



Wage and Hour Policy

BUTLER AMERICA AEROSPACE, LLC. ("BAA") is committed to compensating employees consistent with all applicable state and federal laws. In order to accomplish the same, the employee is expected to follow through on certain responsibilities as outlined below.

Review Your Pay Stub

Even though BAA makes every effort to pay its employees correctly, occasionally errors are made. In those rare instances when they do occur and after they are brought to BAA's attention, BAA will promptly investigate and make any corrections as required. To ensure such accurate and timely payment of all wages, upon the receipt of each paycheck employees should review their pay stubs for correctness. There are two categories of payroll deductions: 1) Mandatory deductions, and 2) Optional or voluntary deductions. Examples of mandatory deduction include federal and/or applicable state or local income taxes. An example of an optional or voluntary deduction is a payment for the employee's share of a voluntarily selected health insurance premium.

Non-exempt Employees

If classified as a non-exempt employee, in accordance with the FLSA (Fair Labor Standards Act) and applicable state law, the employee is responsible for maintaining a record of the total hours worked each day and verifying that his or her time is accurate and complete. S/he should ensure it reflects all regular and overtime hours worked, as well as any absences, late arrivals, early departures and meal or other mandatory breaks (required by some state laws). At the end of each pay period, the employee should enter time, within the Company timekeeping system or other approved process, to submit for supervisor approval.

An employee is not to work any unauthorized hours, start work early, finish work late, work during a meal break; or perform any other extra or overtime work unless instructed to do so and such time is then recorded. Employees are prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work performed by an employee but not reported on his/her time card.

It is a violation of BAA's policy for any employee to falsify a time card, alter one belonging to another employee, or to instruct another employee to falsify their work hours. If any manager or employee instructs an employee to: (1) incorrectly or falsely under- or over-report hours worked, or (2) alter another employee's time records to inaccurately or falsely report that employee's hours worked, that employee should immediately report it to the Human Resources at HR@butler.com.



Exempt Employees

If classified as an exempt salaried employee (as per the FLSA) and applicable state law, that employee will receive a salary which is intended to compensate him or her for all hours worked. This salary will be established at the time of hire or when the individual becomes classified as an exempt employee. While subject to review and modification from time to time, the salary of an exempt employee will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

Under federal and state law, an employee's salary may be subject to certain deductions. For example, it may be reduced for any of the following reasons if authorized by state law and/or any applicable contract or written agreement:

- Full day absences for personal reasons other than sickness or disability
- Full day absences for sickness or disability in accordance with a bona fide plan, policy or practice.
- Full day disciplinary suspensions for infractions of workplace misconduct or penalties for infractions of safety rules of major significance.
- Family and Medical Leave absences (either full or partial day absences).
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event you work less than a full week.
- Any full work week in which you do not perform any work.

Mandatory deductions: In addition to federal income and FICA (Social Security) taxes or applicable state or local income taxes, a garnishment is a form of a mandatory deduction. A garnishment is a legal summons or warning concerning the attachment of property or wages to satisfy a debt. Garnishments may include an Internal Revenue Service (IRS) levy, child support, bankruptcy, and repayment of student loans. A Garnishment is usually mandated by the court system and requires the employer to deduct a certain amount from the employee's wages and issue a check to the garnisher. The federal Consumer Credit Protection Act (CCPA) limits the amount of an employee's earnings that an employer may garnish in any one week. If an employee has multiple Garnishments in one state or over multiple states, the Payroll department determines proportion rules under the Garnishment law of the employee's resident state. The Payroll Department will continue to garnish the employee's wages in every payroll until the Garnishment is released in a written notification by the court.

One's salary may also be reduced for certain types of optional or voluntary deductions such as for the employee's portion of health, dental or life insurance premiums; STD or LTD plan coverages, state, federal or local taxes, social security; or, voluntary contributions to a 401(k) retirement savings plan.



An employee may be required to use accrued vacation, personal or other forms of paid time off for full or partial day absences for personal reasons, sickness or disability.

To Report Concerns or Obtain More Information

If any employee has questions about deductions from his or her pay, the Payroll Manager should immediately be contacted at Payroll@butler.com. If the employee believes there have been any improper deductions or the paycheck does not accurately reflect all hours worked, the employee should report the matter to his or her supervisor as soon as possible. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact that person, he or she should immediately contact BAA's payroll manager at Payroll@butler.com. If the employee has not received a satisfactory response within five (5) business days after reporting the incident, he or she should feel free to contact BAA's President at (203) 926-2700.

Every report will be fully investigated and corrective action taken where appropriate, up to and including discharge of any employee(s) who fails to follow these established guidelines. In addition, the Company will not allow any form of retaliation against individuals who report alleged violations of these guidelines or who cooperate in the Company's investigation of such reports.

Overpayments: If BAA makes an inadvertent mistake and overpays you, please report this to the Payroll Manager immediately at Payroll@Butler.com. If BAA discovers the error first, we will notify you in writing and arrange a repayment process with you, depending on the overpayment amount involved and applicable law. While state laws vary regarding overpayments, BAA cannot subtract the overpayment from one of your future paychecks if it will then put your pay below minimum wage for all hours worked.

Butler America Aerospace has the absolute authority and discretion to interpret, make determinations and administer this policy. The Company in its sole discretion reserves the right to amend or terminate this policy, in whole or in part, at any time for any reason with or without notice to employees. To the extent this policy conflicts with applicable law, applicable law shall apply.