



Employee Handbook

February 13, 2023

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WELCOME

We are delighted to have you as part of the Action Aero team, whether you are new, seasoned, or long-term employee. We are convinced your success is our success.

We have developed this employee handbook to help you understand our policies and procedures to guide you through your relationship with us. The employee handbook is not a promise or an employee contract, but a tool to help you understand the rules and expectations of your employment with us. As an employee of Action Aero, we ask that this Employee Handbook and its contents must remain completely confidential.

Action Aero provides engine accessory overhaul and repair service to customers around the world. Regional air carriers, major engine overhaul shops, distributors and corporate fleets rely on our work. Action Aero was formed in 2008. We have grown steadily each year due to the quality services we provide to our customers.

Action Aero's customer commitment is this:

"Action Aero is committed to meeting customer and regulatory requirements with continuous improvement in product safety, quality, and turn time. Product safety reporting is promoted without consequence."

We endeavor to provide all employees with an environment that is conducive to conducting business and allows individuals to excel, be creative, take initiatives, seek new ways to solve problems, generate opportunities and be accountable for our actions. Action Aero encourages teamwork in order to leverage our diverse talents and expertise through effective collaboration and cooperation.

Please take time to read and review this Employee Handbook as thoroughly as possible. If you have any questions, please contact your immediate supervisor or your HR representative.

Location

Action Aero
91 Watts Avenue, Charlottetown, PE
902-370-3311

SECTION 1- General

1.1 Scope and Purpose

This handbook describes, summarizes, and explains the company's policies, procedures, benefits and expectations regarding employees and their employment. Compliance with all provisions of the Handbook is a requirement.

While this handbook attempts to provide as much information as possible about the company policies there may be situations it does not cover. Please do not consider this Handbook a complete and exhaustive document.

The Handbook replaces and supersedes all previous employee handbooks, rules, practices or other policies written or oral, express or implied, unless otherwise concurrently enforced by the Company with other rules and policies that aren't inconsistent with the protocols herein. Individual employment agreements between an employee and the Company may, however, affect the terms of this Handbook.

1.2 Expectations

Our success is derived through a total team effort, and we expect thoroughness and dedication from each individual who makes up the Action Aero Team. We serve our customers better than any competitor and will continue to do so for the duration of our corporate life. We urge each employee to never lose sight of the importance and relevance of each job function to the overall effectiveness of Action Aero

Every employee is responsible to contribute to the company's success by providing consistent quality service day in and day out. Quality service depends on each employee doing his/her job, competently and efficiently, including:

- Giving your full effort and attention to your tasks
- Working in a safe manner and follow safety rules and practices
- Maintaining high quality standards
- Suggesting improvements, wherever they are apparent to you
- Being punctual and maintaining good attendance.

1.3 Hours of Work

Action Aero operates on a forty (40) hour work week, with normal hours of operation for technical staff from 7:30 am to 5:00 pm Monday through Thursday and from 8:00 am to 12:00 pm on Friday. Administration staff's normal hours of operation are from 8:00am to 4:30pm Monday to Friday.

Action Aero reserves the right to define alternate hours or days of work for the facility, or department(s), or to implement additional shifts, as required by operational demands and with appropriate notice to employees affected. Appropriate notice will take into consideration the degree of change and the duration of the change.

1.4 No Guarantees and Interpretation

The Company's interpretation of anything contained in this Handbook shall be conclusive and absolute. Further, nothing contained in this Handbook shall be construed to guarantee any kind of employment, any terms of employment, any continued employment or any specific relationship between any current employee and the Company. Only a written and signed employment agreement can alter the terms of the handbook.

1.5 Handbook Changes

The Company may at various times, and at its sole and exclusive discretion, modify the terms of this Handbook. In other words, Action Aero, has the express right to change, revise, revoke, or modify, amend, add to, or otherwise vary the terms of this Handbook and any other Company paperwork, documentation, or information. The terms can only be changed in writing and updates in this Handbook, no terms will be changed orally. If the Company changes the terms of this Handbook, Action Aero will send written notice to all employees.

SECTION 2: Employee Policies

2.1 Policy Changes

Policy changes brought to the attention of all employees must be signed and acknowledged. If there are any questions or issues arising from the Handbook or related contents, employees should contact their immediate supervisor or the Human Resources Department.

2.2 Employment Classification

Employees are categorized by the Company into classifications, as described below:

- a. Regular Full Time Employee: Regular Full Time Employees are those who are not temporary employees, consultants, or independent contractors and are those employees who are regularly scheduled to work 40 hours per week.
- b. Regular Part Time Employee: Regular Part Time Employees are those who are not temporary employees, consultants, or independent contractors and are those employees who are regularly scheduled to work less than 40 hours per week.

If employees are unaware of their classification or have not been notified, they should inquire with their immediate supervisor or human resources department.

2.3 Employee Files

Human Resources is required to keep an employee file on all employees. This includes the employee's full name, address, telephone number, emergency contact, banking information, marital status, dependents and any medical condition, if applicable. Any changes to the above information must be reported to Human Resources as soon as possible so the information can be noted in the employee's confidential employee file.

In addition, it is the employee's responsibility to update these changes in their Pay Works account and benefit programs.

2.4 Confidentiality

Action Aero will ensure the confidentiality of all employee files. An employee can request to see their personal file by forwarding a formal request to Human Resources.

Action Aero respects the privacy of the individual and is committed to keeping your personal information accurate, confidential, secure, and private, in compliance with applicable privacy legislation including Canada's Personal Information Protection and Electronic Documents Act.

Canadian privacy legislation defines "Personal Information" broadly as information about an identifiable individual or as information that allows an individual to be identified. Personal Information includes information such as address, gender, age, ID numbers, income, ethnic origin, employee files, credit records or medical records. Generally speaking, Personal Information does not include what is considered business contact information: your name, title or position, business address, business telephone or facsimile number, or business e-mail address.

Action Aero employs physical, administrative, and technological safeguards appropriate to the sensitivity of your Personal Information

Action Aero has a designated a Privacy Officer to ensure our compliance with legislation and this policy. Our Privacy Officer will receive and respond to your inquiries and complaints regarding the protection and privacy of your Personal Information, and deal with requests for access to your information. Our Privacy Officer is:

Kate Trainor

Vice-President

902-370-3311

kate@actionaero.com

Action Aero obtains and collects personal information in part for the purposes of:

- Managing its workforce (training, development, safety)
- Processing payroll
- Administering benefits
- Reference checks
- Complying with legislation and regulations

Any change of purpose to any of the above will be communicated to the employee. Where appropriate, Personal Information will be obtained directly from the employee. In the event, Personal Information is obtained from any other source, the employee will be notified, or your authorization will be obtained.

By submitting personal information to Action Aero or its service providers and agents, the employee agrees that Action Aero may collect, use and disclose such personal information in accordance with this policy and as permitted or required by law. Subject to legal and contractual requirements, you may refuse or withdraw your consent at any time by contacting the Privacy Officer. If the employee refuses to consent or withdraws consent, the Company may not be able to provide or continue to provide them with certain employment benefits.

There are circumstances where collection, use or disclosure may be justified or permitted, or where we are obliged to disclose Personal Information without the employee's consent. These circumstances could include:

- a) Where the information is publicly available.
- b) Where we are required to do so by law or by order of a court or tribunal.
- c) Where it is alleged an employee, officer, agent or director of the Company is guilty of a criminal offence or is civilly liable in a legal action or guilty of certain misconduct.
- d) Where we believe, upon reasonable grounds, that there is an imminent risk to an identifiable person or group, of death or serious bodily harm.

In such circumstances, Action Aero will not collect, use or disclose more Personal Information than is required.

Action Aero endeavors to maintain appropriate physical, procedural and technical security over our offices and information storage facilities to prevent any unauthorized access, disclosure, copying, use or modification of Personal Information.

In addition, where Personal Information is sent to a third party for processing, we make sure, through our arrangements with them, that all Personal Information is kept secure.

Upon receiving a written request, and subject to any applicable exemptions, Action Aero will give the employee access to their information and the opportunity to correct any errors in it. Access requests should be sent to our Privacy Officer, using the contact information provided above.

Action Aero reserves the right to modify or supplement this Policy at any time. If we make a change to this Policy, we will post such changes on our bulletin board and, if requested, provide a physical copy to you.

Personal information collected by and provided to Action Aero will not be used or disclosed for any purpose other than for which it was originally collected, except with the consent of the individual, or required by law. Currently as of 2021 Labor Standards we are required by the PEI Government to maintain these documents for a period of thirty-six (36) months following the employees' termination from the company.

In addition, to our commitment to protecting the information of the individuals we deal with directly; Action Aero is also committed to upholding the privacy commitments of our business partners with regard to personal information of others that they make available to us in our capacity as a business.

It is the employee's responsibility to inform Human Resources of any changes to their personal information as soon as possible.

2.5 Probationary Period

Action Aero recognizes that you put as much thought into choosing your employer as Action Aero did in selecting you to be part of the Action Aero Team. That is why it is important that both you and Action Aero have time to assess the decision.

For all new hires, an introductory or probationary period of six (6) months is stipulated directly in the employment agreement. During the probationary period, the Team Leader will monitor the new employee's progress and performance. Employees are also expected to ascertain their fit with the Company during this time, including learning specific job duties and getting to know other employees.

After the probationary period ends, a feedback session will take place between the employee and their Team Leader, in which the employee is encouraged to provide input. Following the feedback session and successful completion of the Controlled Goods Program a decision will be made on whether or not to move the employee to a permanent position.

There may be a situation, where it is determined a probationary period requires an extension to further evaluate an employee's skills. If this is the case, the employee will be made aware of this during the above feedback session.

2.6 Progressive Discipline

The Company may impose discipline for workplace infractions in its sole and exclusive discretion. Disciplinary action may include, but is not limited to, verbal or written warnings, or suspension. Lastly, employees may be terminated if the seriousness of their actions warrant it.

In the event an employee violates company policy or exhibits problematic behavior, a system of progressive discipline has been put in place. Employees will be given three (3) opportunities to correct the unwanted behavior or actions.

See steps below:

Step 1 – Verbal Warning

A meeting will be arranged, and the employee will be advised of the issue and asked for their interpretation of what occurred. The employee will be informed of the expectations of the company and suggestions on to improve the behavior so no further action is required. The conversation will be documented and added to the employee's file.

Step 2 – Written Warning

A meeting will take place to address further infractions following the Verbal Warning. The concern will be reviewed with the employee, explanation requested, and suggestions of improvement will be provided. The employee will be informed further examples of this behavior result in a final written warning. The conversation will be documented to the employee's file.

Step 3 – Final Warning or Suspension

A meeting will be held to address the continued behavior, indicating improvements have not been made since the Written Warning. An explanation will be requested from the employee, and they will be advised if there continues to be no improvement the next step in the process is termination.

A suspension may be warranted rather than a termination, if that is the case, the length and details of the suspension would depend on the circumstances of the incident.

Step 4 – Termination

All terminations will be arranged and coordinated through Human Resources.

2.7 Notice of Termination

In the event Action Aero terminates an employee the Employment Standards Act requiring notice will be followed, see below:

- If an employee has worked continuously for more than 6 months but less than 5 years: 2 weeks written notice is required.
- If an employee has worked continuously for more than 5 years, but less than 10 years: 4 weeks written notice is required.
- If an employee has worked continuously for more than 10 years, but less than 15 years: 6 weeks written notice is required.
- If an employee has worked continuously for more than 15 years, 8 weeks written notice is required.

In the event the employee wishes to terminate their employment, they must provide written notice to either the President, HR or their Team Leader, as follows:

- If an employee has worked continuously for more than 6 months but less than 5 years: 1 weeks written notice is required.
- If an employee has worked continuously for more than 5 years: 2 weeks written notice is required.

During an employee's probationary period the employer has the right to terminate an employee without notice and without cause, for any reason that is not discriminatory. The employee may terminate the agreement without notice during the probationary period.

Termination for cause may occur when Progressive Discipline has been followed and there has been no change in behavior. Notice of termination is not required.

2.8 Immigration

The Company is responsible for:

- a. Making sure that temporary workers have their work permit,
- b. Making sure temporary workers follow the conditions and time limits outlined in their work permit,
- c. Meeting the commitments to the temporary workers regarding wages, working conditions and the occupation was listed in the *Offer of employment*,
- d. Complying with provincial, territory or federal employment laws, and other applicable laws,
- e. Ensuring the Company business remains active during the period of the work permit validity,
- f. Making reasonable efforts to provide a workplace free of abuse

2.9 Political Neutrality

Under no circumstances will Action Aero discriminate against any employee based on their support of or participation in any political activity, so long as such activity is within the bounds of the law. The Company will not take any punitive action or discriminate against an employee based on their lawful political engagement outside the workplace. If an employee engages in any political activity, the employee must clearly state that such activity and related statements in no way represent the views of the Company. Additionally, all Company employees are entitled to their own personal political positions.

2.10 Cellphones

Personal cell phone use can be disruptive to others and limit employee productivity. As such, use outside designated breaks and mealtimes while at work is not permitted on the shop floor without prior authorization.

If a call must be made or received during working hours, it should be kept as brief as possible. Personal long distance calls on company lines are not permitted:-

Abuse of telephone privileges may result in disciplinary action.

Employees in certain positions may be provided with cell phone allowances to improve productivity and efficiency. Full compliance with all Company policies is required when conducting Company business via any mobile device.

2.11 Performance Reviews

All employees will participate in the Action Aero annual performance review process. The purpose of this process is to assist the employee and their Team Leader in the evaluation of their performance and to set realistic and objective goals for the year ahead. This is an interactive process, and employees are encouraged to participate and add feedback. Performance Reviews will be performed at least once a year. Performance reviews are personal and confidential. All employee reviews will be kept in the employee's personnel file.

Employees are strongly encouraged to contact their Team Leader anytime you have a question or concern regarding their performance.

2.12 Attendance

All employees are expected to be punctual with regular attendance. The company relies on an employee's regular attendance to run an efficient and successful business. When an employee is absent or late, production in their work group is affected. Absence disrupts work planning and places a burden on co-workers who may have to assume additional duties or are required to work overtime.

Action Aero recognizes that illness and other personal issues may make it impossible to report to work, in these circumstances the Company asks that the employee notify their Team Leader (prior to their start time) and then update Pay Works with their absence. Do not have another person call for you unless it is unavoidable.

We suggest all employees arrive a minimum of 15 minutes prior to shift start to ensure they are ready to begin work at their scheduled time.

Frequent or excessive absenteeism or tardiness may result in disciplinary action, up to and including termination.

If an employee is going to be absent three or more days due to illness or injury (non-work related) they are required to provide medical documentation (Action Aero Medical Form) from their physician to their supervisor by the start of day four of the absence. The Physician's note should include:

- a) The date the condition began.
- b) The estimated duration of the leave; and,
- c) A statement advising the employee is unable to perform his/her duties due their current condition.

If the illness is anticipated to extend beyond 7 days, the employee will be issued a Record of Employment, as they may be eligible for sick pay benefits under Employment Insurance, details of the coverage can be found at:

<http://www.servicecanada.gc.ca/eng/sc/ei/benefits/sickness.shtml>

In the case of adverse weather, the Company may decide to delay opening of the facility or close for the day. Any delays/closures will be posted in Pay Works, on the Action Aero Facebook page and Twitter. Any time lost due to weather will be unpaid. The employee may be able to make up the hours missed or take vacation.

Please use your judgement when travelling in adverse weather conditions.

2.13 Job Vacancy

All job vacancies will be posted at the discretion of management. All employees are eligible to apply for any job vacancy posted, however to be considered for the position the employee must have satisfactory performance evaluations, good attendance and possess the skills necessary for the vacated position.

All expressions of interest will be held in confidence. While it is in the interest of Action Aero to provide opportunities to existing Action Aero employees, the most suitable of all internal and external candidates will be selected for the position.

2.14 Accommodation

The Company also provides all reasonable accommodations to those with disabilities in compliance with the law. The Company has a duty to accommodate up to the point of undue hardship. Undue Hardship may be considered excessive in cases where the accommodation creates:

- An expense that is difficult for the Company to absorb,
- An undue hindrance to the proper functioning of the Company,
- A significant impairment of the safety or rights of others.

Consequently, if the Company or service provider can objectively demonstrate that the only accommodation, within its reach, would result in one of these consequences, it may refuse the request for reasonable accommodation.

It is the employee's responsibility to bring to the Company's attention any needs related to any disability so the Company can support the employee properly. Medical documentation of the disability may be needed.

The employee is also expected to make, and support the Company in making, all reasonable effort to accommodate others as required by law.

2.15 Dress Code

Action Aero's dress code is casual. However, there is to be no article of clothing worn, which could be deemed as offensive.

2.16 Equal Employment Opportunity

The policy of Action Aero is to provide equal employment opportunities in each of its practices and to all employees and employee applicants. Such equal employment opportunities exist for all, without regard for race, gender, gender identity, religion, creed, color, sexual orientation, age, marital status, pregnancy,

military status, ancestry, physical or mental disability or any other category or classification protected by territory, provincial or federal law.

This applies to each and every aspect of employment and the employment process, specifically including, but not limited to, applications, recruiting, hiring, training, compensation, benefits, promotion, assignments, placement, working conditions, discipline, terminations, layoffs or leaves of absences.

2.17 Discrimination and Harassment

The Company and its employees are to ensure a discrimination-free and harassment free workplace. The company is committed to a safe, respectful, lawful workplace which is free of any kind of discrimination, harassment, or unlawful discrimination against individuals on the basis of sex, race, color, religion, creed, sexual orientation, age, pregnancy, identity, ancestry, disability, marital status, or any other classification protected by applicable law.

Harassment is also a form of discrimination. Harassment means that the 'harasser' acts in a bothersome or abusive manner that is known or ought reasonably to be known to be unwelcome by the other person. Sexual harassment is a particular type of gender or sex-based discrimination that is known or ought reasonably to be known to be unwelcome.

Behavior classified as harassment includes, but is not limited to, speech or behavior that may be offensive or vulgar or unwanted and unwelcome sexual advances. Examples of offensive behavior include inappropriate jokes, inappropriate visuals, and any unwelcome touching or unsolicited physical contact. In addition, unlawful harassment or discrimination may include racial slurs, and or derogatory remarks, stereotypes, jokes, offensive visuals based on race, age, disability, marital status or any other legally protected classifications. This behavior includes in-person interactions or those that occur on any social media platforms or networks.

Any violations of this policy are taken very seriously. Employees have an obligation to immediately report any policy violations. If a violation of this provision is reported a member of the leadership team or Human Resources, whether it is an instance of discrimination or harassment or any other violation, the Company's policy is to promptly investigate such a report. Any employee in violation of this policy will be subject to immediate disciplinary action, up to and including termination.

The Company will not tolerate any retaliation against those employees who come forward to report discrimination and or harassment. **Please refer to the Workplace Harassment Policy, page 32.**

2.18 Complaints

Action Aero encourages employees to discuss any complaints, problems or concerns openly with their Team Leader. The Team Leader is responsible for looking after the employee's interests on the job and is the person responsible for the activities in the work area. They are generally the first person to discuss concerns with.

If the employee does not feel comfortable speaking with their Team Leader or if the matter is not resolved, they may discuss it with another trusted member of the Leadership Team. Action Aero commits to assist the employees in every way possible and to see that problems and/or concerns are dealt with fully, fairly and as rapidly as possible.

SECTION 3: Payroll Practices

3.1 Pay

Employees' pay will be deposited to their bank account on a bi-weekly basis, every second Friday. Pay stubs will be made available electronically through their PAY WORKS account.

3.2 Deductions

To comply with federal and provincial tax laws, several deductions are made from an employee's pay including all required statutory sourced deductions. These would include Canada Pension Plan, Employment Insurance, Income Tax, and any other items which may be elected by the employee or required by law (i.e. court-ordered deductions such as wage garnishments).

3.3 Lunch/Breaks

Action Aero provides for two (2) paid break periods of fifteen (15) during a nine (9) hour work day. The breaks are from 10:00 to 10:15 am and 3:00 to 3:15pm. All 4- hour workdays will include one (1) fifteen (15) minute break from 10:00am to 10:15am.

The lunch break is 12:00 pm to 12:30 pm or 12:30 pm to 1:00pm and is unpaid.

Break and lunch times may be adjusted by employees to accommodate completion of a task (i.e. calibration, inspection, shipping, etc.) as long as the break is taken as close to the normal time as possible. Employees are expected to strictly adhere to the 15-minute break period, as walking time to and from the lunchroom has been included in the break period.

Break and lunch times cannot be worked through in order to leave early or receive overtime pay.

3.4 Garnishment of Wages

A wage garnishment or attachment is a court order that requires the Company to deduct a specified amount of an employee's pay and remit the funds to a third party for the purpose of debt settlement. The Company is obligated to comply with all court ordered garnishments. Deductions to the employee's pay will continue until the amount specified is paid in full or until the Company receives notice from the court the garnishment should cease. If the employee has satisfied the debt, the garnishment activity cannot be stopped until the Company receives an order from the court to stop the garnishment.

3.5 Overtime

To meet customer deadlines and turnaround times, overtime will, periodically, be required. Overtime is time worked in excess of 40 hours per week and is calculated at 1.5 times the employees' regular rate of pay.

For overtime calculation purposes, absences such as vacation, personal time, time off without pay, bereavement, jury duty, etc. do not count towards the 40-hour requirement, with the exception of paid holidays.

Overtime pay does not apply to incidental time worked, for example any time over regular work hours of 30 minutes or less. Travel time and/or time at conferences, seminars, dinners, or other business-related events do not count towards overtime hours.

When the need for overtime is identified Action Aero will offer the overtime work on a voluntary basis.

Company authorization is required for all overtime worked. Employees working unauthorized overtime will not be paid for those hours. Travel time and/or time at conferences, seminars, dinners or other business-related events do not count as overtime.

Example 1: If Monday is a paid holiday and the employee's regular scheduled workday is 9 hours, then overtime would be paid after they worked 31 hours.

Monday	Tuesday	Wednesday	Thursday	Friday	Regular Pay	Holiday Pay	Overtime Pay
9 holiday	9 worked	9 worked	9 worked	4 worked	31	9	0

Example 2: If Monday is a paid holiday and an employee worked a regular 9- hour shift plus an additional 4 hours OT, then overtime would be paid for the 4 hours worked on the holiday. The employee would also be paid OT for any hours they worked in excess of 31 hours.

Monday	Tuesday	Wednesday	Thursday	Friday	Regular Pay	Holiday Pay	Overtime Pay
9 holiday + 4 worked	9 worked	9 worked	10 worked	4 worked	31	9	5

Example 3: If Monday is a paid holiday and an employee worked a regular 9-hour shift plus an additional 4 hours OT, however was absent from work on Thursday of the same week, they would they would still be paid for the 4 hours of OT worked on the paid holiday.

Monday	Tuesday	Wednesday	Thursday	Friday	Regular Pay	Holiday Pay	Overtime Pay
9 holiday + 4 worked	10 worked	10 worked	Absent without prior approval	4 worked	24	9	4

Example 4: If an employee took a vacation day or personal day on Monday, they would have to work 40 hours before they would be eligible for overtime pay.

Note: An employee's vacation or personal time will be drawn down so that their hours worked plus their vacation or personal time equals 40 hours.

Monday	Tuesday	Wednesday	Thursday	Friday	Regular Pay	Vacation / Personal Pay	Overtime Pay
Vacation / Personal Pay	10 worked	10 worked	10 worked	4 worked	34	6	0

Accommodation of reasonable overtime is a condition of employment for hourly staff. Overtime will be regularly reviewed.

3.6 Paid Holidays

All permanent employees are entitled to the following eleven paid holidays, per year:

New Year's Day	Islander Day
Good Friday	Victoria Day
Canada Day	Labour Day
Thanksgiving Day	Remembrance Day
Christmas Day	Boxing Day
Truth and Reconciliation Day	

To be eligible for the paid holiday, according to the Employment Standards Act:

- Employees must be employed at least 30 calendar days prior to the holiday.
- Have earned pay on at least 15 of the 30 days prior to the holiday.
- Have worked their last scheduled shift before the holiday **and** first scheduled shift after the holiday.

A scheduled vacation day on the day before the holiday would be considered a scheduled shift.

If the holiday falls on a weekend it will be taken on the workday immediately before or after the holiday.

If an employee works on a paid holiday, they will be paid at two (2) and one half ($\frac{1}{2}$) times their regular hourly rate. An employee does have the option to either take regular pay for the holiday and then be entitled to take an alternate day off with pay. If the employee chooses to take an alternate day, the day needs to be agreed upon by both parties and must be taken prior to the employee's next paid vacation day.

3.7 Pay Increases

Employees may, from time to time, receive increases in their pay or bonuses, at the Company's sole and exclusive discretion. The Company does not guarantee any pay increase or bonus to any employee.

3.8 Company Service

Company service will be calculated based on years of continuous permanent, full-time employment with Action Aero, excluding any periods of unpaid leave of absence.

During Short Term Disability, Compassionate Care, maternity/parental/adoption, critically ill Child, Crime-related Disappearance, Reservist leave, company years of service will be maintained but employees will not continue to accrue Vacation and/or Personal/Sick benefits. These benefits will resume upon the employees return to work.

Company service may determine vacation entitlement and vacation scheduling preference.

3.9 Vacation

An employee's vacation entitlement is calculated based on their length of service with Action Aero. Vacation is earned/accrued according to the table below.

<u>Service</u>	<u>Vacation Accrual</u>
Less than 3 Years	4%
Greater than 3 Years and less than 10 years	6%
Greater than 10 Years	8%

Vacation must be accrued before it is taken. Requests for vacation should be submitted 3 weeks in advance. If submitted less than 3 weeks, it may not be approved.

Payment for vacation in lieu of taking vacation time is not generally permitted, except under very exceptional circumstances, and in no case would it exceed 1 week per year. In the event of termination of employment, the employee will be paid for any accrued vacation time. This will be paid on the employee's final cheque, in accordance with the above table.

Carryover of vacation is not permitted without approval of management. The maximum amount of accrued vacation you can carry over will be equal to two times your annual entitlement after that point any excess will be paid out.

3.10 Travel and Expense Claims

A travel expense claim must be completed for all reimbursement requests. All employees who travel must review and sign off on the Travel Policy.

Incomplete expense claims will be returned to the submitter for completion and resubmission.

Itemized receipts are required for all expenses. To ensure compliance for audit purposes, debit receipts, credit card receipts or monthly card statements will not be accepted as proof of expenditure.

Reimbursement of expenses will be issued through payroll.

SECTION 4 - Code of Ethics

4.1 General

Honesty and personal integrity are the foundation of Action Aero's operating principles. All employees are expected to conduct themselves in a manner that reflects favorably on Action Aero. Personal actions which may raise questions about Action Aero's business ethics are not tolerated. The employee's acceptance and compliance with Action Aero's ethical standards is a condition of their employment at Action Aero. **Please refer to the Code of Ethics policy, page 34.**

4.2 Respect of Privacy

Employees retain a diminished, but reasonable expectation of privacy with respect to Company property (such as computers, desks, file cabinets, lockers, etc. belonging to the Company or Company facilities) and/or items stored on or within Company property.

Computer hardware owned by the Company is subject to investigations in order to ensure cybersecurity, on premises safety and process management. Employees should therefore be conscious of using company-issued hardware for their personal use, as audits and investigations may reveal this usage. Private internet browsing and communications should be done using personal devices and data, not company property or networks.

SECTION 5: Employee Benefits

5.1 General

The Company offers additional benefits for both Full-time employees. Subject to applicable law, the Company reserves the right to make changes such as adding or deleting benefits from a given package. Employees will receive notice of any changes. Employees are entitled to benefits following their six (6) month probationary period.

5.2 Group Insurance Benefits

Employees are eligible for participation in the Company's group health benefits plan, following the completion of their probationary period. Refer to the Company's benefits booklet for complete details. The cost of the health care benefits package is shared between the Company and the employee.

The Company reserves the right to make changes such as adding or deleting benefits from a given package. Employees will receive notice of any changes.

Employees should contact Human Resources, or the Benefits Administrator if they have any questions.

5.3 Health Care Spending Account

Action Aero provides a Health Care Spending Account (HCSA) for all employees. The HCSA allows for greater flexibility to pay for health expenses not covered by the Company's health and dental plan.

To be eligible for the HCSA you must successfully pass the probationary period and be enrolled in the Company's group health benefits plan.

5.4 Group Registered Retirement Savings Plan (RRSP)

The company provides for a Group RRSP for all full-time employees who work 40 hours per week. The employee will be enrolled in the plan following successful completion of their six (6) month probationary period.

Action Aero will contribute, on the employee's behalf, 4% of their actual bi-weekly regular hours worked to the RRSP. The contribution will not include any overtime worked.

The employee is also entitled to contribute, should they choose, to the Group RRSP in addition to the Company's 4% contribution.

5.5 Continuing Education and Professional Development

Employees that engage in professional development will feel more confident knowing that they have the skills needed to succeed in their line of work. Professional development can help to bolster employees' confidence in their work and greater confidence can in turn translate into higher overall job satisfaction, employee performance, productivity, and overall morale.

The professional world is becoming increasingly competitive and is constantly changing, so professional development and continual learning is more important than ever in being successful and achieving career goals. Technologies and best practices are evolving and progressing in every industry, making it crucial for both new and experienced professionals to continue developing their skills and honing their knowledge.

Action Aero encourages all employees to improve their skills and gain more education. If an employee wishes to pursue professional development, they are encouraged to speak to their manager. All requests must be approved by the President prior to the program commencing.

Action Aero will reimburse up to 50% of the cost of the program/course providing you receive a passing grade or certificate of completion. Employees are entitled to participate in this benefit once a year following the successful completion of their six (6) month probationary period.

SECTION 6: Employee Time Off and Leaves of Absence

6.1 General

Regular attendance is vital to maintaining business operations. However, the company understands employees may need time off from work and the Company offers several different types of leaves of absence for a variety of reasons. Some leave types are governed by law while others are granted on a case-by-case basis. Subject to applicable law, all leave requests must be approved by Company management which reserves the right to approve or deny requests.

6.2 Personal Leave/Sick Leave

As legislated, an employee is entitled to 3 unpaid sick days per year. In addition to those days, the Company will provide employees with an additional five (5) days or 40 hours paid personal/sick leave.

It is suggested that the employee consider personal/sick leave days as an insurance policy against illness and emergencies for the year. It is not additional vacation time and thus cannot be added to a vacation or statutory holiday, except in the case of illness.

Personal/Sick leave is intended to be used for unexpected events; therefore, advance notice is not required. If an employee chooses to use personal/sick leave for non-emergency use (i.e. medical or dental appointment), advance notice should be provided so production and their co-workers are not adversely affected by the absence. Personal/sick leave taken beyond the time submitted, or under false pretense, will be considered an unauthorized absence.

Any time which is unused by the end of the calendar year can be either paid out on the first pay of the following year or carried over into the new year. If an employee resigns, is terminated, or laid off, any remaining personal/sick leave credit will **not** be paid out.

Should an employee be required to take time due to personal or family member's illness, medical appointment or test, and their personal/sick leave accumulated to date has been used, the employee is required to make the time up or use vacation time.

If an employee who resigns from the company before the end of the year the employee may be required to pay back personal/sick hours used which have not been accrued. These hours will be deducted from the employee's final pay.

For example:

An employee leaves the Company in April, however, uses all their personal/sick time (40 hours) in January to March there may be an adjustment to the employee's final pay.

New employees will be eligible for personal/sick leave upon the satisfactory completion of their probationary period. This leave will be pro-rated based on the employee's first weeks of employment in their first year of service.

Personal/sick leave can be used in one (1) hour segments, up to a total of forty (40) hours. Either in advance of taking personal health leave or upon return if the leave was unplanned.

6.3 Short Term Disability

Short-term disability applies to illness or injury that persists for up to 120 days.

This leave requires employee's healthcare provider complete the Action Aero Medical Form and include:

- a) The date the condition began.
- b) The estimated duration of the leave; and,
- c) A statement advising the employee is unable to perform his/her duties due their current condition.

While on Short Term Disability Leave, for the employee to maintain company health and dental benefits, they will be required to provide payment for their portion of the benefit premiums, by way of e-transfer. Payments must be paid on the 1st day of each month in which the employee is absent from work. Failure to pay for their contribution may result in termination of benefits in accordance with our insurance policies.

When on a Short-Term Medical Leave, the employee is required to contact their Team Leader bi-weekly to provide an update of their progress or change in condition.

6.4 Long-Term Disability (LTD)

In the event an employee at Action Aero Inc. is diagnosed with an illness or injury (work related/non-work related) resulting in a Long-Term Disability claim, the employee must be away from work for a period of 121 days due to the illness or injury. If this is the case, the employee must advise their Team Leader or Human Resources, they will guide the employee through the LTD process and the necessary paperwork.

Eligibility for LTD Benefits is adjudicated and approved by the insurer.

For the first 12 months of being disabled, the employee will be eligible to participate fully in the benefit plan at the same cost sharing formula in place prior to the disability.

- At the 12-month mark, the disabled employee will be eligible to remain on the plan with full coverage but cost sharing by the company will cease at that point.
- At the first of the month following 24 months of disability, the employee will be terminated from the benefit plan.

What does our LTD plan cover?

Action Aero's plan will pay taxable monthly benefits equal to 67% of the first two thousand dollars of the employee's monthly salary and fifty percent of the remainder, up to a maximum of \$7,000.

Definition of disability: The employee is considered to be totally disabled if they are unable, due to illness or injury, to perform the whole duties of their own occupation for the first two years. After 24 months of such disability, they are considered to be totally disabled, if the disability prevents them from engaging in any gainful occupation for which they are or may reasonably become qualified for based on their training, education and/or experience. No benefits are payable for partial disabilities.

Pre-existing condition: Benefits are not payable for any disability which begins within the first 12 months of coverage if that disability is due to a pre-existing condition. That is, any condition for which they were treated, attended to by a physician or were prescribed drugs during the 3-month period immediately prior to the effective date of coverage.

LTD benefits are reduced (offset) by any amount payable to the employee because of a work-related disability from Workers' Compensation, Canada Pension Plan, or any other similar legislated program.

Coverage terminates on the date the employee's employment ends or their 65th birthday, whichever comes earlier.

6.5 Maternity and Parental

Consistent with Legislation an employee is entitled to an unpaid maternity leave. Maternity leave is equal to 17 weeks leave. An employee is eligible to start their maternity leave up to thirteen (13) weeks prior to the expected date of delivery and would then be entitled to the remainder 6 weeks following delivery.

Employees who have worked for the company for at least 20 weeks in the last 52 weeks prior to the start date of the leave and who are currently working with Action Aero are eligible for this leave.

Consistent with Legislation parents are entitled to unpaid Parental Leave to care for their newborn child/children. Employees who have worked for the company for at least 20 weeks in the last 52 weeks prior to the start date of the leave and who are currently working with Action Aero are eligible for this leave. Parental leave can be taken for up to 62 weeks but cannot exceed 78 weeks. Maternity and parental leave must be taken consecutively.

Action Aero requires an employee to provide ten (10) to twelve (12) weeks-notice prior to commencement of maternity/parental leave. If the employee determines they want to return earlier than the original leave date indicated the Company requires a minimum of 2 weeks-notice of the employees intended date of return.

The employee can request an additional 5 consecutive weeks of unpaid leave if the child has a physical, psychological or emotional condition requiring additional parental care. This leave must begin immediately following the end of the parental leave. The employer may request one week's written notice prior to the current leave expiring. The Company may ask the employee to provide a medical certificate.

6.6 Adoption

Employees who have worked for the company for at least 20 weeks in the last 52 weeks prior to the start date of the leave and who are currently working with Action Aero are eligible for this leave. Combined adoption leave for both parents cannot exceed 62 weeks.

If the employee determines they want to return earlier than the original leave date indicated the Company requires a minimum of 2 weeks-notice of the employees intended date of return.

The employee is required to provide Action Aero ten (10) to twelve (12) weeks-notice prior to commencement of the adoption leave.

The employee can request an additional 5 consecutive weeks of unpaid leave if the child has a physical, psychological or emotional condition requiring additional parental care. This leave must begin immediately following the end of the adoption leave. The employer does request one week's written notice before the current leave expires. The company may ask the employee to provide a medical certificate.

6.7 Critically ill Child

An employee requesting this leave is entitled to an unpaid leave of absence of up to 37 weeks within a 52-week period to provide care and support to a critically ill child. A critically ill child is someone under 18 years of age whose life is at risk as a result of an illness or an injury.

To be eligible for the leave:

- a) An employee must be employed with Action Aero for a continuous period of at least three months
- b) Are the child's parents. A parent includes someone who is an adoptive/foster parent; a guardian or a spouse of a parent of the child.

An employee must take the leave of absence in intervals of at least one week within the 52-week period. The leave begins on the first day of the work week when either a medical practitioner issues a certificate regarding the critically ill child, or the employee begins the leave before the certificate is issued. The leave ends when either the child passes, or the employee has taken 37 weeks of leave within the period of 52 weeks. The total amount of unpaid leave taken by two or more employees cannot exceed 37 weeks.

You must provide Action Aero with a copy of the medical certificate from a medical practitioner.

While you are on Critically Ill Child Leave, to maintain your company health and dental benefits, you will have to continue to provide payment of your portion of your benefits by way of e-transfer payments. Failure to pay for your contribution will result in termination of benefits in accordance with our insurance policies.

6.8 Crime-related Disappearance or Death of a Child

An employee will be entitled to an unpaid leave of absence of up to 52 weeks if the employee's child disappears as a probable result of a crime. If the child dies as a probable result of a crime, they are entitled to an unpaid leave of absence of up to 104 weeks. A child is someone who is under the age of 18 years.

To be eligible for the leave:

- The employee must be employed with Action Aero for a continuous period of at least three months
- Are the child's parent. A parent includes someone who is an adoptive/foster parent, a guardian or a spouse of a parent of the child.

The leave begins on the first day of the work week when either the child disappears or dies as a probable result of a crime. These leaves must be taken in intervals of at least one week in length. An employee is not entitled to this leave if they are charged with a crime related to the disappearance or death of their child.

In the event of the child's disappearance, the leave ends on the last day of the work week after:

- a) 14 days have passed since the child is found alive.
- b) 14 days have passed since circumstances have changed and it no longer seems probable the child's disappearance was a result of a crime
- c) 52 weeks have passed since the first day of work week when the child disappeared; or
- d) The child is found dead.

In the event of the child's death, the leave ends on the last day of the work week after;

- a) 14 days have passed since circumstances have changed when it no longer seems probable the child's death was the result of a crime: or
- b) 104 weeks have passed since the first day of work week when the child was found dead.

The total amount of unpaid leave taken by two or more employees cannot exceed 52 weeks if the child has disappeared and 104 weeks if the child has died.

Action Aero will require that you provide reasonable documentation to show entitlement to the leave.

While the employee is on Crime-Related Disappearance or Death of a Child Leave, to maintain company health and dental benefits, they will have to continue to provide payment of their portion of the benefits

premium by way of e-transfer payments. Failure to pay for your contribution will result in termination of benefits in accordance with our insurance policies.

6.9 Domestic Violence/Intimate Partner Violence/Sexual Violence Leave

An employee who has been employed with Action Aero for a continuous period of three months or more is entitled to up to three days of paid leave and up to seven additional days of unpaid leave for domestic violence, intimate partner violence or sexual violence leave. It will be the employee's discretion to take the leave a day at a time or in one continuous period, over a twelve (12) month calendar year.

While the employee is on Leave, to maintain your company health and dental benefits, you will have to continue to provide payment of your portion of your benefits by way of e-transfer payments. Failure to pay for your contribution will result in termination of benefits in accordance with our insurance policies.

6.10 Compassionate Care Leave

In the event of a family member is diagnosed with a serious medical condition carrying with it a significant risk of death within twenty (26) weeks, employees are entitled to an unpaid leave of absence up to twenty-eight (28) weeks for the employee to provide care and support to a member of their immediate family member.

The employee must provide a certificate from a qualified medical practitioner to qualify for this leave.

This leave must be taken in one-week intervals. The leave will begin on the first day of the week in which the leave commenced and will end on the last day of the week in which the family member passes or at the end of the twenty-eight (28) weeks.

Company service will be maintained during Compassionate Leave, but the employee will not continue to accrue vacation and/or personal/sick leave benefits. These benefits will resume upon the employees return to work.

While on Compassionate Care Leave, if the employee wishes to maintain their company health and dental benefits, they will be required to provide payment for their portion of the cost of the benefits. Their portion can be provided by e-transfer at the beginning of each month. Should they employee choose not continue benefits, they will be put on hold until their return to the workplace.

6.11 Family Leave

Following the employee's 6-month probationary period the employee is entitled to an unpaid leave of absence of up to three (3) days during a twelve-month period to meet immediate and extended family responsibility.

6.12 Reservists Leave

An Action Aero employee who is also a member of the Canadian Forces Reserve is entitled to an unpaid period of absence if the employee:

- a) has been employed by Action Aero continuously for a least six consecutive months; and
- b) is required to be absent from work for the purpose of training or active duty.

Action Aero requests the employee provide as much notice as is reasonable in the circumstances including the anticipated start and end date of the leave along with verification of the need and duration. This notice must be in writing.

While the employee is on Reservist Leave, to maintain company health and dental benefits, they will have to continue to provide payment of their portion of the benefits premium, by way of e-transfer.

6.13 Court Leave

Action Aero shall grant you a leave of absence without pay for any period that you are absent from work as a result of being:

- a) Summoned to serve on a jury.
- b) Selected to serve on a jury; or
- c) Served with summons to attend as a witness at a hearing application or a proceeding.

6.14 Voting Time Off

An employee can take time off from work with pay, to vote in an election if there is not enough time before or after their scheduled work hours; specifically, if you do not have either:

- 3 consecutive hours of your own time to vote in a federal election, or
- 1 hour of your own time to vote in a PEI provincial election, and

You should arrange to take time off for voting, with your Team Leader (note: Action Aero will choose the time that you take off).

6.15 Bereavement Leave

Permanent full-time employees will receive up to three consecutive days' paid bereavement leave following the death of an immediate family member, including parents, brothers, sisters, spouse, common-law spouse, children, mother-in-law, and father-in-law. The three consecutive days are to commence no later than the date of the funeral.

In the event of a death of an extended family member, including grandparents, grandparents of spouse, grandchildren, brothers-in-law, sisters-in-law, aunts, and uncles one day's paid absence will be granted to attend the funeral. Bereavement leave will not apply when you are on leave of absence, weekends, or statutory holidays.

6.16 Pallbearer Leave

An employee is entitled to one half day paid leave on the day of the funeral. The paid leave does not include Honorary Pallbearers.

SECTION 7: Health and Safety

7.1 General

Action Aero is committed to being a global leader in the responsible management of health and safety for its employees and the community. We integrate health and safety into all aspects of our business as a competitive advantage in achieving delighted customers, profitable growth and accelerated productivity.

The Company protects the health and safety of our employees and minimizes our environmental footprint. We make safety and environment an integral part of facility design and operation. We believe occupational injuries and illnesses, as well as factory emissions, waste, inefficient use of resources and energy, represent preventable process defects. We work to eliminate these defects by focusing on prevention, sustainability, and continuous improvement.

We continuously improve our compliance and business practices. We establish quantifiable, annual goals to measure and drive sustained safety and environmental performance. Our executives and managers are measured and held accountable for the safety and environmental performance of their businesses.

Our Health and Safety Committee is composed of management and non-management employees. Some of the primary responsibilities of the committee are to formulate and update safety guidelines, to conduct and arrange safety training and keep up to date on provincial and federal government regulations concerning health and safety in the workplace.

Action Aero's health and safety policy is posted on the lunchroom bulletin board.

Action Aero employees are responsible for the health and safety upkeep of this Facility. Everyone is required to adhere to the following as a guide for health and safety:

- Smoking is prohibited in this Facility.
- Report an injury or unsafe work condition to your supervisor immediately.
- Read warning signs and obey them.
- Be positive you know how to do a new or different job before you start it. Ask as many questions as necessary.
- Only use equipment you are authorized and trained to use.
- Do not interfere with other employees operating equipment.
- Remove loose fitting clothing or jewelry – be sure guards are in place before operating machinery.
- Consumption of food or drink is prohibited in some areas. Check with your supervisor.
- Safety glasses are required in posted areas.
- Properly dispose of waste and trash.
- Keep aisles free from obstruction.
- Keep workstations neat, clean, and orderly.

Violation of safety rules may be cause for disciplinary action. It is everyone's responsibility to ensure Action Aero's facility is a healthy and safe environment.

Full details of the Health and Safety Program are located on the Intranet and in the Health and Safety cabinet. Employees must read and sign the full program document.

7.2 Workplace Injuries or Illnesses

Employees must immediately notify their supervisor as well as a Health and Safety representative of all work-related injuries or illnesses. When an incident occurs regardless of severity necessary steps need to be taken to ensure that proper treatment is received. All workplace injuries or illnesses must be reported to the Workers Compensation Board of PEI (WCB) (<http://www.wcb.pe.ca>), both by the company and the employee.

If an employee seeks medical treatment after work, we ask that they contact the Company to provide an update on their injury. Medical documentation must be supplied to the Team Leader (physical capabilities form) prior to return to work. If the employee is unable to return to regular duties, but able to return to modified work the duration must be specified, so suitable accommodation can be made.

Failure to promptly report a work-related injury or illness could jeopardize the employee's WCB claim.

7.3 Accident Investigations

All workplace accidents, causing injury or illness will be thoroughly investigated by a designated Health & Safety Representative and the Team Lead, to determine the cause of the accident. Effective counter measures will be taken to try to ensure similar incidents do not occur.

7.4 Alcohol and Substance Abuse

Action Aero supports and encourages employees to seek assistance and treatment if they believe they may have a drug and/or alcohol related dependency. We encourage employees to advise us if they are having problems with alcohol and/or substance abuse. Action Aero provides for an employee assistance plan which could be of benefit for those struggling.

Accordingly, Action Aero will take appropriate steps to ensure that the workplace is free from the effects of substance abuse as defined in this policy.

The use of any substances such as drugs, prescription drugs or alcohol, which impairs job performance is strictly prohibited and may be cause for termination of employment. Possession or sale of alcohol or drugs in the workplace, or during work hours, is a violation of this policy.

All employees agree to random Drug and Alcohol Testing during their employment. Failure to pass such testing will result in termination for cause.

Any employee having a drug or alcohol dependency problem, and/or having been determined to have violated this policy will be disciplined and/or provided with information on the Company's Employment Assistance Program to gain information on treatment options to prevent continuation, reoccurrence or relapse.

We ask all employees if they suspect a co-worker may have violated this policy to advise their Team Leader and/or Human Resources.

Team Leaders who become aware of non-compliance with this policy must consult with Human Resources after which the following actions for employees may be taken:

- Disciplinary action, up to and including dismissal
- Reassignment of duties for safety-sensitive work
- Participation in treatment or rehabilitation programs.

Any employee, reasonably suspected of being under the influence of drugs, prescription drugs or alcohol, which impairs job performance, when reporting for work or while at work, will be immediately escorted from the workplace for the remainder of their shift and a meeting will be arranged with the employee and a member of the Leadership Team. Further investigation, which may include drug testing, will occur. Possession or sale of alcohol or drugs in the workplace, or during work hours, is a violation of this policy.

Employees who have violated this policy will be informed, and possible disciplinary action may be taken up to and including termination. Factors considered in determining the degree of discipline may include the degree of intoxication, the repetition of the offence, involvement in an accident, exposure of Action Aero to corporate risk or liability, and any other relevant facts.

Note: Employees are expected to exercise reasonable judgment regarding the amount of alcohol consumed while representing Action Aero at business functions and/or at company sponsored social functions. If you are unable to drive home safely from such events, you are responsible for making alternate arrangements.

7.5 Building Security

We make every effort to protect our facility and its contents from vandalism, theft and damage.

Additionally, the company's product is proprietary and needs to be secure from competitors. Subsequently it is necessary to maintain a secure building and as such:

- Only keys and pass codes that are required will be issued to allow controlled access.
- Visitors are not allowed on the premises without prior permission from the company.

If an employee loses or misplaces their key fob, they are required to report it to IT, immediately.

7.6 Smoking

Smoking is prohibited throughout the facility and in all company automobiles. Employees must be at least nine (9) meters away from any building entrances, windows and/or ventilation systems.

7.7 Locking Up

The last person to leave at night must follow the "End of Day Checklist", located in each cell.

7.8 Scent Free

Due to the health concerns arising from exposure to scented products, Action Aero has instituted a scent-free environment for all employees and visitors. Scented products such as hair spray, perfume and deodorant can trigger reactions such as respiratory distress and headaches.

7.9 Safety Wear

Safety Glasses are required in certain areas within the facility. Action Aero will provide you with safety glasses as required. If an employee requires a pair of single vision or progressive lenses the Company will reimburse the employee for a portion of the cost, every two years. Please see the request form for further details, located on the Company intranet.

The company does not require an employee to wear safety boots but does recommend them. If purchased, they must be CSA approved. Should you choose to purchase these items the Company will reimburse you, every 2 years, upon proof of purchase and following your 6-month probationary period. Please see the request form for further details, located on the Company intranet.

I acknowledge I have read and understood the Action Aero Handbook, revision date February 1, 2023.

Employee Signature

Date

Employee Name

POLICES

Computer Software and Social Media Acceptable Use Policy

Date of Policy: April 1, 2013

Action Aero diligently maintains its profile as a good corporate citizen, locally, nationally and internationally.

Computer Software

In addition to the risks of viruses affecting our computers, unauthorized software is also illegal. Software companies have become increasingly aggressive and active in searching out, publicizing and prosecuting companies running illegal copies of software. Action Aero cannot afford being identified as using, or in any way supporting the use of unauthorized software on our systems.

To this end, we have established the following company policies:

- No unauthorized installation of software or hardware is permitted on any Action Aero computer.
- No unauthorized moving of software or hardware is permitted.
- Users take the responsibility of creating and deleting their files as need and space require.
- Passwords are not to be shared with anyone.
- No copying of company files for anything other than company use is permitted.
- Usage of USB memory drives is strictly prohibited unless authorized by Management.

All requests for software and/or hardware should be forwarded to your Team Leader and approved by Management.

Action Aero has adopted a zero-tolerance policy for unauthorized software. Action Aero cannot afford to run the risk of losing some or all of our corporate data. Non-authorized software found on computers will result in removal of the computer and/or termination of network privileges.

Social Media

Social media refers to Web-based technologies that allow users to publish content and interact online. Social media applications include, but are not limited to, blogs, wikis, podcasting and social networking sites such as Facebook, Twitter, and LinkedIn.

In accordance with Action Aero's values and your responsibilities as an employee, you cannot step outside your official role and post on social networking sites anything that could compromise your status as an employee of Action Aero and/ or undermine the impartiality and effectiveness of the company. Your duty as an employee includes a responsibility to refrain from public criticism of Action Aero and its employees. You must balance your right to freedom of expression with your responsibilities as an employee, and avoid conflicts of interest.

You have a responsibility to refrain from disclosing confidential information about Action Aero, its clients and its employees. A significant amount of harm can result from disclosing confidential information online as this information can be easily distributed and broadly reproduced and ultimately used in ways that harm Action Aero, its clients and employees.

- For example, you must not make your LinkedIn information available to the internet public at large. You should mark it private and only let those whom you allow, see your contacts and other information. Otherwise, you could unwittingly allow anyone on the Internet to see your entire network, including clients.

Thank you for your cooperation.

Management

I have read the above and agree to comply with the Action Aero Computer Software and Social Media Acceptable Use Policy.

Employee Signature

Date

Employee Name

Workplace Harassment Policy

Date of Policy: April 1, 2013

Policy Statement:

Every employee is entitled to employment free of sexual harassment. Action Aero commits that all of its employees will be treated fairly in the workplace and Action Aero will make every reasonable effort to ensure that no employee is subject to discrimination, personal and sexual harassment and other types of unwelcome comments and conduct. Employees should take note of the discriminatory practice's provisions of the Human Rights Act R.S.P.E.I. 1988, Cap. H-12, that pertain to rights of persons to seek redress under that Act.

"Harassment" includes any unwelcome behaviour, conduct or communication directed at any individual that is based on gender, marital status, sexual orientation, race, colour, religion, ethnic origin, ancestry, family status, place of origin, citizenship, age or disability.

"Sexual harassment" means any conduct, comment, gesture or contact of a sexual nature

- a) That is likely to cause offense or humiliation to any employee; or
- b) That might, on reasonable grounds, be perceived by that employee as placing a condition of a sexual nature on employment or on any opportunity for training or promotion

The behaviour need not be intentional. There are three defining characteristics of behavior that constitutes sexual harassment:

- It is of a sexual nature.
- It is unwelcome.
- It has detrimental consequences.

It may include, but is not limited to, the following:

- An implied or expressed threat of reprisal for failure to comply with a sexually oriented request;
- A demand for sexual favours in return for (continued) employment or more favourable employment treatment;
- Unwelcome remarks, jokes, innuendoes, propositions, or taunting about a person's body, attire, sex or sexual orientation;
- Displaying pornographic or sexist materials or pictures;
- Leering (suggestive persistent staring);
- Physical conduct such as touching, patting or pinching, with an underlying sexual connotation;
- Sexual assault.

Sexual harassment can be initiated by either sex against the opposite sex or against a member of the same sex.

What to do if Harassment occurs:

If you feel that you are being harassed, you need to immediately make the alleged harasser aware of your disapproval and/or uneasiness. Do not ignore the harassing behaviour. To avoid any misunderstanding, you should clearly state to the person that you perceive the action/behaviour as harassment, and request that it stop immediately.

If a further incident occurs, or if the initial incident is of such a nature that you wish to formally report it, you must immediately contact either your Team Leader or President. You should make a written record (statement) of all incidents, including the nature of the behaviours, dates, times, witnesses (if any) and any action taken to inform the alleged harasser of disapproval.

The Company's response to a complaint:

All complaints will be handled in a confidential and timely manner. Investigation of a complaint will normally include conferring with the parties involved and any named or apparent witnesses. Everyone involved will be protected from coercion, intimidation, retaliation, interference or discrimination, as a result of lodging the complaint or assisting in the investigation.

Sexual and/or personal harassment of an employee is considered a serious offense and if found to be true, prompt attention and action designed to immediately stop the harassment and to prevent its recurrence will be taken. In addition, any employee who is found to have violated the Company policy will be disciplined to the extent that appears appropriate in the circumstances. Disciplinary action may range from a verbal warning to immediate termination of employment.

The Company recognizes that a false accusation of sexual or personal harassment can have serious effects on innocent individuals. Accordingly, we trust that all employees will act in a responsible manner when considering making a complaint under this policy.

Employee Signature

Date

Employee Name

Code of Ethics Policy

Date of Policy: April 1, 2013

Action Aero will conduct its business based on high moral, legal and ethical standards, doing so with honesty and integrity, wherever we operate. We will constantly improve the quality of our services, products and operations and will create a reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates is tolerated. Action Aero will not compromise its principles for short-term advantage. The ethical performance of this company is the sum of the ethics of the men and women who work here. Thus, we are all expected to adhere to high standards of personal integrity.

Conflict of Interest

Officers, directors, and employees of the company must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients or affiliates. Officers, directors and employees must be particularly careful to avoid representing Action Aero in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.

Employees must disclose any conflicts, including those which may be potential conflicts to the appropriate authority at Action Aero. Conflicts of interest include, but are not limited to situations where the employee is involved in a business directly or indirectly competing with Action Aero.

Bribes & Kickbacks

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Officers, directors and employees shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.

Proprietary, confidential or business-sensitive information

Officers, directors and employees of Action Aero will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. This information whether it is on behalf of our company or any of our clients or affiliates could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about this company, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

Officers, directors and employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.

Officers, directors and employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. The officers, directors and employees of Action Aero will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

Officers, directors and employees will obey all equal employment opportunity laws and act with respect and responsibility towards others in all of their dealings.

Officers, directors and employees will remain personally balanced so that their personal life will not interfere with their ability to deliver quality products or services to the company and its clients.

Officers, directors and employees agree to disclose unethical, dishonest, fraudulent and illegal behavior, or the violation of company policies and procedures, directly to management.

Violation of this Code of Ethics can result in discipline, including possible termination. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

Remember that good ethics is good business!

Employee Signature

Date

Employee Name

EMPLOYEE CONFIDENTIALITY AGREEMENT

This agreement (the "Agreement") is entered into by Action Aero ("Company") and _____ ("Employee").

In consideration of the commencement or continued employment of Employee with Company and the compensation that will be paid, Employee and Company agree as follows:

1. Company's Trade Secrets

In the performance of Employee's job duties with Company, Employee will be exposed to Company's Confidential Information. "Confidential Information" means information or material that is commercially valuable to Company and not generally known or readily ascertainable in the industry. This includes, but is not limited to:

- (a) Technical information concerning Company's products and services, including product know-how, formulas, designs, devices, diagrams, software code, test results, processes, inventions, research projects and product development, technical memoranda and correspondence;
- (b) Information concerning Company's business, including cost information, profits, sales information, accounting and unpublished financial information, business plans, markets and marketing methods, customer lists and customer information, purchasing techniques, supplier lists and supplier information and advertising strategies;
- (c) Information concerning Company's employees, including salaries, strengths, weaknesses and skills;
- (d) Information submitted by Company's customers, suppliers, employees, consultants or co-venture partners with Company for study, evaluation or use; and
- (e) Any other information not generally known to the public which, if misused or disclosed, could reasonably be expected to adversely affect Company's business.

2. Nondisclosure of Trade Secrets

Employee shall keep Company's Confidential Information, whether or not prepared or developed by Employee, in the strictest confidence. Employee will not disclose such information to anyone outside Company without Company's prior written consent. Nor will Employee make use of any Confidential Information for Employee's own purposes or the benefit of anyone other than Company.

However, Employee shall have no obligation to treat as confidential any information which:

- (a) was in Employee's possession or known to Employee, without an obligation to keep it confidential, before such information was disclosed to Employee by Company;
- (b) Is or becomes public knowledge through a source other than Employee and through no fault of Employee; or
- (c) Is or becomes lawfully available to Employee from a source other than Company.

3. Confidential Information of Others

Employee will not disclose to Company, use in Company's business, or cause Company to use, any trade secret of others.

4. Invention Assignment

As a condition of employment, the employee also agrees to promptly disclose to the company any inventions, ideas, discoveries, and work product related to the company's business that he or she makes during the period of employment.

The Employee agrees that any and all intellectual property rights developed by or on behalf of the Employee in the course of her employment shall automatically vest in the Employer.

5. Return of Materials

When Employee's employment with Company ends, for whatever reason, Employee will promptly deliver to Company all originals and copies of all documents, records, software programs, media and other materials containing any Confidential Information. Employee will also return to Company all equipment, files, software programs and other personal property belonging to Company.

6. Confidentiality Obligation Survives Employment

Employee's obligation to maintain the confidentiality and security of Confidential Information remains even after Employee's employment with Company ends and continues for so long as such Confidential Information remains a trade secret.

7. General Provisions

(a) Relationships: Nothing contained in this Agreement shall be deemed to make Employee a partner or joint venturer of Company for any purpose.

(b) Severability: If a court finds any provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to affect the intent of Company and Employee.

(c) Integration: This Agreement expresses the complete understanding of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations and understandings. This Agreement may not be amended except in a writing signed by both Company and Employee.

(d) Waiver: The failure to exercise any right provided in this Agreement shall not be a waiver of prior or subsequent rights.

(e) Injunctive Relief: Any misappropriation of any of the Confidential Information in violation of this Agreement may cause Company irreparable harm, the amount of which may be difficult to ascertain, and therefore Employee agrees that Company shall have the right to apply to a court of competent jurisdiction for an order enjoining any such further misappropriation and for such other relief as Company deems appropriate. This right is to be in addition to the remedies otherwise available to Company.

(f) Indemnity: Employee agrees to indemnify Company against any and all losses, damages, claims or expenses incurred or suffered by Company as a result of Employee's breach of this Agreement.

(g) Legal Fees and Expenses: In a dispute arising out of or related to this Agreement, the prevailing party shall have the right to collect from the other party its reasonable legal fees and costs and necessary expenditures.

(h) Governing Law. This Agreement shall be governed in accordance with the laws of Prince Edward Island.

(i) Jurisdiction. Employee consents to the exclusive jurisdiction and venue of the federal and Provincial courts located in Prince Edward Island in any action arising out of or relating to this Agreement. Employee waives any other venue to which Employee might be entitled by domicile or otherwise.

(j) Successors & Assigns. This Agreement shall bind each party's heirs, successors and assigns. Company may assign this Agreement to any party at any time. Employee shall not assign any of his or her rights or obligations under this Agreement without Company's prior written consent. Any assignment or transfer in violation of this section shall be void.

8. Signatures

Employee has carefully read all of this Agreement and agrees that all of the restrictions set forth are fair and reasonably required to protect Company's interests. Employee has received a copy of this Agreement as signed by the parties.

Employee:

_____ (Signature)

_____ (Print Name)

Date: _____

Company:

_____ (Signature)

_____ (Print Name)

Date: _____