



Aeronautical Systems Engineering, Inc.

Employee Handbook

REVISION HISTORY

Revision	Approval Cycle Document	Approval Date	Description of Change	Release Date
01	N/A	1/05/05	Initial Release	1/05/02
02	6001.02	8/22/05	Add revision history and changes benefits, pay periods and vacations. Add definition to other sections.	8/22/05
03	6001.03	4/10/06	Adds definition 90-day probationary period.	4/10/06
04	6001.04	8/10/07	Clarifies duration of lunch breaks for Exempt and Nonexempt employees.	8/10/07
05	6001.05	1/09/13	Add HR 8006.10 policy for exempt employees. Add sick time usage incentive.	1/11/13
06	6001.06	9/23/13	Payday revision, payroll process shifted by two days (Wednesday to Friday).	9/23/13
07	6001.07	7/09/14	ASE's benefits waiting period has been reduced from 90 days to 60 days.	7/11/14
08	6001.08	1/05/15	Updated benefit explanation, time off request procedure, vacation rollover and request procedures, and length of jury duty. Clarifications to work hours, confidentiality agreement, and sick time.	1/09/15
09	6001.09	11/18/16	Personal activities during work hours, progressive discipline policy, sick time notifications, removal of sick time compensation program, holiday list revision, vacation accrual, vacation roll over time, and a formal time off approval request procedure.	1/01/17
10	6001.10	5/01/17	Revised probationary period for new employees.	5/01/17
11	6001.11	11/08/17	Revised sick time policy.	11/09/17
12	6001.12	1/10/18	Updated ASE's nine paid holidays.	1/10/18

About This Book:

Your Employee Handbook is designed to tell you about
Aeronautical Systems Engineering,
And
Your benefits, privileges, duties, and responsibilities as part of the Aeronautical
Systems Engineering.

It is not an employee contract or agreement.

The policies explained in this Handbook were in effect at the time of publication, but policies for the Aeronautical Systems Engineering are reviewed and do change from time to time.

If you have any questions about the information contained here, or if you'd like to make suggestions or comments about this Handbook, please contact:

Aeronautical Systems Engineering
2448 Destiny Way
Odessa, FL 33556

Please ask questions. We're here to assist you in learning, to guide you in performing, and to join you in your success with
Aeronautical Systems Engineering.

Discussions with News Media:

Please note that you are **NOT** authorized to and should not discuss AERONAUTICAL SYSTEMS ENGINEERING business with members of the news media.

Welcome to Aeronautical Systems Engineering!

We are Glad you are here!

We are pleased you have joined our team because you are an important part of the Aeronautical Systems Engineering. Your effort, cooperation, enthusiasm, and professionalism are vital to our continuing success.

Welcome aboard!

1. Your Benefits

Benefits

As an AERONAUTICAL SYSTEMS ENGINEERING employee, you may be eligible for the Company's complete package of benefits.

Your AERONAUTICAL SYSTEMS ENGINEERING benefits are an important and valuable part of your total compensation package. These benefits include, medical and dental coverage, elective insurance coverage's, SIMPLE IRA program with company match, vacation time, sick time and holidays.

You and your qualified dependents are eligible for medical coverage under the AERONAUTICAL SYSTEMS ENGINEERING benefits program if you are a full-time employee regularly scheduled to work 40 or more hours per week.

Coverage begins on the first day of the month following 60 days of employment.

Note:

Details of each plan are contained in various insurance contracts and other legal documents. In the event of a conflict between information contained in this Handbook and the contracts and plan documents, the contracts and plan documents prevail.

2. GENERAL

Equal Employment Opportunity

AERONAUTICAL SYSTEMS ENGINEERING policy is to hire qualified people without regard to race, color, religion, sex, marital status, national origin, age, disability, or any other prohibited basis.

AERONAUTICAL SYSTEMS ENGINEERING will not hire or continue employment of an illegal alien. In compliance with the Immigration Reform Act, we must verify the legal status of every new employee by reviewing pertinent documentation.

Before hiring, you must complete an Aeronautical Systems Engineering Employment Application, and possibly a pre-employment Background Check consent form. After you are hired, you must fill out an IRS W-4 form. You must also read this Employee Handbook to learn about the Company and all it has to offer you. Then, sign the form verifying that you have read, understood, and accepted the policies in this publication.

Again--if you have questions, please ask.

Customer Relations

Customer service is a cornerstone of AERONAUTICAL SYSTEMS ENGINEERING business. You provide customer service regardless of your position in the company. Customer service influences our decisions about almost every aspect of our operations.

Substance Abuse

AERONAUTICAL SYSTEMS ENGINEERING is a *Drug & Alcohol Free Workplace*.

Smoking

AERONAUTICAL SYSTEMS ENGINEERING is a smoke-free environment. Neither customers nor employees may smoke inside any AERONAUTICAL SYSTEMS ENGINEERING building. Smoking is only allowed outside and only in designated smoking locations on AERONAUTICAL SYSTEMS ENGINEERING properties.

Please do not litter. Dispose of your smoking materials and trash properly in the receptacles provided.

The work you perform for the Company is very important. Taking excessive breaks for smoking impacts your performance and ability to meet schedules.

Personal Activities During Work Hours

Employees are expected to have minimal distractions during work hours. If significant personal events require support during work, make sure your supervisor is aware of the situation. Your supervisor will work with you to minimize disruptions to the company and to address any necessary catch up work hours. Please reference ASE HR Policy 7020.01 for more details.

Professionalism

As in any business, the customers' impression of us depends greatly on our employees. We want our customers to see that AERONAUTICAL SYSTEMS ENGINEERING is a well managed, organized, and dependable company that deserves their business.

3. PAY PERIODS AND PERFORMANCE REVIEWS

Your workweek runs from 12:01 a.m. Monday through midnight of the following Sunday. Normal hours of work may vary depending on your job assignments. If you have any questions regarding your schedule, be sure to ask your supervisor.

Note: For exempt employees, specific working hour rules are contained in ASE HR Policy 8008.04, Exempt Employee Working Hours. For nonexempt employees, specific working hour rules are contained in ASE HR Policy 8006.04, Working Hours and Overtime for Nonexempt Employees.

Hours of Work

The Company's core business office hours are 9:00 am to 4:00 pm (see documents 8006 and 8008 for further details regarding normal working hours). Some positions may require work outside these hours or weekend work, such as simulator technicians and simulator engineers who are scheduled in a 24/7 format. Due to the nature of our business your assigned work must be completed accurately and promptly, even if it requires additional time on your part.

Because your attendance is vital to the Company, employees must adhere to the workday and office hours' policy. Employees who arrive late are not in place ready to perform their assigned duties on-time, or leave early will be subject to disciplinary action or possible termination.

Paydays

Paydays at AERONAUTICAL SYSTEMS ENGINEERING occur on every other Friday. This is called a Bi-Weekly pay cycle equating to 80.0 hours. On payday, you will receive a check or direct deposit receipt and a statement of earnings. Since the subject of your pay is your personal business, we encourage you not to discuss your pay with anyone other than your supervisor or your Payroll or Human Resources representatives.

Meals and Breaks

Exempt employees are provided with a one hour lunch break each day. This lunch break is without pay. Lunch breaks should be coordinated with other employees and your immediate supervisor in order to not disrupt our business. Employees must realize that in certain cases, business requirements may dictate that lunch breaks be delayed. In most cases such as office administration, the lunch break should occur between the hours of 12:00 noon and 2:00 pm.

Nonexempt employees have a one-half hour unpaid lunch each day.

Nonexempt employees are afforded two breaks during each 8-hour work shift. It is intended that one break will be taken in the morning and the other in the afternoon and that each will not exceed 10 minutes in duration.

Performance Reviews

As a regular AERONAUTICAL SYSTEMS ENGINEERING employee, your supervisor will review your job performance at least annually. This is your opportunity to discuss your job, goals, training needs, career interests, and promotional opportunities. You will also receive feedback on your performance.

Performance reviews in and of themselves are not salary reviews. They are, however, for formalizing discussions on administering salary reviews, for your training needs, for your career planning, and for counseling documentation. Your supervisor will periodically discuss your job performance with you and may assign objectives. Be sure that you express your interests and concerns, both through discussion and by writing your comments on your performance review.

See your supervisor if you have questions about performance reviews and regarding your specific schedule.

Company Guidelines

Overview

AERONAUTICAL SYSTEMS ENGINEERING wants your job experience to be rewarding and enjoyable. We believe in treating our customers, and one another, with consideration and respect. In keeping with that ideal, AERONAUTICAL SYSTEMS ENGINEERING endorses the concept of employment-at-will.

Employment-at-will means you have the right to resign at any time. Conversely, AERONAUTICAL SYSTEMS ENGINEERING can terminate your employment at any time for any reason, except when prohibited by law.

Through the performance review process, AERONAUTICAL SYSTEMS ENGINEERING expects a long and mutually fulfilling relationship.

Probationary Period

New employees are subject to a 6 month probationary period that begins on the date they are hired. Within that period, the employee's performance will be reviewed and the employee will be terminated if the performance has not been satisfactory for any reason. The 6 month period is based on calendar dates, not work days. For more information about our probationary period, please reference our *ASE Employment Agreement 6002.02*.

Harassment

AERONAUTICAL SYSTEMS ENGINEERING is committed to maintaining a work environment that is free from any type of discrimination. Title VII of the 1964 Civil Rights Act (as amended) prohibits employment discrimination with regard to race, color, sex, age, religion, marital status, national origin, disability, veteran status, or any other prohibited basis. Sexual harassment is included among the prohibitions.

Sexual harassment consists of unwelcome sexual advances, requests for sexual favors, or other verbal, visual, or physical conduct where:

- submission to such conduct is made either explicitly or implicitly a term or condition of employment.
- such conduct interferes with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

You have the right to work in a comfortable, non-threatening environment. If you feel someone is harassing you, ask the person to stop the harassing behavior. Be specific about the behavior you want stopped.

If you feel unable to confront the situation, or if the harassment continues, you can:

- talk to your supervisor and/or your supervisor's manager.
- contact your Human Resources representative or a Company Officer.

The Company will thoroughly investigate your complaint of harassment and will take appropriate disciplinary action.

Alcohol and Drugs

You deserve to work in a positive and safe environment. To provide you and your teammates with a pleasant, alcohol-free and drug-free environment, AERONAUTICAL SYSTEMS ENGINEERING has been established as an approved *Drug & Alcohol Free Workplace*.

The Company values each of its employees and is firmly committed to assuring the safety and health of the employee, his/her fellow workers, and the customers we serve. We are equally committed to prohibiting the possession and use of illegal drugs, abuse of controlled substances, consumption of alcohol prior to or during working hours, or being under the influence of alcoholic beverages during working hours. An employee who violates this policy will be subject to disciplinary action, including termination.

Integrity

As an AERONAUTICAL SYSTEMS ENGINEERING team member, there should never be a question regarding your integrity or honesty. When you were hired, a bond of trust was established. If that trust is violated, you may be subject to

immediate termination. In order to adhere to the Company's high standards and professionalism, employees will be expected to avoid the following types of behavior:

- Violation of Company policies.
- Violating the confidentiality of an employee's or a customer's information.
- Threats or acts of violence or vandalism against any person or property.
- Fraud, lying, or misrepresentation.
- Falsifying records, including time cards and training records.
- Conviction of a felony.
- Excessive absenteeism or tardiness.
- Dishonesty.
- Insubordination or argumentative reluctance.
- Engaging in any form of harassment.
- The use of expletives, racial, or ethnic slurs.
- Consumption of alcoholic beverages on Company premises without the specific permission of the Management.
- Using or being under the influence of intoxicating beverages, marijuana, hallucinogens, or other illegal drugs or narcotics on Company premises or while conducting Company business.
- Wearing or carrying weapons of any type on Company premises.
- Defacement of Company property or premises.
- Disclosure of confidential information to persons outside the Company or breach of confidential trust (either within or outside the Company).
- Failure to comply with Company security procedures.
- Failure to perform assigned duties in a satisfactory manner.
- Failure to adhere to the high standards of ethics and conduct required by the Company.
- Engaging in conduct or conversation that is detrimental to the development of a cooperative "team" work environment or otherwise disrupting harmonious working relationships.

Progressive Discipline Policy

When necessary or appropriate, AERONAUTICAL SYSTEMS ENGINEERING uses progressive disciplinary action before separation. This progressive disciplinary action may include verbal/oral counseling and written warnings. Please reference HR Policy 6003.01 for more details.

Open-Door Policy

AERONAUTICAL SYSTEMS ENGINEERING encourages you to exchange suggestions and constructive comments with your supervisors at all levels. You should go through your normal lines of supervision first.

We encourage you to discuss suggestions, questions, or problems related to your job, company procedures, or anything you feel needs resolution or attention.

Open communication depends on mutual respect. If you feel your comments or questions are not being heard, you can request a meeting with any member of management to directly discuss any matter.

Please Remember: Do not keep a problem inside. You cannot reach a solution if no one knows about it.

3. BUSINESS ETHICS

Cooperation and Candor

Notify your Supervisor or Manager immediately if auditors, civic officials, or law enforcement officials contact or visit you with requests for information regarding Aeronautical Systems Engineering, our customers or our employees. Follow management's directions. Always cooperate fully and be open and honest when replying to such requests.

Confidentiality

Your work may often concern the private business of AERONAUTICAL SYSTEMS ENGINEERING, its customers, or current or former employees. Confidentiality is critical. Do not discuss private or confidential information regarding AERONAUTICAL SYSTEMS ENGINEERING, its customers, or current or former employees with anyone outside the organization.

As an employee of AERONAUTICAL SYSTEMS ENGINEERING, you agree to enter into a separate NON-DISCLOSURE AND NON-CIRCUMVENT supplied by the Company upon request.

Outside Employment

We discourage outside employment that could affect your performance or represent a conflict of interest. An officer of AERONAUTICAL SYSTEMS ENGINEERING must approve all outside employment, in writing.

4. TAKING TIME OFF

If you are absent or late

You are the foundation of our success. We *need* you. If you are not at work, there are two unpleasant effects:

- It places an extra burden on your teammates.
- It means we cannot provide outstanding service to every customer.

Your attendance is one way AERONAUTICAL SYSTEMS ENGINEERING measures your performance. It affects your salary increases, transfer opportunities, and promotions. If you are absent or late more often than you should be, you may receive progressive discipline.

We want you on the job. We want you at work when you are scheduled, and we want you to be on time.

If You Are Sick

If you are a regular, full-time, employee, you can be compensated (up to five days per year) for days you are unable to work due to illness. *These days are not to be used as personal time, and should be reserved for the occasional times when you are legitimately too sick to come to work.*

Up to 40 hours of sick time can be carried over each year, with a maximum carryover of 120 hours total. This is an effort to assist employees when a major illness may occur.

Employees are responsible for monitoring their sick time and submitting the required paperwork on the business day they return to work. If the required paperwork is not submitted in a timely manner it cannot be processed with the associated payroll. If you need to use a sick day, but you have exhausted your banked hours then management will determine if it should be coded vacation or unpaid time.

Employees that call in sick on a Monday, a Friday, or any day adjacent to a holiday or scheduled vacation must provide a verifiable doctor's note. If a doctor's note is not provided the use of sick time shall not be approved. Should this occur, the missed work day will either be unpaid or a vacation day must be used if currently available.

Additionally, sick time is designated for an employee's illness only and shall not be used for any other reason (family member, etc.).

Notify Your Supervisor

Notify your supervisor and/or program manager by phone *prior to your starting time*, and leave a voicemail if they do not answer, if:

- You are unable to work because of illness, or for other unavoidable reasons.

You are unable to start work at your scheduled time.

If you will be absent, try to give your supervisor as many hours' notice as possible to find a replacement for you or to redistribute the workload.

Military Leave

If you are attached to a military unit and are called to active duty in an emergency, required to attend summer training, or voluntarily initiate military duty, you will be granted a leave of absence without pay. Your request for a leave of absence will be granted when you present a copy of your armed forces orders to your supervisor. Please let your supervisor know as soon as you are aware of such orders. AERONAUTICAL SYSTEMS ENGINEERING guarantees that you will be reemployed after a military leave if you apply for reemployment within 90 days of discharge. Contact your Human Resources representative for more information.

Medical/Disability Leave

Absences of five days or less due to illness or disability are considered sick days. If you are on leave because of work-related injuries, you may be eligible to receive pay through Workers' Compensation insurance.

Jury Duty

If you are a full-time regular employee required to serve on a jury and must be absent from work, the Company will pay you your regular salary up to 2 days in accordance with local law. Inform your supervisor as far in advance as possible of jury-duty obligations, and provide a court record of satisfactory completion of service in order to receive your pay for the period. While you are on jury duty, you must return to work on days when the court is not in session or when the session ends before noon.

Bereavement Leave

If you are a regular full-time employee, you may be granted paid bereavement leave for up to three days in case of the death of an immediate family member. An immediate family member is your spouse, child, stepchild, parent, stepparent, sibling, grandparent, mother-in-law, father-in-law, or grandchild.

Other Personal Leaves

If unusual circumstances arise, such as a family emergency, you may request a personal leave of absence, without pay. Your personal circumstances will be evaluated and the appropriate determination made.

Applying for a Leave of Absence

Except in the case of a medical emergency, you must submit a request to your supervisor at least two weeks in advance. All leaves of absence extending beyond 5 days must be approved in advance (except in the case of some emergencies).

Holidays

AERONAUTICAL SYSTEMS ENGINEERING observes nine holidays per year, and an additional floating holiday.

Those holidays are:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day

- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Eve
- Christmas Day
- New Year's Eve

Due to the nature of our business, not every employee will be able to take the observed holiday off. In the event you are required to work on a Company observed holiday, your supervisor will arrange compensatory time off for you, as appropriate.

Vacations

If you are a regular full-time employee, you will be eligible for 10 working days [2 weeks] vacation after your first year of employment. After five years of employment, you will accrue an additional day every year until reaching the maximum allotment of 30 working days [6 weeks]. Please consult your Human Resources representative with any questions regarding your eligibility.

Here are some vacation guidelines:

- Always take your vacation time in the calendar year in which you earn it. You may carry (80) hours of vacation time over from year to year without written approval of the President. Additional days may be carried over only if a work related assignment prohibited the employee from taking vacation time. This must be in the determination of the employee's supervisor. The employee must make the supervisor aware of the impending situation in advance.
- Your supervisor will consider your desires and the needs of the department when approving vacation time.
- If a holiday occurs during your vacation, the holiday does not count as a vacation day.
- Due to the nature of our business, the Company encourages employees to take vacation during normally slow business periods such as between the Thanksgiving and New Years dates.

Vacation request authorization forms should be emailed to your supervisor and/or program manager as early as possible. Vacation scheduling is partly on a first-come, first-served basis. Your department workload, staffing levels, your length of service and position with AERONAUTICAL SYSTEMS ENGINEERING are also considerations in reviewing and approving requests. Please use the ASE request authorization form for all desired time off (HR Form 6005.01).

5. MISCELLANEOUS ITEMS

Preventing Accidents

Accidents do not just happen; there is always a cause. Please make safety awareness and accident prevention part of your everyday responsibilities. *Be safety conscious.*

If you recognize something that may be hazardous to you, to our customers, or to your co-workers, please correct the situation if you are able to, or notify your supervisor immediately.

We want you to be safe, healthy, and happy.

On-the-Job Injuries

Report any job-related injury to your supervisor immediately. We are required by law to report injuries that may involve a Worker's Compensation Insurance claim. Claim forms must be submitted within 24 hours of occurrence of the injury.

Personal Property

You are urged not to bring valuables into the workplace. This includes personal PCs. While AERONAUTICAL SYSTEMS ENGINEERING makes every effort to safeguard property, the Company regrets that it cannot assume liability for personal items.

You may not remove Company property or the personal property of another employee from the workplace without proper authority. Property includes intellectual, physical, and electronic items.

Electronic media shall not be transmitted outside of the building without written permission from a corporate officer.

Bulletin Boards

A bulletin board is conveniently located in the employee kitchen. This board is used to keep you informed about AERONAUTICAL SYSTEMS ENGINEERING, and about laws, regulations, or guidelines concerning your employment. The bulletin board is used only for management notices and legally required information. No other postings are allowed.

Your Employee Records

If there are changes in your personal status--if you change your name, move, or have an addition to your family, for example--notify your supervisor. We are required by state and federal laws to maintain accurate records about you.

If You Decide to Leave AERONAUTICAL SYSTEMS ENGINEERING

We do not want to lose you. However, if you decide that you must leave AERONAUTICAL SYSTEMS ENGINEERING, we appreciate two weeks notice in writing. You cannot use your unused vacation time in lieu of two weeks termination notice.

ONE LAST NOTE

We are delighted to have you with The Aeronautical Systems Engineering. We hope your job is great fun for you, and that you enjoy the company of your teammates.

We commit ourselves to providing you with a rewarding and enjoyable job experience.

If you have comments or suggestions on how we can do our work better or make it more enjoyable, please call your Human Resources representative.

Welcome to the Aeronautical Systems Engineering!

The Aeronautical Systems Engineering
Employee Handbook Acknowledgement/Receipt

Employee's Name (Please Print or Type)

This handbook is intended to supply you with basic guidelines and generalized information. AERONAUTICAL SYSTEMS ENGINEERING reserves the right to revise the content of the Handbook, as well as any Company policy or benefit, to meet the ever-changing requirements and the best interests of our Employees, Customers, and the Company, and, therefore, it does not constitute a contractual agreement.

You have the right to terminate your employment at any time, with or without cause, and the Company has a similar right. No person, other than the president of AERONAUTICAL SYSTEMS ENGINEERING, has the authority to enter into any other agreement with any Employee, and any such agreements will be in writing.

To show that the contents of this handbook have been read by you and that, a copy has been left in your possession, please sign and date this page indicating receipt and awareness of this material. This page will be maintained in your personnel file.

Employee's Signature

Date

Manager:

*This form should be returned to the Human Resources representative
for inclusion in the employee's personnel file.*