

MARTINAIRE
FLIGHT CREW MEMBER
EMPLOYEE
HANDBOOK

AS OF NOVEMBER 1, 2017



MARTINAIRE AVIATION, L.L.C.
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Addison, TX 75001
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NOTICE

The policies in this Handbook are to be considered as guidelines. Martinaire, at its option, may change, delete, suspend, or discontinue any part or parts of the policies in this Handbook at any time without prior notice. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer or employee. Employees may not accrue eligibility for monetary benefits they have not earned through actual time spent at work. Employees shall not accrue eligibility for any benefits, rights, or privileges beyond any of the policies in the Handbook. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee Handbook be found to be unenforceable and/or invalid, such finding does not invalidate the entire Employee Handbook, but only the subject provision.

This Handbook replaces (supersedes) all other previous Handbooks for Martinaire as of the date on the cover of this manual.

RECEIPT AND ACKNOWLEDGEMENT OF MARTINAIRE FLIGHT CREW MEMBER EMPLOYEE HANDBOOK

This Employee Handbook is an important document intended to help you become acquainted with Martinaire. This Handbook will serve as a guide; it is not the final work in all cases. Individual circumstances may call for individual attention.

Because the general business atmosphere of Martinaire and economic conditions are always changing, the contents of this Handbook may be changed at any time at the discretion of Martinaire. No changes in any benefit, policy or rule will be made without due consideration of the mutual advantages, disadvantages, benefits and responsibilities such changes will have on you as an employee and on Martinaire.

Please read the following statements and sign below to indicate your receipt and acknowledgement of the Martinaire Flight Crew Member Employee Handbook.

- I have received and read a copy of the Martinaire Flight Crew Member Employee Handbook. I understand that the policies, rules, and benefits described in it are subject to change at the sole discretion of Martinaire at any time. I understand that this Handbook replaces (supersedes) all other previous Handbooks for Martinaire as of the latest revision date on the cover of the Handbook.
- I further understand that my employment is terminable at will, either by myself or Martinaire, regardless of the length of my employment or the granting of benefits of any kind, including but not limited to profit sharing benefits which provide for vesting based upon length of employment.
- I understand that no contract of employment other than "at will" has been expressed or implied, and that no circumstances arising out of my employment will alter my "at will" employment relationship unless expressed in writing, with the understanding specifically set forth and signed by myself and the President of Martinaire.
- I am aware that during the course of my employment confidential information will be made available to me, i.e., product designs, marketing strategies, customer lists, pricing policies and other related information. I understand that this information is critical to the success of Martinaire and must not be given out or used outside of Martinaire's premises or with non-Martinaire employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.
- I understand that, should the content of this Handbook be changed in any way, Martinaire may require an additional signature from me to indicate that I am aware of and understand any new policies.
- I understand that my signature below indicates that I have read and understand the above statements and have received a copy of the Martinaire Flight Crew Member Employee Handbook.

Employee's Printed Name

Position

Employee's Signature

Date

PLACE THE SIGNED COPY IN THE EMPLOYEE'S PERMANENT FILE.

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EMPLOYMENT STATUS

PROBATIONARY PERIOD

All newly hired flight crew members will be on probation for their first year. During this period, pilots may be dismissed without prior notice or obligation by the company. At the completion of the probationary period, a review of the pilot's performance will be conducted by the Flight Operations Staff and a determination made as to whether the pilot will be retained. An individual must be approved by all Staff members in order to be retained by the company on a permanent basis. Pilots retained beyond their first year are considered permanent employees and will retain that status provided they continue to perform within the guidelines of this manual and any other performance guidelines which may, from time to time, be established by the Flight Operations Staff.

REHIRED EMPLOYEES

Individuals who have been previously employed by the Company may be considered for reemployment provided they were not released for due cause. Each applicant for rehire must be approved by the Flight Operations Staff and/or the Director of Operations prior to being rehired.

PROMOTIONS AND UPGRADES

Line Captains will be considered for equipment upgrade training on the basis of seniority with the Company and or Company needs. When a slot comes open for a Line Captain or First Officer position, the most qualified and most senior individuals will be offered the position first. Should the senior individual refuse the upgrade it will be offered to the next senior person and so on until the slot is filled. Promotions will be made from within the Company if at all possible. Outside hiring will be kept to an absolute minimum whenever possible to provide current pilots with every possible opportunity to be promoted. While seniority will be the primary consideration, other factors will be considered. Among them are natural ability, a demonstrated sense of responsibility, and a "can-do" attitude towards the position and the Company. The Company will assist and encourage all pilots in identifying advancement opportunities, however, the interest, effort, ability and required performance level must come from the pilot.

Please note that the seniority system of selection will be used when possible. However, at times, specific Company needs may dictate a different selection process.

Seniority is based on date of hire in most cases. However, when there are two or more students in a training class, their total combined ground school average test score (all six tests combined) will determine seniority for the class. In the event of a tie in test scores, the two students will "flip a coin" to break the tie. The winner will have 0.1% added to his total average test scores.

PERFORMANCE REVIEWS

The Company believes that periodic performance reviews are important in evaluating not only basic job performance, but personal attitudes, goals and work-related problems. All pilots will be evaluated annually. The areas which will be evaluated will include, but will not be limited to, the following:

1. Job knowledge
2. Quality of work
3. Professional ability and initiative
4. Dependability and punctuality
5. Interaction with company employees

RESIGNATIONS AND TERMINATIONS

The policy at Martinaire is not to arbitrarily terminate pilots, however, it is imperative that flight crew members realize that their continued employment with the Company is dependent upon professionalism on the job and an attitude conducive to a healthy work environment for all. Individuals who are loyal, hard-working and show a "can-do" attitude will excel, not only with Martinaire, but in their day-to-day lives. This type individual is most representative of the flight crew members that we are proud to have as employees. Basically, there are two (2) types of terminations; dismissal, which is involuntary, and resignation, which is voluntary. Any employee terminated for due cause will not be paid severance pay. Employees who are released due to reduction in workforce or the needs of the Company will be reviewed at the time of termination by the Flight Operations Staff and the Director of Operations on a per case basis in order to determine eligibility for severance pay, if any.

1. DISMISSAL

The Company reserves the right to dismiss an employee at any time for reasons of misconduct and/or non-performance of his/her duties. Misconduct is defined as deliberate violation of Company policies, procedures or guidelines. This type of violation is inconsistent with the standards expected from employees at Martinaire and will not be tolerated. It is in the best interest of the employees to conduct day-to-day operations in a manner which reflects favorably upon the Company. In the event that Company policies or procedures are not followed, disciplinary action will result. This may take the form of Letters of Reprimand, Corrective Interviews or, in extreme cases, dismissal. The following sequence of events represents the various stages of non-compliance with the Company policies and procedures:

a. LETTER OF REPRIMAND

This form of disciplinary action is an attempt by the Company to point out an area where an individual has performed in an unsatisfactory manner. The letter will focus on specific areas of improper or substandard actions displayed by the individual and constitutes an official warning to the employee. This letter will be

placed in the individual's personnel file. The pilot will be monitored for a specific period of time as stipulated in the letter in order to insure that he/she has taken affirmative action to cure the deficiency. Any reoccurrence of the original problem will be handled at a higher disciplinary level, up to and including termination of the employee.

b. CORRECTIVE INTERVIEW

In some instances the pilot in question may have other problem areas which could require counseling on a higher level than a Letter of Reprimand. In that case, one or more of the Flight Operations Staff will convene a meeting with the pilot to determine what might be done to alleviate existing problem areas. The result of a Corrective Interview is entirely dependent on the seriousness of the violation and the pilot's attitude and willingness to cooperate with the Staff in resolving the situation. A Corrective Interview will be recorded in the pilot's personnel file and the situation monitored to confirm that the particular discrepancy has been corrected. Further violations will result in the dismissal of the individual for failure to follow Company Policies.

c. IMMEDIATE TERMINATION

Any flight crew member may be terminated, without notice, for any of the following reasons:

- (1) Theft of Company property or property belonging to any other individual.
- (2) Use of intoxicants or chemical substances when they impair the ability of the employee to perform any assigned duties.
- (3) Conviction of a felony while in the employment of the Company.
- (4) Divulging Company information of a proprietary or confidential nature.
- (5) Falsification of any kind to customers or the Company.
- (6) Insubordination.
- (7) Possession of a weapon or article intended to be used as a weapon.
- (8) Willful, intentional or negligent misuse or destruction of Company property.
- (9) Indecent conduct or conduct involving moral turpitude.
- (10) Intentionally falsifying, or causing to have falsified any record, report or application which is used to secure employment with Martinaire.
- (11) Failure to notify the Chief Pilot of any absence, sickness or tardiness in a timely manner.

d. FAILURE OF RECURRENT TRAINING AND/OR ANY REQUIRED FLIGHT CHECKS

- (1) Initial New Hire - Failure will result in immediate dismissal.
- (2) Recurrent - Failure after recurrent training will result in suspension of pay on the day of failure. The pilot will then be given additional training and retesting in the deficient areas. Upon second failure, management reserves the right to terminate employment at that time.
- (3) Transition - Immediate dismissal may result if at any time during training it is deemed by the Flight Operations Staff that the pilot is un-trainable in the aircraft involved.
- (4) Six Month IFR Proficiency Check - Retraining in deficient areas will follow the first failure. The pilot is subject to dismissal following the second failure.
- (5) Twelve Month Competency Check - Retraining in deficient areas will follow the first failure. The pilot is subject to dismissal following the second failure.

2. RESIGNATION

Employees desiring to terminate their employment with the Company are expected to give at least two (2) weeks written notice before leaving Martinaire. This gives the Staff the minimum required time to train and equip new personnel to fill the vacancy. Pilots who resign may be required to assist in the training of a replacement as required by the Staff. The Company may, at its option, make the resignation effective immediately. Before leaving the Company an Exit Interview will be performed on the subject employee by the Chief Pilot or his designee. A Personnel Action Form will be completed and a notation made as to the suitability of the pilot for rehiring in the event he/she wishes to be reconsidered for employment at a future date.

3. FURLOUGHS, LAYOFFS AND RECALLS

Should it become necessary to reduce the pilot workforce due to Company requirements, probationary pilots will normally be separated first. Further layoffs or furloughs will normally be made on the basis of seniority; however, the Company reserves the right to circumvent the seniority system when, in the opinion of the Flight Operations Staff or the Director of Operations, the needs of the Company would be better served by retaining pilots of lower seniority. Pilots on furlough who are recalled are expected to report for duty within five (5) working days. Failure of the pilot to report within this period will be construed as a voluntary resignation without proper notice required by paragraph 2 above and will result in the pilot being ineligible for rehire. Furloughs of less than (30) days are not considered a break of continuous service and therefore will not result in a loss of benefits. Furloughs in excess of thirty (30) days may result in a proration or cessation of benefits. Each pilot will be handled on an individual basis and must check with his immediate supervisor regarding his/her own situation.

4. CHANGE OF STATUS

Changes in telephone numbers, Pilot or Medical Certificate status, must be reported within twenty-four (24) hours to the Dispatch Center in order to maintain close contact with all flight crew members. Changes in marital status, home address, or number of dependents must be reported to the Accounting Office within five (5) working days.

EMPLOYEE BENEFITS

HOLIDAYS

Due to the nature of our business, specific holidays may not always be days off. Some customers require Martinaire to provide service during holiday peak periods in support of their ground operations network. Consequently, any holidays listed may become working days if the customer has a need for our services. Any pilot required to work on a listed holiday will be given compensatory time in lieu of the holiday worked. The paid holidays are generally considered to be:

- | | |
|---------------------|------------------|
| 1. New Years Day | 2. Memorial Day |
| 3. Independence Day | 4. Labor Day |
| 5. Thanksgiving Day | 6. Christmas Day |

VACATION

Vacation is a time for you to rest, relax, and pursue special interests. Martinaire has provided paid vacation as one of the many ways in which we show our appreciation for your loyalty and continued service.

Only regular full-time employees are eligible for paid vacation. You are not eligible for paid vacation during your Probationary Period. Nor are you eligible for paid vacation if you are a part-time or temporary employee.

Vacation may not be carried over and accumulated in subsequent calendar years. Exceptions to this policy may be made in unusual circumstances with each case to be considered separately by Company management.

The purpose of vacation is to provide you with time to rest and relax; therefore, no additional wages or salary will be paid to you in lieu of vacation.

1. Newly hired employees accrue vacation as of January 1 based on their hire date in the preceding year. There is no vacation accrued in the year of hire. The following table shows the number of days of vacation accrued for a calendar year based on month of hire in the year of hire and can be taken in the following year:

Hire Month	Vacation Days	Hire Month	Vacation Days
Jan	9	July	4
Feb	8	Aug	3
Mar	8	Sept	3
Apr	7	Oct	2
May	6	Nov	1
June	5	Dec	0

If on January 1 of any year, and you have been with the Company the entire preceding 12 months, you are eligible for 10 days vacation to be taken any time between January 1 and December 31 of that calendar year.

2. All flight crew member vacations will be scheduled through the Office of the Chief Pilot by telephone initially. Then, a VACATION REQUEST will be submitted no later than sixty (60) days prior to the requested start date of vacation and will be approved or disapproved based on the needs of the Company. Requests submitted at the same time for the same time period will be awarded to the senior Captain.
3. Requests for vacation will normally not be approved for the entire ten (10) working days of accrued time, however, under extenuating circumstances, these requests will be considered on a case-by-case basis.
4. Vacation time must be taken in the anniversary year as previously mentioned. No vacation time will be carried over into the following year. In addition, no cash payments will be made in lieu of vacation time, under normal circumstances. The vacation time accrued must be used or forfeited. If vacation time is left over at the end of the year due to the inability of the Company to schedule vacation time, then, at the discretion of the company, either cash payment or carry-over of vacation time will be awarded.
5. No vacations are authorized in the month of December due to peak work loads.
6. After your sixth consecutive year of employment you will become eligible for 15 days of paid vacation.

LEAVES OF ABSENCE

1. Any leave requested for purposes other than vacation will be submitted to the Staff for approval. All leaves of absence, if approved, will be granted for periods of three (3) days or less, without pay, unless the pilot wishes to use vacation time accrued. If no vacation time has been accumulated, the pilot will be charged for his time off through a payroll deduction on his next pay period unless other arrangements are made with a member of the Staff.

2. Any pilot entering full-time military service with any branch of the U. S. Armed Forces will be granted a leave of absence and accorded all re-employment rights established by law. Pilots participating in any reserve component of the U. S. Armed Forces will be granted two (2) weeks unpaid leave to fulfill their military obligations. This policy does not include voluntary re-enlistment.
3. Requests for extended leaves of absence without pay may be submitted to the Staff for approval under unusual circumstances. Granting of any extended leave of absence is at the option of the Staff and does not guarantee employment at the same job or job level unless specifically approved by the Staff.
4. Jury duty is a civic responsibility and an excellent opportunity to serve the community. Any pilot receiving a jury summons will contact the Staff immediately so arrangements can be made to secure a substitute crew for his/her mission. Individuals called for jury duty will be granted leave to serve the full jury term with pay upon receipt, in Staff office, of jury pay. THIS IS NOT APPLICABLE TO INDIVIDUALS WHO ARE DEFENDANTS OR PLAINTIFFS IN ANY COURT ACTION.
5. Extended leaves of absence will be granted at the Company's option and without pay.
6. You are entitled to take up to three (3) working days with pay to attend the funeral and take care of personal matters related to the death of a member of your immediate family such as parent, spouse, child or grandparent.

With your supervisor's approval you may take up to one full day without pay to attend funerals of other relatives or friends. If you prefer, unused sick leave or a day of earned vacation may be used for this purpose.

DISABILITY LEAVE OF ABSENCE

Martinaire provides both Short Term (STD) and Long Term (LTD) Disability (see Employee benefits). This insurance allows you to maintain a portion of your salary while you are disabled. Martinaire may grant an unpaid leave of absence for illness, disability, or pregnancy. To request disability leave of absence from your supervisor, you should submit, or have someone submit for you, a statement of ill health or disability from your doctor. (Pregnancy is treated, for the purposes of this policy, the same as an illness or disability.) An approved disability leave may be granted for up to 180 days.

At the time the disability leave begins, any accrued sick leave will be paid. Vacation time previously earned (but not used) at that time will also be paid if the employee so desires. These benefits do not continue to accrue during a leave of more than thirty days. Your group insurance booklet should be reviewed to determine your insurance coverage during a leave of absence.

Employees who must remain away from work for more than the period of time allowed above will be considered terminated from employment. The employee is welcome to reapply subject to Martinaire's usual hiring policies.

Employees who develop an illness or physical condition, which requires medical treatment or restrictions and precautions as to their health, will be required to submit a physician's statement. This statement must give approval that continued full-time employment in their present position will not jeopardize their health or the safety of others, in the event they are able to continue to work. A similar statement is required upon return from a disability leave.

INSURANCE BENEFITS

Martinaire offers the following insurance benefits to each employee:

Medical

Dental

Vision

Short Term Disability

Long Term Disability

Life and Accidental Death Insurance

401K Plan

Should pilots decide to participate in the Martinaire Group Insurance Plan, the Company will pay a significant portion of your individual health and accident coverage. The Plan includes comprehensive health and accident benefits as well as a dental plan for all participating employees. The pilot must elect, within the first sixty (60) days of employment, to accept the coverage or he/she must wait until the anniversary date of the Company Policy to enroll. Insurance benefits become effective on the first of the month following sixty (60) days of employment. Employee contributions vary with the type of coverage and whether or not dependent coverage is requested. Questions concerning the Martinaire Group Insurance Plan should be directed to a member of the Staff.

SICK TIME

Sick time is accrued on a calendar year basis.

If you have been with the Company the entire preceding 12 months, you are eligible for 5 days sick time to be used between January 1 and December 31 of that year.

EMPLOYEES UTILIZING SICK TIME ARE REQUIRED TO PRODUCE A DOCTORS RELEASE FOR RETURN TO WORK PRIOR TO FLIGHT. THIS MAY BE DONE VIA FAX.

SALARY ADMINISTRATION

BASE SALARY

1. Payday officially occurs bi-weekly on Thursdays.
2. The basic monthly salary structure for all Pilots is shown below:

Year In Service	Caravan Captain	
1	47,300	
2	48,300	
3	49,300	
4	50,500	
5	51,700	
6	52,900	
7	54,100	
8	55,300	
9	56,500	
10	57,700	
11	58,900	
12	60,100	
13	61,300	
14	62,500	
15	64,000	

3. Current Pilot Pay programs will be distributed by the course instructor.
4. Pay increases are submitted by the Chief Pilot on the anniversary date.

ADDITIONAL COMPENSATION

Company Instructor \$175 / month

Check Airman \$175 / month per aircraft in which qualified as check airman

ADDITIONAL COMPENSATION AND EXPENSES

1. For the purposes of this section, the following definitions apply:
 - a. Charter Flight: Any flight which is identified by a four (4) digit Charter number issued by the Dispatch Center.
 - b. Domicile: The location where a scheduled flight crew member is permanently based, whether due to the route assignment or Company requirements.

- c. Scheduled Route: A route identified by a Company three digit flight number as found in the Company Flight Schedule.
 - d. Normal Duty Day: The elapsed time between the evening in-position call made to the Dispatch Center and the close-out call made in the morning after completion of the scheduled round trip.
 - e. Normal Duty Week: Monday P.M. through Saturday A.M.
 - f. Additional Flight Pay: Extra wages earned by a Scheduled Flight Crew member for charter flights and qualifying ferry flights as outlined below.
 - g. Scheduled Flight Crew member: All pilots permanently assigned to a scheduled route. This does not include standby pilots or temporary duty pilots.
2. Normally, all Scheduled Flight Crew members are assigned to fly a set mission with predetermined beginning points and endpoints. However, in some cases flights may be rerouted for weather, customer requirements or other considerations. When a flight is rerouted, the flight crew member will be expected to accomplish the mission. Rerouted flights are considered to be a normal occurrence and no extra flight pay will be paid by the Company.
 3. All flights made to reposition aircraft for maintenance or other Company business during the normal duty day are considered to be part of the pilot's responsibility. Pilots will not earn extra pay for repositioning aircraft to their domicile. (ADS-DFW-ADS)
 4. Scheduled Flight Crew members who are required to reposition aircraft outside of normal duty day will qualify for additional compensation.
 5. Scheduled Flight Crew members who fly charter flights for the Company will be paid at the rate of One Hundred dollars (\$100) per charter providing they have flown at least one other revenue leg within the same duty period. The Manager of Dispatch keeps a log of charter flights that pilots operate and will submit to accounting a request that the pilot be paid for an eligible charter every two weeks.
 6. EXPENSE REIMBURSEMENTS MUST BE REQUESTED SEPARATELY (DIFFERENT CHECK REQUEST) FROM ADDITIONAL FLIGHT PAY AS THESE PAYMENTS COME FROM DIFFERENT AREAS OF ACCOUNTING.
 7. Mileage is reimbursed at \$0.40 per mile driven based on point to point mileage as provided by a published source (I.E. Mapquest, Yahoo Maps, AAA). Pilots must submit an expense form for mileage reimbursement to the Chief Pilot's Office. It is extremely important that the pilots turn this in as soon feasible after the mileage reimbursement is earned. Submittals must be received by the 10th of the month following the month in which it was earned. Pilots are also permitted to submit weekly requests within the same calendar month.

8. When pilots are called upon to perform Temporary Duty (TDY) away from their domicile, they will be furnished with a room on both ends of the scheduled route for the period of time they are so assigned. An example of TDY duty would be temporary displacement from normal domicile, i.e. temporary assignment to another route or recurrent training at home office. While on TDY, pilots will be allowed an expense allowance of Twenty five dollars per diem (\$25/day) payable by submission of a Company Check Request. Again, the Check Request must show MRA Route number/s and Date/s flown. Expense requests must be submitted by the 10th day of the following month
9. NO LONG DISTANCE CHARGES, MEAL CHARGES OR OTHER ASSOCIATED CHARGES WILL BE BILLED TO YOUR ROOM UNLESS SPECIFICALLY AUTHORIZED BY A STAFF MEMBER.
10. Aircraft washes will be paid as follows: CE-208 \$75. Washes are elective and if two people wash the aircraft, the money will be split. This should be agreed upon between the two people and two separate check requests should be submitted. No more than two washes may be performed per month. Washes must be submitted on a separate expense report and must include the aircraft N# that was washed.
11. Lansing 6th Day Saturday Pay

Pilots flying one of these routes do not have to submit any paperwork to receive this pay. It is done by the Dispatch Department. The extra Saturday scheduled routes shown in the chart below will be paid at the corresponding rate.

Day	Route	Caravan
Saturday	lan-saw-cmx-pln...	\$125
Saturday	lan-esc-imt-iwd-imt...	\$125
Saturday	lan-y31	\$125

GARNISHMENT OF WAGES

The term "garnishment" means any court procedures through which the earnings of an individual are required, by law, to be withheld by his employer for any legal debt. Your earnings will be garnished when the Company is legally bound, as a result of a court order, to make deductions from your earnings.

GENERAL COMPANY POLICIES

EQUAL OPPORTUNITY EMPLOYER

The continuing policy of this Company is that all persons are entitled to equal employment opportunity regardless of race, creed, color, sex, sexual orientation, age, national origin, religion or disability as allowed by FAA medical issuance requirements. The following statements reflect the policy of Martinaire:

1. Employment opportunities are open to all qualified applicants solely on the basis of their experience, aptitude and abilities.
2. Training and advancement is based entirely on the individual's achievement, performance, ability, attitude and potential for promotion.
3. Work assignments will be made in accordance with job descriptions and various types of work will be fairly and equitably distributed among all qualified applicants.

HARASSMENT POLICY

Martinaire intends to provide a work environment that is pleasant, healthful, comfortable, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any kind – verbal, physical, or visual – will not be tolerated.

Harassment can take many forms. It may be, but is not limited to: words, signs, jokes, pranks, intimidation, physical contact, or violence. Harassment is not necessarily sexual in nature.

Sexually harassing conduct may include unwelcome sexual advances, requests for sexual favors, or any other verbal or physical contact of a sexual nature that prevents an individual from effectively performing the duties of their position or creates an intimidating, hostile or offensive work environment, or when such conduct is made a condition of employment or compensation, either implicitly or explicitly.

All Martinaire employees and particularly management, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate manager or any management representative with whom they feel comfortable. When management becomes aware that harassment might exist, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the Company to do so.

Any incidents of harassment must be immediately reported to your manager or any other management representative. Appropriate investigation and disciplinary action will be taken if warranted.

EMPLOYEE INVOLVEMENT

Ask any of our employees who have worked with us for a long time and they will probably tell you of the many changes and improvements that have come about in their departments since they first joined us. We believe the person doing a job is in the best position to think of ways of doing it more efficiently, and more effectively. If you think of a better way of doing your job or the job of a fellow employee, discuss it with the Chief Pilot or Flight Operations Administrator, who will welcome your suggestions and ideas.

Remember that there may be areas in Martinaire's operation that can be improved. These could be in service, customer service, equipment usage, communications, safety, ways to reduce costs, losses, and/or waste or other improvements you may see a need for. Please give us the benefit of your unique experience and thoughts. Make sure to document your innovations and money-saving efforts and have them placed in your personnel file (include dates, detailed descriptions of your contributions, etc.).

DRESS CODE

1. All pilots are required to purchase uniforms when accepted for employment as a flight crew member. The uniforms are to be kept clean and presentable at all times. All authorized insignia will be worn at all times, however, no extraneous badges, pins, organizational paraphernalia or other such ornaments will be worn at any time. The normal uniforms will include the following:
 - a. Five (5) uniform shirts (blue or white)
 - b. Five (5) uniform slacks (navy or black)
 - c. One (1) uniform tie (required when riding jump seat on other airlines.)
 - d. One (1) set of rank insignia. (provided at Company expense).
 - e. One (1) winter-weight Company jacket (provided at Company expense).
 - f. Three (3) sapphire blue, work polo shirts (provided at Company expense) for use during Summer months. Additional shirts purchased at employee expense.
2. Articles of uniform wear which indicate status as a Martinaire pilot will not be worn where alcohol is served under any circumstances. A professional image will be maintained at all times in public places or conveyances.
3. Novelty items, articles of personal apparel in poor condition, engineer boots, tennis shoes or clothing not in keeping with the professional image of Martinaire are not to be worn during duty hours or in the Flight Operations area.
4. Caps may be worn provided they do not reflect the company we are contracting for (i.e. DHL, UPS, or FEX).

5. Neatly trimmed mustaches may be worn.
6. Five (5) navy or black knee length shorts for summer schedule.

COMPANY MATERIALS

The Company issues certain materials to all newly-hired flight crew members. These materials will remain the property of Martinaire and be kept current and in good repair. The acceptance of these materials indicates the pilot's willingness to abide by the Company Policies concerning their use. Flight crews will be issued at least the following materials:

1. General Operations Manual (GOM)

The contents of the Operations Manual are to be committed to memory as much as possible. The portions of the Manual which are not memorized must be familiar enough to the pilot that he is able to locate the applicable material in the Manual. The pilot is also responsible for making Revisions to the Manual when they are published by the Company. The flight crews will have their Operations Manual available at all times during flight and ground operations under FAR 135 and will make their manual available to Company Check Airmen and FAA Flight Standards Inspectors when required to produce it. Your personal copy of the Operations Manual is numbered and recorded in Flight Operations as having been assigned to you. Upon voluntary or involuntary termination, the pilot will return the Operations Manual to a Flight Operations Staff member, along with all other Company-issued materials. ALL COMPANY MATERIALS MUST BE RETURNED PRIOR TO A FINAL PAYCHECK BEING ISSUED TO ANY FLIGHT CREW MEMBER. LOST OR STOLEN OPERATIONS MANUALS WILL BE REPLACED BY THE COMPANY AT A COST OF TWO HUNDRED (\$200) DOLLARS.

2. Navigation Charts and Approach Plates

All Captains are issued a set of Approach Plates and Navigation Charts for the aircraft flown. These plates and charts shall remain in the aircraft and will be updated in a timely fashion by the company when new publications become available.

3. Martinaire Identification Cards

Each flight crew member will be issued a Company Identification Card displaying his/her picture and pertinent personal information. This ID Card is vitally important in identifying the pilot as an employee of the Company and is required for admittance to various airports and other carriers. The Company provides all pilots with their Identification Card initially during the pre-hire process. In the event of a lost ID Card, the pilot is required to return to Dallas to have a duplicate made at his own expense. Lost or misplaced ID Cards will be replaced at a cost of two hundred fifty (\$250) dollars, which will be withheld from the pilot's paycheck through a payroll deduction. When a flight crew member leaves the

employ of Martinaire, either voluntarily or involuntarily, his/her Company Identification Card must be returned to the Staff. Otherwise, you will be charged \$250. ID Cards are Company property returnable on demand.

4. Cell Phones

Pilots are reimbursed \$35 per month for cell phones on their first paycheck of the month. Pilots do not have to submit any paperwork to receive the reimbursement. It is done by the Flight Operations Department.

5. Training Manuals

Training Manuals and other materials are available to pilots through Staff members and are to be returned as soon as possible. These Manuals are provided for the use of all pilots wishing to upgrade or transition and, as such, will be the responsibility of the pilot signing the Manuals out of Operations. These Manuals are very costly to replace, so please return them as soon as possible.

YOUR GUIDE TO PERSONAL CONDUCT

Company policy at Martinaire demands that the successful day-to-day management of our Company be incumbent upon all of our employees. Making yourself an active part of this spirit of cooperation demonstrates a sense of responsible behavior which will aid in keeping our Company professional, efficient and safe. It is not the intent of the Flight Operations Staff, the President, or any of the Martinaire management team to stifle individuality or pursuit of personal goals. However, the Company must be concerned with all its employees to the extent of excluding individuals when absolutely necessary. For the Company to survive in this highly competitive field of overnight delivery by air, it is absolutely imperative that all of us work together toward a common goal. That goal is only achieved when the Company grows and prospers. When Martinaire succeeds, it's people succeed. Make a commitment to excellence within the Company and you will also have made a commitment to personal excellence as well. Promote your Company in the field. Be proud for what we are accomplishing because we are doing it together! **YOU ARE THIS COMPANY. TREAT IT AS YOU WOULD YOURSELF.**

MISCELLANEOUS COMPANY POLICIES

RAMP GOSSIP

The ramp where customers, or their representatives, are present is not the place to conduct "bull sessions" or discuss problems of a Company nature. It is the responsibility of each pilot in the field to present a professional demeanor when dealing with our customers. You are encouraged to be as helpful and courteous as possible with customer representatives and to develop a good working relationship with them, however, any mention of Company problems, personality conflicts, operational difficulties or any subject considered to be of a confidential nature to the Company will not be discussed within earshot of a customer or his representative. The Company will

not tolerate or condone discussions concerning proprietary information with any individuals who are not Company employees. Pilots will maintain their professionalism at all times when dealing with customers.

OUTSIDE FLYING ACTIVITY

No pilot will engage in outside flying activity under, or be listed on, another 135 Air Carrier Certificate while employed by Martinaire. Any violation of this policy will be cause for immediate dismissal. All flight crew members are reminded that any other outside flying might interfere with their required crew rest, thereby subjecting them to possible violation by the FAA.

RELOCATION

Newly hired pilots assigned to a scheduled route are expected to relocate to the outstation within seven (7) days and find suitable permanent quarters. Pilots who are reassigned due to Company requirements will be reimbursed for all "normal and reasonable" moving expenses upon submitting a Check Request to the Chief Pilot or his designee. Pilots electing to relocate for upgrade or for their own convenience will be responsible for their moving expenses.

RADIO PROCEDURES

All pilots will exercise good judgment when using the Company frequency. Keep in mind that the frequency is monitored, not only by our Dispatch Center, but by the FCC and the FAA. Any breach of radio regulations can cause the loss of our ARINC privileges, so use your best judgment when deciding what to say over the air. DO NOT discuss maintenance problems, discrepancies or operational difficulties over the Company frequency. These matters are to be taken up with the proper authorities when on the ground.

AUTHORIZED JUMP SEAT PASSENGERS

1. Carriage of passengers on cargo flights is specifically prohibited unless the individual falls into one of the seven (7) categories listed under FAR 135.85. These individuals include:
 - a. Any Martinaire employee.
 - b. An animal handler, when carrying live animals.
 - c. An individual necessary for the safe handling of Hazardous Materials (as defined under Subchapter C, CFR 49).
 - d. A security or honor guard accompanying a shipment made by or under the authority of the U. S. Government.
 - e. A military courier or supervisor carried in operations under a military cargo contract when specifically authorized by the appropriate military service.
 - f. An authorized representative of the FAA who is authorized to conduct enroute inspections. (THIS DOES NOT INCLUDE ATC CONTROLLERS OR OTHER FAA EMPLOYEES WHO ARE NOT AUTHORIZED TO CONDUCT ENROUTE INSPECTIONS).
 - g. A person, AUTHORIZED BY THE FAA, who is performing a duty connected with a cargo operation of Martinaire. (Persons who are carried under this authorization must be listed, by name, on a Letter of Authorization issued by the FAA, and on file in the Flight Operations Office.)
 - h. An authorized representative of the DOD with the title "DOD Commercial Air Carrier Evaluator WITH identification credential, Form 110B
2. Passengers not meeting the criteria of paragraph 1. above will not be transported under any circumstances in cargo-only aircraft. All passengers meeting the criteria must be approved by a member of the Flight Operations Staff no later than twenty-four (24) hours prior to the intended flight.
3. ANY CAPTAIN CARRYING UNAUTHORIZED PASSENGERS WILL BE SUBJECT TO DISCIPLINARY ACTION BY THE COMPANY AND THE FAA.

OTHER CARRIER JUMP SEAT POLICY

Martinaire has been authorized by several carriers to ride jump seat, on a space available basis ONLY, for the purpose of repositioning pilots on Company business. This privilege has saved the Company an enormous amount of money in the past and continues to do so every month. In order to protect and preserve our jump seat privileges, the Company has instituted a set of guidelines and regulations by which all flight crew members will abide. ANY VIOLATION OF THESE REGULATIONS BY ANY CREW MEMBER WILL CONSTITUTE GROUNDS FOR IMMEDIATE DISMISSAL WITHOUT RECOURSE.

1. When riding on another carrier's aircraft, the pilot will be in a clean and serviceable uniform, including tie AND NO SHORTS.
2. When given the option by the Captain of the aircraft, crew members will ride in the rear of the aircraft.
3. Pilots requesting jump seat authorization are required to report to the departure gate at least sixty (60) minutes prior to scheduled flight time.
4. After checking in at the departure gate, please remain clear of the check-in area to allow enplaning passengers to complete their check-in procedure. Do not engage the gate agents in conversation; they are extremely busy.
5. Pilots who are required to ride in the cockpit jump seat due to passenger load will conduct themselves in a professional manner and avoid bothering the crew or engaging in idle conversation unless specifically addressed by the crew.
6. No alcoholic beverages are to be consumed prior to the flight or during any portion of that flight.

NO SMOKING POLICY

It is the policy of Martinaire that everyone will refrain from smoking inside the corporate offices and the hanger facility or any of its associated offices. It is recognized that the rights of those who do not smoke must be respected. All who desire to smoke must exit the building and upon completion of the smoke, deposit the butt in a suitable receptacle. In addition, smoking is not allowed in any Company aircraft. Do not throw the butts on the ground. Smoking is not allowed in company vehicles.

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