hours, unless otherwise specified by a current bargaining unit agreement.

Rights Upon Re-Employment

Employees who receive severance pay and are rehired within one year may repay any portion of the severance pay (expressed in weeks). Such repayment will be credited to the employee's eligibility for severance pay in the event of a future workforce restructuring.

Employees who repay the full amount of their severance pay will be granted continuous service credit for purposes of determining future eligibility for severance pay.

Alternatively, rehired employees who do not repay any portion of their severance pay will be granted service credit for purposes of determining future eligibility for severance pay as of their rehire date.

Definitions

Workforce Restructuring. A workforce restructuring is a company – initiated termination of employment that is not related to performance.