



***STEVENS AEROSPACE AND
DEFENSE SYSTEMS***

EMPLOYEE HANDBOOK

AT-WILL DISCLAIMER

Some state and federal regulations require that an employee handbook contain a conspicuous disclaimer that the handbook is not an employment contract and that the employee acknowledge the disclaimer with his or her signature. So we are providing that disclaimer here and require that new employees sign the acknowledgement at the end of this handbook prior to starting work at Stevens:

Your employment at Stevens Aerospace and Defense Systems is “at-will” meaning that you may quit your job at any time and for any reason. Likewise, Stevens may terminate your employment at any time and for any reason.

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This handbook summarizes the personnel policies and procedures that apply to Stevens Aerospace and Defense Systems (Stevens Aerospace) employees.

Stevens Aerospace's commitment to act fairly and responsibly applies equally to our employees, customers, suppliers, and other business partners. As part of our commitment we strive to following the highest ethical, legal and regulatory standards while treating people with respect.

Please review these policies and procedures and refer to them regularly so you are able to responsibly comply with the company's policies and procedures. When you have read the handbook and understand its terms, including your agreement to comply with the company's "Code of Conduct", please sign the handbook where provided at the end and submit the signature page to the Human Resources Department. Signing of this handbook and complying with its terms is a condition of employment at Stevens.

This handbook supersedes all previous handbooks, policies, or other representations, whether written or oral, regarding the terms, conditions, and nature of your employment at Stevens. Stevens reserves the right to amend, alter, or make exceptions at any time to the policies contained in this handbook.

STEVENS' AEROSPACE and DEFENSE SYSTEMS MISSION STATEMENT

OUR OBJECTIVE

To be the best aircraft service organization serving the needs of corporate, private, commercial, and government aircraft owners and operators; Stevens Aerospace must:

- Create a team that delivers unrivaled quality and legendary service to our customers.
- Lead the Industry in customer service, technology, and innovation.
- Seek and maintain a base of loyal customers that value the exceptional quality and service the Company provides.

OUR PEOPLE

The only way to provide exceptional quality and service to the customer is through exceptional people. To achieve this, the Company must:

- Strive to be an Employer of Choice within the Aviation industry.
- Champion the importance of front-line employees and the customers they serve.
- Encourage and reward teamwork, action, and accountability.
- Constantly seek constructive change in the organization.
- Reward employees based on their performance and the performance of the Company.
- Provide a nurturing and secure work environment.
- Develop and maintain a distinctive style and high level of pride among the employees.

OUR VALUES

Stevens Aerospace believes in conducting business in a principled manner. To achieve this, the Company must:

- Obey the law.
- Adhere to the highest ethical standards.
- Be a fair and responsible employer.
- Be an exceptional corporate citizen in our industry and our communities.
- Be a fair and supportive customer for our suppliers.

The logo for Stevens Aerospace and Defense Systems features the company name in a bold, italicized, black sans-serif font. A red swoosh graphic curves around the text from the top right to the bottom left.

***STEVENS AEROSPACE AND
DEFENSE SYSTEMS***

1-800-FLY-STEVENSON

BNA

*Nashville International Airport
Nashville, TN*

DAY

*Dayton International Airport
Vandalia, OH*

GYH

*SC Technology and Aviation Center
(SCTAC) Greenville, SC*

MCN

*Middle Georgia Regional Airport
Macon, GA*

AOG

Mobile Services

EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY

Stevens Aerospace is an equal opportunity employer. The Company does not discriminate on the basis of race, color, religion, sex, age, national origin, disability, veteran status or any other protected class under federal or state law. This policy applies to recruiting, hiring, training, transfer rights, compensation, and all other policies and procedures of the Company. Anyone who feels that he or she might be the victim of discrimination should report the matter to the Director of Human Resources or any other member of senior management.

HOSTILE-FREE WORKING ENVIRONMENT

Stevens Aerospace maintains a work environment which is free from all forms of harassment including unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when an employee's response to such conduct affects that employee's job status or creates a hostile or offensive working environment.

Any hostile action such as threatening or intimidating behavior, bullying or purposely coercive behavior will not be tolerated.

Unless specifically authorized by law; firearms, explosives, ammunition, and weapons of any kind are prohibited from being brought onto Company premises.

Employee complaints of harassment should be reported immediately to the Director of Human Resources or any other member of senior management. Harassment of any kind including verbal, physical, internet and/or e-mail is not permitted at Stevens Aerospace. Employees who violate this policy will be subject to disciplinary action including termination.

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Policies and Procedures

HIRING PRACTICES

Individuals from the same family (relatives) are not permitted to work in direct reporting relationships. If Stevens employees in direct reporting relationships enter into a relationship or marry, one of them, at the company's discretion, will be reassigned to a non-direct reporting position in the company or be required to terminate their employment at Stevens. All hires involving a relative of an employee must be approved on an individual basis through the Corporate Human Resources Office.

ORIENTATION PERIOD

The first six (6) months of employment with Stevens Aerospace is an orientation period. During this time, we will help you get familiar with how the company conducts its business, our policies, and any training you need. The orientation period also allows both you and the Company to assess whether you, your qualifications and experience, and performance are a good match with Stevens Aerospace and your position.

ATTENDANCE

Regular attendance at work and prompt reporting for work are conditions of continued employment.

PERSONAL APPEARANCE AND DEMEANOR

The actions and appearance of employees reflect directly on our customers' perception of the Company. A neat, professional appearance and a service-oriented, professional demeanor are expected of all employees. Employees are expected to observe the following guidelines:

Uniforms

Employees who are issued uniforms are expected to wear their uniforms during working hours. Uniformed employees must wear soft-soled shoes that will not harm surfaces. They should be clean and without holes.

Employees may wear T-shirts and thermals under their uniform shirts during cooler weather as long as they are a solid color and do not have anything written on them which will show through the uniform.

Hats and caps are permitted as long as their logos are not distracting or

Stevens Aerospace & Defense Systems

Policies and Procedures (cont'd)

offensive. Stevens Aerospace caps are preferred. Uniform rental costs are paid by the Company. Security badges must be plainly visible on your outermost garment at all times. In the event you leave your employment at Stevens Aerospace, your final check will not be paid until your uniforms have been returned. If the Company is charged for damaged uniforms or uniforms that haven't been returned, the cost will be deducted from your final paycheck.

Non-Uniformed Employees

Employees not issued uniforms are required to wear professional business attire. For men, business attire consists of collared shirts and slacks. Business attire for women consists of dresses, skirts, or slacks. T-shirts or shirts exposing the midriff, shorts, and miniskirts are not considered business attire and are not permitted in the workplace. Employees who do not wear uniforms and are working after hours may wear more casual attire. Employees are asked to avoid fashion extremes that may distract from a professional image of Stevens, including body piercing, unnatural hair colors, and see-through blouses.

Grooming

Employees are expected to maintain neat, well-groomed hair. Sideburns, moustaches and beards must be clean and neatly trimmed. Shoulder length hair should be in a ponytail for safety purposes. OSHA requires that employees required to wear respirators must be clean shaven. Employees are expected to practice good personal hygiene.

TOBACCO-FREE WORK ENVIRONMENT

Use of tobacco products is not allowed anywhere on Company property.

PERSONAL PHONE CALLS and VISITORS

Personal phone calls and visitors at work should be kept to a minimum. In the interest of safety and to prevent disruption of work, visitors are not allowed in work areas unaccompanied. Personal phone calls should only be placed or received during break times except in an emergency.

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Policies and Procedures (cont'd)

CAMERAS

No pictures are allowed to be taken on Stevens' premises unless it is related to performing work for the company.

GENERAL HOUSEKEEPING

The physical appearance of the facility is an important part of our image. Housekeeping is everyone's responsibility. When you see litter, please dispose of it promptly. Work areas should be neat at all times.

SAFETY and EVACUATION

Employees are to adhere to all safety regulations at all times. Your supervisor will explain the safety equipment used by your department and the route of evacuation in the event of fire. Employees are asked to assist customers in their immediate work area in the event of an evacuation.

SECURITY

The FAA requires that employees challenge strangers on our premises that are not properly badged. Please do this politely as many people in our facilities are customers or inspectors. The suggested greeting is: "Pardon me, are you being escorted? How may I help you?"

COMPENSATION and RECORD KEEPING

Access to Personnel Records:

Employee records are confidential and are the property of Stevens Aerospace. Access to employee records is granted on a need-to-know basis and in accordance with federal and state regulations. Employees may view their personnel files in the Human Resources Office in the presence of a member of the Human Resources staff. A copy of any document signed by an employee will be provided to that employee upon request. Managers may review the files of their current employees or employees considered for transfer into their department. Managers do not have access to an employee's medical or benefit files.

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Policies and Procedures (cont'd)

The following statement is required by the federal government to be provided in Employee Handbooks of companies that engage in federal government contracting:

PAY TRANSPARENCY NON-DISCRIMINATION PROVISION

The contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor’s legal duty to furnish information.

Definition of Employment Type

	<u>Job Status</u>	<u>Hrs. Worked Per Year</u>	<u>Eligible For Benefits</u>
Part-Time	Temporary	Less Than 1,000	401K
	Regular	Exceeds 1,000 Exceeds 1,560	401K, Vacation 401K, Vacation, Health Insurance
Full-Time	Exempt (from overtime)	Unlimited	Yes
	Non-Exempt (time sheet)	2080	Yes

Working Hours

The working hours of our departments and locations vary and are determined by the location General Manager.

Time Sheets

All non-exempt employees are required to complete a time sheet. Employees must sign their time sheet. Making entries on another employee’s time sheet is not permitted. Any deliberate falsification of your or anyone else’s time sheet violates the Company’s Code of Conduct and will result in disciplinary actions up to and including termination.

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Policies and Procedures (cont'd)

Pay Periods

a. Check distribution – direct deposit is required for all employees

Checks are produced semi-monthly (the 15th and last day of the month, except when the 15th or the last day of the month falls on the weekend or a holiday in which case the payment is made the work day before).

b. Payroll Deductions

1. Legally required such as income taxes, Social Security, garnishments, etc.
2. As part of the Company's voluntary benefit programs: i.e. Insurances and 401(K).
3. Authorized direct deposits into Credit Union, Savings or Checking Accounts.

c. Questions

Questions regarding your payroll check should be directed to your supervisor or the Human Resources Department.

Overtime

The Company expects that given reasonable notice, employees will work overtime when requested by their Department Manager. For non-exempt employees, all hours worked over 40 in a normal work week will be paid at the overtime rate.

- a. Overtime is paid the payroll period following that in which it is worked.
- b. Holiday weeks – the work week is reduced to 32 or 24 hours according to the number of days within that week that are considered authorized holidays. In addition to the holiday pay already included in your semi-monthly check; any hours worked over the 32 or 24 hours will be paid at time and a half with the exception of Thanksgiving Day and Christmas Day which will be paid at two and a half times regular pay.
- c. Vacation days (taken in increments of less than five consecutive days), funeral pay, and time off for jury duty will count as hours worked for computing overtime pay. Sick time, time off for military service, and absences (full or partial days) for personal reasons do not count in calculating overtime.

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Policies and Procedures (cont'd)

Lunch and Break Periods

All employees working at least eight (8) hours in a day are given a lunch period of at least one-half hour without pay. Time and duration of lunch periods vary between departments. In addition, full-time employees are given one fifteen (15) minute paid rest period in the morning and one in the afternoon. Part-time employees who work over four (4) hours in a day are given a fifteen (15) minute rest period. The designated time for lunch and break periods will be set by your supervisor.

PAY ADJUSTMENTS

Each employee's performance and pay are reviewed at least annually. However, not all employees receive pay adjustments on an annual basis. Increases are recommended by an employee's supervisor based on the employee's performance, experience, time on the job, and the employee's pay relative to the targeted pay range for his or her job.

BENEFITS

Vacations—*Full Time Employees*

NEW HIRES: If your hire date is prior to June 1 of the first calendar year of your employment, you will be eligible for one (1) week vacation during that calendar year. You are not allowed to take this vacation prior to the end of your 6 month initial orientation period unless you are in good standing and are given permission to do so by your supervisor.

THEREAFTER:

Years of Service	Annual Vacation Allowance
1 but less than 5	2 weeks
5 but less than 15	3 weeks
15 and over	4 weeks

Vacations—*Regular Part-Time*

Regular Part-Time Employees (work in excess of 1,000 hours annually) will be granted one (1) week's paid vacation per year based on the average hours worked per week after meeting the eligibility requirement of one (1) year of service.

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Policies and Procedures (cont'd)

Vacations—*Temporary Part-Time*

TEMPORARY PART TIME EMPLOYEES ARE NOT ELIGIBLE FOR VACATION. Employees changing their status from part-time to full-time or from full-time to part-time should contact Corporate Human Resources for computation of their vacation allowance. Unused vacation may not be carried over from one year to the next unless requested by the General Manager and approved by Corporate HR. Except in the case of departing employees, the Company does not pay employees for unused vacation.

HOLIDAYS

Stevens Aviation has nine (9) paid holidays which are announced at the beginning of each year.

SICK LEAVE / LEAVES OF ABSENCE

1. Sick leave

The number of excused absences allowed due to an illness is 6 days per year. Sick days are pro-rated your first year of employment. The Company expects that employees will not abuse this privilege. Abuse of sick days may result in disciplinary action. If an employee has no sick days during a calendar year, they will be granted an additional personal day with pay the following calendar year.

2. Medical Leave of Absence (The Stevens Medical Leave of Absence Policy runs concurrent with FMLA)

Leaves of absence (LOA) with pay are granted to full time employees for periods of continuous personal illness or disability if such leaves are supported by a doctor's statement that specifies the period and nature of the disability consistent with those qualifying for paid LOA. Employees will accrue one day paid medical LOA per month of service up to a maximum of 5 months which is the maximum period for Long Term Disability (a supplemental insurance you will be given the opportunity to purchase once you have met the eligibility requirement). The Company has the right to require a medical examination of an employee prior to the granting of sick leave or any extension thereof. Likewise, the Company has the right to require medical examination of employees during the term of any medical

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Policies and Procedures (cont'd)

leave and/or before the employee returns to work. Any Medical Leave of Absence will be considered under the Family and Medical Leave Act of 1992 (see item 3). Pay pursuant to this policy is for medical leave only. Departing employees are not entitled to any accrued but unused leave time.

3. Family and Medical Leave Act of 1992

All Stevens Employees are eligible for family leave after they have been employed for more than 12 months and have worked at least 1,250 hours during the past 12 months. An eligible employee is entitled to 12 weeks of unpaid leave during a 12 month period with certain restrictions as noted below. In the case of an Employee Medical Leave of Absence, all paid leave accrued under a Medical Leave of Absence as well as any vacation will be used prior to any additional unpaid leave granted to provide a total of 12 weeks of leave. If you have accrued in excess of 12 weeks of leave due to your length of service, your pay during the extra leave will be paid the same as for a Medical Leave of Absence. After 5 months of leave, an employee is eligible for Long Term Disability if such optional insurance was purchased. In the case of non-medically necessary leave, all paid vacation must be used prior to any additional unpaid leave being granted to provide a total of 12 weeks of leave.

An employee is entitled to leave for any of the following:

1. The birth of a child of the employee in order to care for such child (within 12 months of birth).
2. The placement of a child with the employee for adoption or foster care in order to care for such child (within 12 months of placement).
3. To care for the spouse, child, or parent of the employee, if such spouse, child or parent has a serious health condition.
4. A serious health condition that makes the employee unable to perform his or her job.
5. A “Qualifying Exigency” arising out of the fact that a military member (whether the spouse, child or parent of the employee), is on covered active duty, or has been notified of an impending call to covered active duty status in support of a contingency operation. Additionally, FMLA is permitted as a qualifying exigency leave to care for a military member’s parent if the parent is otherwise incapable of caring for himself or herself, and the care is needed due to the “covered active duty” of a

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Policies and Procedures (cont'd)

service member. A Qualifying Exigency leave to spend time with a military member for “rest and recuperation” leave is allowed for up to 15 days and requires a copy of the military member’s rest and recuperation leave orders or other documentation of leave.

6. Military Caregiver Leave is for an eligible employee who is the spouse, child, parent, or next of kin of a covered service member who is recovering from a serious illness or injury sustained or aggravated in the line of duty while on active duty and is entitled to a combined total of up to 26 weeks of all types of leave in a single 12-month period to care for that service member. This leave is applicable for up to 5 years after the veteran leaves the military service if the injury or illness was incurred or aggravated while on covered active service.

Definitions:

“Parent” - includes both biological and “loco parentis”

“Child” - includes biological, adopted, foster, step, legal ward, or “loco parentis”

“Serious Health Condition” - illness, injury, impairment, or physical or mental condition that involves inpatient care at a hospital, hospice or residential medical facility or the requirement for continuing treatment by a health care provider

Additional Items:

The Act states that leave may not be taken intermittently or on a reduced leave schedule (reduction of hours worked daily) for types 1 and 2 unless approved by the Company. Leaves may be taken intermittently or on a reduced leave schedule for types 3 and 4 when medically necessary. An employee may be temporarily transferred to a position with equivalent pay and benefits which better accommodates recurring periods of leave. The Act requires that an employee give thirty days written notice when practical. Medical certification will be required from an employee’s or his or her family member’s health care provider prior to leave authorization. Stevens has the right to require a second opinion at Stevens’ expense. If the first and second opinions conflict, Stevens can require the opinion of a third health care provider acceptable to both the employee and Stevens, but at Stevens’ expense. Stevens and the employee are bound by the opinion of the

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Policies and Procedures (cont'd)

third health care provider. All insurances will be maintained during leave as required under the Medical Leave of Absence rules, the Family Medical Leave Act, and/ or vacation used towards the leave as long as premiums are paid. The Act requires that upon the expiration of leave, an employee must be restored to either the position the employee held before the leave, or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment. Restrictions apply to the reinstatement of highly compensated employees. Contact Human Resources for additional information and guidance.

4. Personal Leave of Absence (Unpaid)

Under unusual circumstances, Stevens may grant a non-military leave without pay, provided it is approved in advance by Corporate Human Resources.

5. Military Leave of Absence

Any employee needing a military leave should inform the company as soon as possible.

ACTIVE DUTY

An employee who is drafted or enlists in the military service will be placed on a military LOA for the period of draft or original enlistment. The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides federally mandated regulations as listed below:

Reemployment Rights

You have the right to be reemployed in your civilian job if you leave that job to perform service in the uniformed service and:

- you ensure that your employer receives advance written or verbal notice of your service;
- you have five years or less of cumulative service in the uniformed services while with that particular employer;
- you return to work or apply for reemployment in a timely manner after conclusion of service; and
- you have not been separated from service with a disqualifying discharge or under other than honorable conditions.

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Policies and Procedures (cont'd)

If you are eligible to be reemployed, you must be restored to the job and benefits you would have attained if you had not been absent due to military service or, in some cases, a comparable job.

Health Insurance Protection

If you leave your job to perform military service, you have the right to elect to continue your existing employer-based health plan coverage for you and your dependents for up to 24 months while in the military. Even if you don't elect to continue coverage during your military service, you have the right to be reinstated in your employer's health plan when you are reemployed, generally without any waiting periods or exclusions except for service-connected illnesses or injuries.

ADDITIONAL BENEFITS

Funeral Leave

Three (3) days paid funeral leave is granted for death in the immediate family. Immediate family is defined as: spouse, child, grandparent, parent, grandchild, siblings, as well as in-laws and step and half relations as applicable to the above list. The three days will be the day before, the day of, and the day after the funeral. Employees will not be paid for those days the employee is not scheduled to work. Consideration may be given for distance, nature of loss, etc. as approved by the immediate manager, the General Manager and Corporate Human Resources.

Group Insurance

Employees are eligible for insurances the first of the month following their one month service date. Summary plan descriptions of the various insurances currently offered may be obtained in Human Resources or reviewed online at STEVENSAEROSPACE.COM

Inactive Status:

During a medical LOA, all insurances will continue to be deducted from the payroll check. Upon return to work, all deductions will be reinstated. If an employee's status changes to inactive either due to receiving LTD or termination, medical/dental insurance may be continued through the COBRA Act for the length of time allowed by the current law. Employees receiving LTD may also be allowed to continue their Employee Life

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Policies and Procedures (cont'd)

Insurance (premiums waived) if approved by the insurance carrier. See Human Resources for additional information.

Jury Duty

An employee who is required to serve jury duty will be excused from work for the duration of the summons. Regular wages less any compensation received for jury service will be paid. If the jury schedule permits part-time work, it is expected that the employee will come to work. It is the responsibility of the employee to ensure that his or her supervisor is kept informed about his or her jury duty status.

401(K) Savings and Retirement Plan

The employee must be eighteen (18) years of age and is eligible the 1st of the month following their one month service date. For additional information, please refer to the Summary Plan Description (SPD) for Stevens 401(K) Savings and Retirement Plan.

Payroll Banking

An employee may have three direct deposits out of every paycheck including checking, savings, and a credit union - as long as his or her bank is a member of the Automatic Clearing House System. Your bank should have this information readily available.

Unemployment Compensation

We contribute funds based on your payroll in order to obtain unemployment benefits for our employees should they become unemployed through no fault of their own. Individual employees make no contribution whatsoever toward paying the cost of this insurance.

Lost-Time Accidents/Workers Compensation

The Company pays the entire cost of this benefit. The first step in qualifying is to report an injury to your supervisor and Human Resources immediately so that a report can be filed with the State Commission and the insurance company.

Military Reserve Training

Upon the Company being officially advised of an encampment or training period, an employee has the following options concerning their pay:

- (1) An employee eligible for vacation (2,3, or 4 weeks), when required

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Policies and Procedures (cont'd)

to attend a two (2) week military training period that calendar year, will be paid his or her regular vacation salary for the two (2), three (3), or four (4) weeks. Of the two-week military period, one week is vacation, the other excused with pay.

(2) An employee can choose to have the two-week encampment or training period as excused without pay. If this is the case, his/her vacation would not be affected.

Training Programs

Stevens Aerospace is committed to the education, training and other development of its workforce. Although training is more prevalent and often required in the technical service departments, all departments will be given the opportunity to provide additional training as directed by the management of those units and approved by the training coordinator. The creation of additional programs or the alteration of and/or elimination of existing programs may occur at the company's discretion at any time.

GENERAL POLICIES

Human Trafficking and Modern Slavery

Stevens Aerospace will not engage in an activity or support others who engage in an activity that violates human rights including forced or compulsory labor, human trafficking or modern slavery. Furthermore, we will not do business with suppliers or other parties suspected of engaging in such activities.

Personal Loans

Employees are discouraged from making personal loans or co-signing notes or loans for co-workers.

Solicitation and Distribution Rules

Solicitation of employees on Company property during work hours is not permitted. Work hours means anytime when employees are working on the premises.

Bulletin Boards

Important information which must reach you quickly will be posted on the official company bulletin boards. You are urged to check the bulletin boards daily.

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Policies and Procedures (cont'd)

Suggestions and Complaints

Employees are encouraged to discuss work-related complaints or problems with management. Employees are encouraged to first seek assistance from their immediate supervisor. If the supervisor is unable to handle a complaint or the employee is not comfortable speaking with his or her supervisor, then employees are encouraged to discuss complaints with the next highest level of management. Also, employees may discuss complaints with Human Resources at any time.

COMPANY SUBSTANCE ABUSE and TESTING POLICY

Stevens Aerospace is committed to providing a safe and efficient workplace. To do so, and to comply with federal regulations, Stevens must ensure that our employees are not abusers of alcohol and are drug free. The consumption of alcohol during working hours and/or reporting for work under the influence of alcohol is prohibited. Consumption of alcohol on company property is prohibited unless it is being served by the company or by someone authorized by the company and to employees who are not working and will not be working for at least eight hours. The use, sale, purchase, possession, manufacture, distribution, trafficking, and/or dispensation of illegal drugs on company property are prohibited. Improper use of legal drugs during working hours is prohibited. An employee who violates the company's substance abuse policies will be subject to disciplinary action up to and including termination. Employees are subject to random drug and alcohol testing at any time. Employees who volunteer information about their drug or alcohol problems may receive support and aid of the Company for rehabilitation depending on the circumstances. Support and aid offered to employees is discretionary based on a number of factors including length of service with the company.

FAA DRUG and ALCOHOL PROGRAM

Employees performing work in safety sensitive functions must be covered under the Company's FAA approved Drug and Alcohol Program. You will receive supplemental training and information if your position requires participation in this program.

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Policies and Procedures (cont'd)

WEAPON-FREE ENVIRONMENT

Stevens does not allow “weapons” on the premises. As there is not an all-inclusive list of weapons, the following should be used as a guideline: firearms, explosives, tazers, switchblades, knives or swords with blades over 3” long, and martial arts weapons.

DISCIPLINARY ACTION

Disciplinary Action up to and including termination will result from poor performance on the job or violations of Company policies including but not limited to:

1. Reporting to work under the influence of and/or having possession of alcohol, intoxicants or illegal drugs on company premises.
2. Falsifying records or employment-related information
3. Insubordination
4. Possession of firearms, weapons, explosives, etc. on company property
5. Unsatisfactory probationary period
6. Three consecutive days of absence without notifying your supervisor
7. Excessive absenteeism and/or tardiness
8. Immoral or indecent conduct on company property
9. Stealing, fighting, and/or causing damage or destruction of Company property
10. Breach of business ethics and/or violation of solicitation / distribution rules
11. Unauthorized leaving of premises during work time
12. Any confirmed negligent act resulting in monetary damage
13. Substandard work performance
14. Tobacco Use on Company Premises
15. Violation of safety rules (inclusive of failing to report accidents or having an excessive accident record)
16. Damage to customer aircraft resulting from carelessness and/or failure to follow established procedures
17. Unauthorized operation of machinery or posting of materials
18. Gambling on company property
19. Taking excessive time or unauthorized breaks or lunches

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Policies and Procedures (cont'd)

20. Coercing, intimidating, threatening or harassing co-workers, customers, or vendors.
21. Abuse and/or misuse of internet and/or phone systems
22. Violations under the Quality Goals and Errors Program

QUALITY GOALS and ERRORS PROGRAM

Stevens Aerospace provides high quality aviation maintenance, modification and refurbishment services. Quality means completing work on time and error free. Errors cost us and our customers time and money and may jeopardize safety.

Our goal is zero errors and 100% compliance with regulations that apply to the work we do. We realize that people are not machines and, despite our best efforts, errors will occur. Our goal is to organize and manage our business in ways that minimize the chance for errors and, when errors occur, they are caught and corrected before an aircraft is returned to service. When errors are caught, we investigate to ensure corrective measures are put in place to prevent a recurrence.

People responsible for errors will be assigned points. Penalties apply once points exceed a certain amount. The point system is based on the seriousness and frequency of errors and whether they were caught before or after delivery of an aircraft to the customer. Penalties are determined by the number of points accumulated during a two year period. Points expire after two years. The chart on the next page outlines the system.

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Policies and Procedures (cont'd)

ERROR	1st Offense		2nd Offense IN 2 YEARS		3rd Offense IN 2 YEARS	
	Internal*	External *	Internal	External	Internal	External
NOT AFFECTING SAFETY OF FLIGHT:						
1. Minor (did not significantly compromise regulatory compliance, cause damage to an aircraft, or cost more than \$1000 to correct)	1	2	3	6	5	10
2. Major (resulted in a significant compromise of regulatory compliance, damage to an aircraft, or cost \$1,000 or more to correct)	3	6	6	12	10	20
AFFECTING SAFETY OF FLIGHT:						
1. Any error affecting safety of flight	5	10	10	20	20	20

*Internal – Caught and corrected before delivery to customer

External – Caught or corrected after delivery to customer

Consequences of accumulating points are:

A day off without pay for each 5 accumulated points

10-19 points will result in dismissal or a corrective action plan with automatic dismissal if there are any errors in the following 180 days

20 points in a two year period results in automatic dismissal

Self-reported errors will receive only half the points on the above chart. An employee can self-report an error to his or her immediate supervisor, but that error must also be reported in writing to the error reporting officer. To qualify for the point reduction, the self-report must be reported to the supervisor before the error has been found by someone else.

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Stevens employees are encouraged to anonymously report errors or regulatory violations resulting from their work or the work of others. For anonymous reporting, employees fill out a form and deliver it to the designated error reporting officer whose name and contact information will be posted from time to time at your location. If you are concerned about maintaining confidentiality, you can mail an anonymous error report without a return address to the Error Reporting Officer at your location's address. Forms are located on the intranet and in your lunch rooms.

It is important that errors are reported immediately, particularly if safety of flight is an issue. We will from time to time publish updates on procedures to ensure that anonymous error reports can be filed immediately while preserving confidentiality.

CODE OF ETHICS and BUSINESS CONDUCT AGREEMENT

I understand Stevens Aerospace is engaged in a highly competitive business in which confidential information remaining confidential, employees behaving ethically, and employees not harming Stevens Aerospace during or after their employment are important to the Company's success. Therefore, and in consideration of my employment and continued employment, I understand and agree to the following:

1. Anti Bribery - Receipt of Gifts, Entertainment, or Favors.

Stevens Aerospace prohibits the giving, receiving or offering of anything of value in exchange for an unfair business advantage. Token items (less than \$100 in value) are acceptable if unrelated to the awarding of and or association with a specific business transaction.

2. Inventions and Improvements

Inventions and improvements made or conceived by me, which in any way relate to the Company's business, are the property of Stevens Aerospace.

3. Confidentiality and Sensitive Information

Stevens Aerospace obtains confidential or sensitive information including 1) classified; 2) proprietary to Stevens, our customers, suppliers, or other business partners; 3) covered by a non-disclosure or confidentiality agreement; 4) employee performance information held in trust by their lead, supervisor, or manager. It is the expectation such information is required to

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Policies and Procedures (cont'd)

be, or can reasonably be expected to be kept confidential.

Written procedures, prices, estimates, bids, customer lists, sales figures, budgets, forecasts, accounting, tax records, other financial records, data processing systems and related software and all other information concerning the business and affairs of the company or any customer, employee, supplier or shareholder of the company are secret and confidential.

I understand I will have detailed knowledge of the affairs of Stevens Aerospace including its customers, suppliers, employees, strategies, plans, pricing and costs. I agree to be responsible with the possession of such information by agreeing to the following:

- a. I will not share with any competitor of Stevens Aerospace or future employer of mine confidential information about Stevens Aerospace without the express written approval of Stevens Aerospace.
- b. At any time that I leave my employment I will destroy all confidential information in my possession or return it to the Company.
- c. If I leave my employment I will return any equipment in my possession that is owned by the Company including computers, phones, or other media devices and I will return them without deleting any files from them, including personal or other files not related to Stevens Aerospace's business.
- d. While an employee of Stevens Aerospace and for a period of two years thereafter, I will not solicit to hire, hire, or encourage or facilitate anyone else to solicit or hire any Stevens Aerospace employee to work for another company.
- e. While an employee of Stevens Aerospace and for a period of two years thereafter, I will not solicit, facilitate, or encourage anyone else to solicit, Stevens Aerospace's customers for the purpose of moving their business.

4. Conflicts of Interest

Conflicts of interest arise when an employee's personal relationships, financial interests, outside employment or personal business opportunities conflict with Stevens Aerospace interest.

I agree to be truthful and ethical in my dealings with Stevens Aerospace, my co-workers, our customers and our suppliers. While employed by the

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Policies and Procedures (cont'd)

Company, I will remain free of conflicts of interest, including not having an interest in any person, business, or other entity that provides services or materials to the Company or which is in competition with the Company.

5. Use of Company and Customer Property

We trust our employees to use company property responsibly to further our business goals. Property includes physical items (such as hangar floor, equipment, computers, restrooms, vending machines...) and intangibles such as internet and phone systems. While personal use of company property is permitted under certain circumstances, it is never permitted for personal gain or illegal purposes. Personal use of customer property is never permitted.

6. Disputes with Stevens

In the event of an unresolved dispute with Stevens, I hereby waive my right to a trial and instead will enter into arbitration before a single arbitrator appointed in accordance with the applicable rules of the American Arbitration Association. I understand that the decision of the arbitrator shall be final and binding upon both me and Stevens as to law and fact and may be filed for execution with any court of competent jurisdiction. The expense of the arbitration shall be borne by the losing party to the arbitration unless decided otherwise by the arbitrator.

COMPUTER USE POLICY

This is an overview of the complete policy which will be prompted upon initial "log in".

1. Security Safeguards

- * Users are responsible for safeguarding their passwords.
- * No user may access the computer system with another user's password or account.
- * Each user is responsible for ensuring that use of outside computers and networks, such as the internet, does not compromise the security of Stevens Aviation or the Company's computer network and systems.

2. Software Piracy

It is a violation of the copyright laws of the United States to make, or authorize the making of, a copy or adaptation of any third party software, except as specifically granted in the licensing agreement. Violation of the

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Policies and Procedures (cont'd)

copyright laws of the United States will result in disciplinary action which may include termination of employment and reimbursement to the Company of any resulting liability for the misuse of copy righted material.

3. Internet Policy

Many employees are provided workplace access to the Internet to assist them in performing their jobs. Internet access through the Company's network or WIFI system is only for conducting Company business. Non-business use of the Internet at work may subject you to disciplinary action, including termination.

DISCLAIMER OF LIABILITY FOR USE OF INTERNET

Stevens Aerospace is not responsible for material viewed or downloaded by users from the Company's Internet portals.

MONITORING OF COMPUTER USAGE

Stevens Aerospace has the right to monitor usage of its computer system, including monitoring sites visited by employees on the Internet, monitoring chat groups and newsgroups, reviewing material downloaded or uploaded by users to the Internet, and reviewing e-mail sent and received by users.

GAMES AND ENTERTAINMENT SOFTWARE

Employees may not use the company's Internet connection to download games or other entertainment software, including MP3 and other music files, Real Audio streamers, Internet Radio, screen savers, or to play games over the Internet.

4. E-Mail Policy

Please adhere to the following guidelines regarding e-mail:

1. Never consider your electronic communications to be private or secure. E-mail may be stored indefinitely on any number of computers, including that of the recipient. Copies of your messages may be forwarded to persons either electronically or on paper. Don't put anything in an e-mail that you wouldn't want to appear on the front page of a newspaper. Do not send e-mails when you are mad or to express anger.
2. Do not use e-mail to deliver bad news, particularly to a customer. That is a time to use the telephone.
3. Do not use company devices to send chain e-mails.
4. Do not forward e-mail without the express or assumed consent of the

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Policies and Procedures (cont'd)

sender.

5. Use of company devices to send sexually explicit or otherwise lude messages is a violation of company policy which may result in disciplinary action, including termination.

USE OF ELECTRONIC MEDIA WHILE DRIVING

Stevens Aerospace recognizes the inherent danger associated with engaging in use of electronic media while driving. Driving means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise. The use of electronic media includes texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The use of electronic media does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device while stopped in a location off a roadway. We encourage employees to abide by these principals in their personal life and require that they abide by them when in a company vehicle or while conducting company business.

TERMINATION OF EMPLOYMENT

If you plan to leave the Company, you are requested to give at least two (2) weeks' notice so a suitable replacement can be hired to fill your job. It is your supervisor's choice whether or not you work during the two week notice period. You are also requested to discuss your reasons for leaving with your Supervisor. We are always interested in knowing why an employee decides to leave and the circumstances that led to the decision. If you leave your employment (whether by resignation, layoff, involuntary termination, or retirement), your accrued vacation payout will be calculated based on the quarter you leave:

- First quarter - 25% of the annual accrued vacation
- Second quarter - 50% of the annual accrued vacation
- Third quarter - 75% of the annual accrued vacation
- Fourth quarter - 100% of the annual accrued vacation

If upon calculation, you have already taken in excess of your accrued annual

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Policies and Procedures (cont'd)

vacation in the quarter in which you leave, the overage will be deducted from your final check. For example, if you turn in your notice and resign in September (third quarter) then you will have accrued 7.5 days of vacation (assuming you are eligible for two weeks). However, if you have already taken ten days; 2.5 days' pay will be deducted from your final check. Employees who resign without notice will not be paid for unused vacation. Additional matters relating to final pay and other personnel matters may be discussed on an individual basis in Human Resources during out processing.

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Policies and Procedures (cont'd)

ACKNOWLEDGMENT OF RECEIPT OF THE HANDBOOK AND AGREEMENT TO ABIDE BY STEVENS' CODE OF CONDUCT

I acknowledge receipt of, have read, and understand the Personnel Policies and Procedures handbook. I understand that my employment at Stevens Aerospace is “at-will” which means that I may resign at any time and that the Company may terminate my employment at any time. I understand that by signing below I am entering into a binding agreement with Stevens Aerospace to abide by the company’s Code of Conduct as set forth in this handbook. If I violate the Code of Conduct I may be terminated and/or held liable for any damages to Stevens Aerospace that result from those violations. The Company reserves the right at any time to amend, alter, or make exceptions to the policies contained in this handbook. The most current edition of the handbook will be posted on the Stevens Aerospace.com website. In the event I have any questions about this handbook or any of the policies and procedures it contains, I will contact my immediate supervisor or Human Resources. I understand that abiding by the Company’s policies and agreeing to abide by the Company’s Code of Conduct are conditions of my employment at Stevens Aerospace.

Employee’s Name _____ Date _____

Employee’s Signature _____

Witness _____

(Must be a supervisor or representative of the Human Resources Office)

Stevens Aviation

Statement & Acknowledgment

ACKNOWLEDGMENT OF RECEIPT AND STATEMENT OF UNDERSTANDING

I acknowledge receipt of the Personnel Policies and Procedures issued, and I understand the Important Notice printed on the first page of this handbook which states:

IMPORTANT NOTICE

PURSUANT TO S.C. CODE SEC. 41-1-110, THIS HANDBOOK AND THE POLICIES CONTAINED HEREIN DO NOT IN ANY WAY CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS A CONTRACT OF EMPLOYMENT BETWEEN STEVENS AVIATION, INC. AND IT'S EMPLOYEES. ALL EMPLOYMENT AT STEVENS AVIATION IS "AT-WILL," WHICH MEANS THAT AN EMPLOYEE MAY RESIGN AT ANY TIME FOR ANY REASON AND THAT STEVENS AVIATION HAS THE SAME RIGHT AND MAY SEPARATE THE EMPLOYMENT OF ANY EMPLOYEE AT ANY TIME.

Additionally, I understand that this handbook does not in any way constitute a contract and that employment is "at-will" which means that an employee may resign at any time for any reason and that the Company has the same right and may separate the employment of any employee at any time.

I also understand that this reissued handbook contains information about important changes to Stevens Aviation, Inc.'s policies, and that this handbook supersedes all previous handbooks, policies, procedures, and statements, whether written or oral, regarding the terms and conditions of employment with Stevens Aviation. Stevens Aviation reserves the right to amend, alter, or make exceptions to the policies contained in this handbook.

I further acknowledge that it is my responsibility to read this handbook. In the event I have any questions, I will contact my immediate supervisor or Human Resources. After reading the Handbook, please sign and date the acknowledgment pages. Return the page marked "Human Resource Copy" no later than 10 days from issuance.

Employee's Name

Date

Employee's Signature

Witness (must be a supervisor or
Human Resources Representative)

