

## EXECUTIVE SUMMARY

VanAllen was engaged to create a benchmark for a large corporate aviation service department. A survey was distributed to targeted participants in regulated industries, and similar to its operating structure. The survey was designed with significant input from the company's aviation department. Fifty-five operators were identified and contacted to participate. VanAllen received a total of 22 complete responses. To increase participation, survey respondents' information was kept confidential, and a copy of the sanitized results were provided to them.

## POLICIES & PROCEDURES

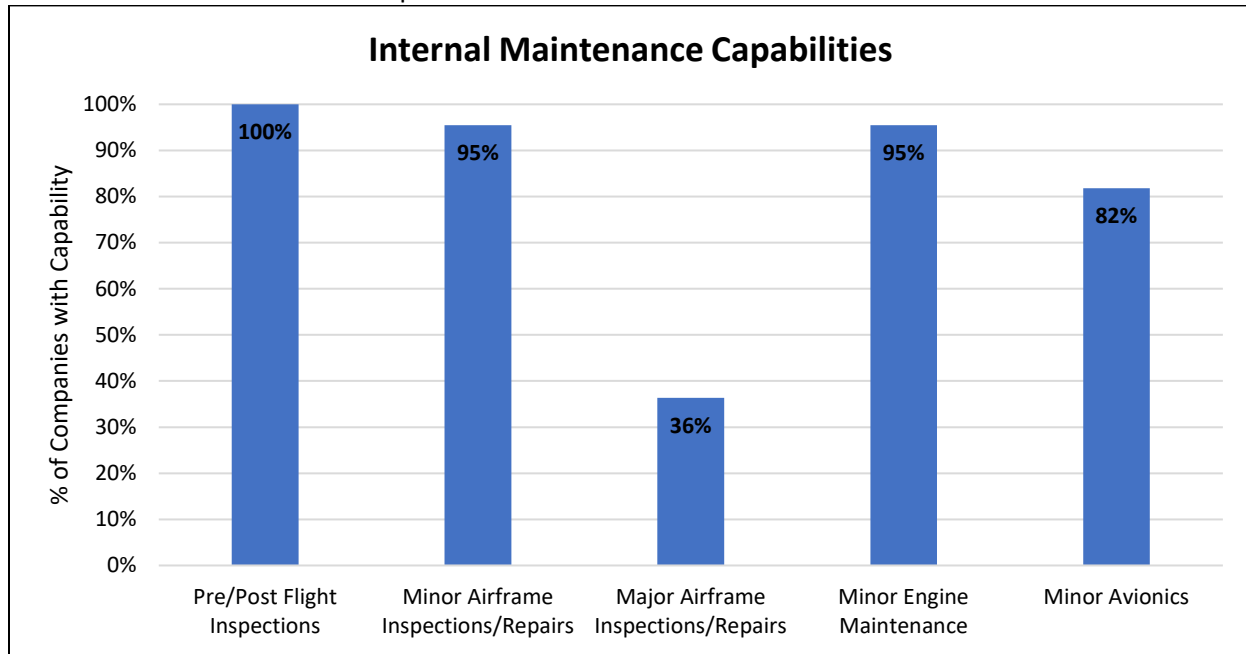
### 1. Contract Pilot Qualification Requirements (Individual Comments):

- For a pilot to act as Second-in-Command (SIC), he/she shall meet the following minimum qualifications:

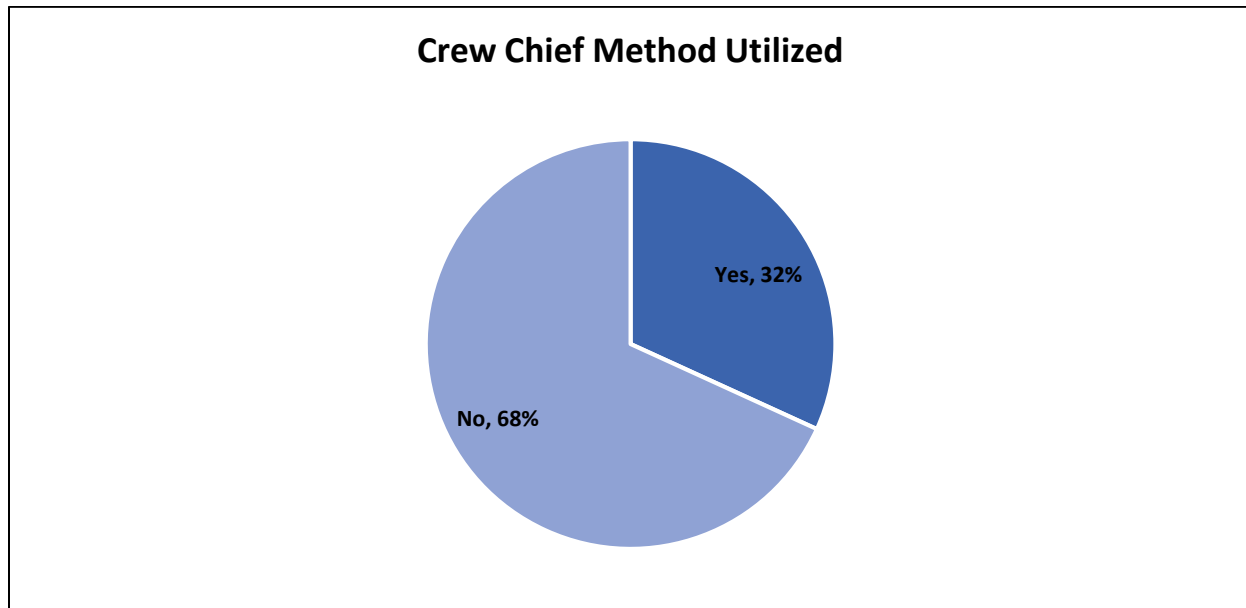
#### Comments:

- Hold a valid FAA-issued Commercial Pilot Certificate with a multi-engine and instrument rating;
- Hold a valid FAA-issued medical certificate appropriate to the license held;
- Have a minimum of 2000 hours of flight time as Pilot in Command of which at least:
  - 1000 hours of the 2000-hour total shall have been flown in a multi-engine aircraft; and
  - 500 hours of the 2000-hour total shall have been flown in a turbine-powered aircraft. "
- No set minimums. We only use people we know well.
- Type rating and current in aircraft (part 91 currency requirements). ATP licensed. Within the last year attended recurrent training with approved vendor. Approval by Chief Pilot.
- ATP, type-rated and currently flying aircraft type; Current 61.58; 1st Class medical.
- 3,500 Total Time; 1500 PIC Total Time; and 250 Time in Type.
- Commercial, multi-engine, instrument, 2,000hrs, qualified at lease as SIC in our aircraft type.
- Type rating; Current; 61.58, Class II Medical
- Same as full time pilots. We pay for annual training for our contract pilot. He is retired and only flies for us.
- Same as full time pilots.
- Typed, 750 hrs. in type, 4000 total time, international experience
- 5,000TT; 1,200 ME PIC 500 in Type
- type rated, training in type previous 12 months, class 1 medical, 3000TT
- Jet - 3,000 TT, ATP, Type rated and current; Turboprop - 1,500 TT, ATP, 500 Turboprop
- JPI & in-house vetting
- Type rating, 1st class medical, pass background check.
- Type rating and PIC Current
- Typed and current in company aircraft
- Sic current in type, commercial, 2nd class medical, 2000 total, 1000 hrs. multi
- Type Rated

## 2. Internal Maintenance Capabilities



## 3. Crew Chief Method

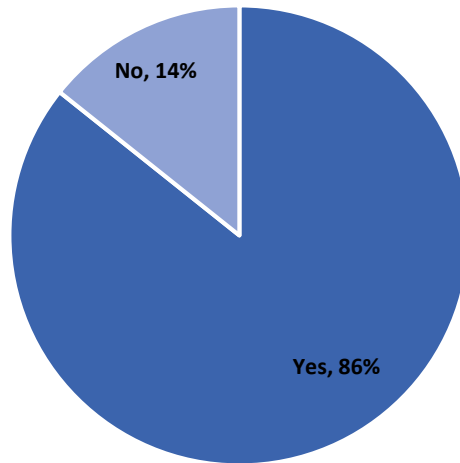


### Comments:

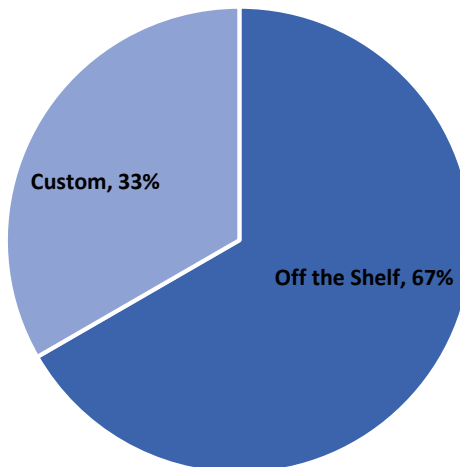
- Crew Chief concept is utilized for maintenance tracking and for managerial developmental skills through increased responsibility and inspection oversight however work on aircraft is shared by all maintenance techs but coordinated by the crew chief.
- We do but we are looking at going away from this method.

#### 4. Safety Management Systems

##### SMS Currently In Place?



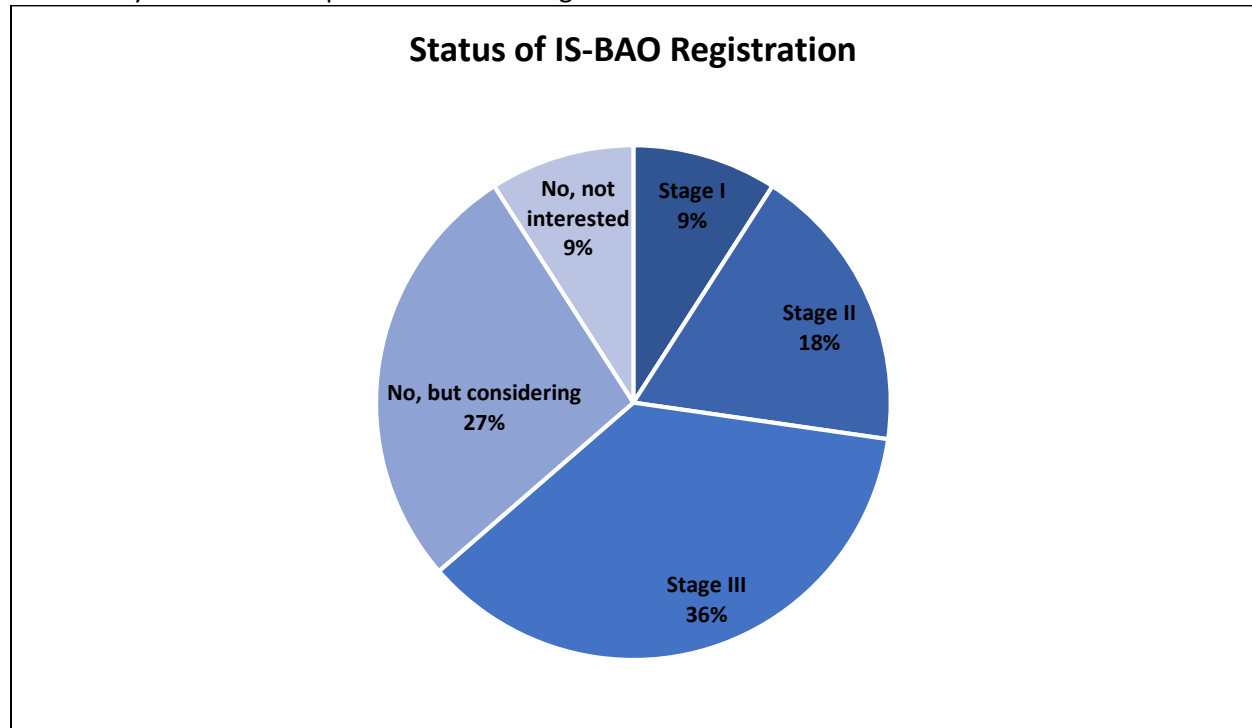
##### SMS: Custom or Off the Shelf?



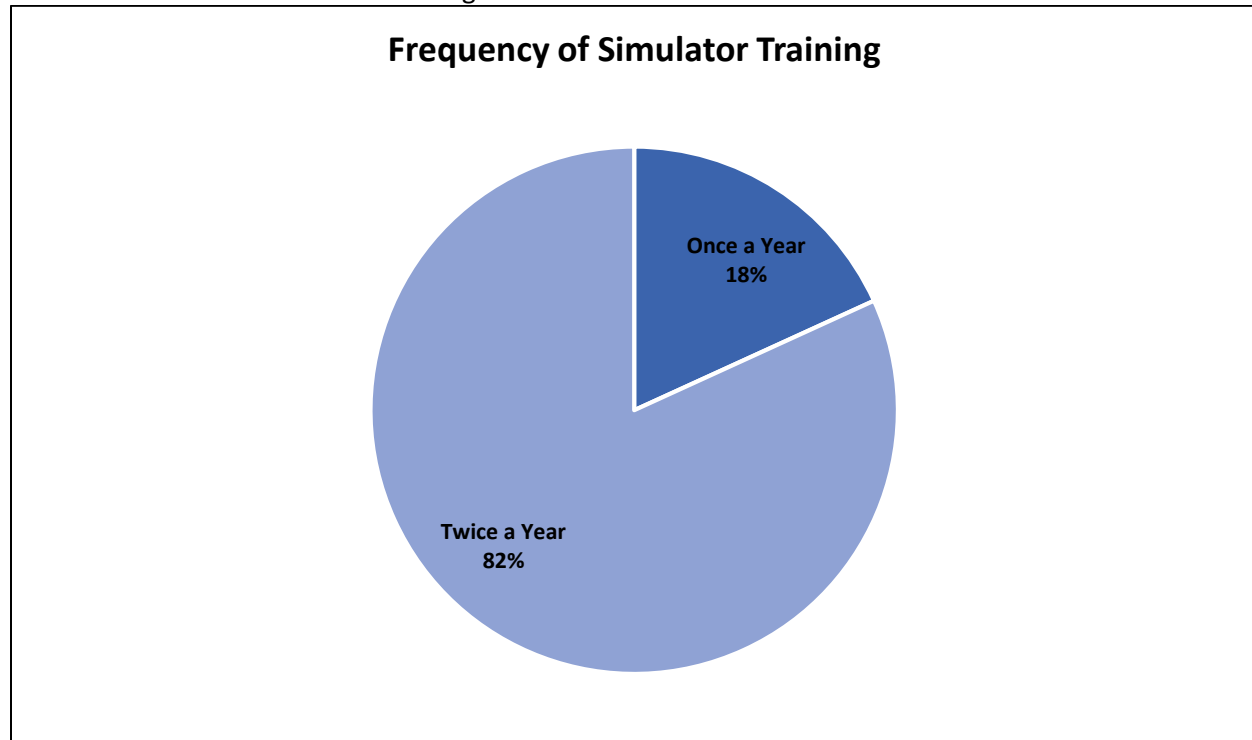
##### Comments:

- Argus Prism (4)
- Aviation Compliance Group (4)
- Aviation Manual Aviation Resource Center
- Baldwin Aviation (2)
- Flt Plan
- ISBAO
- Quality Resources

5. Is your aviation department IS-BAO registered?

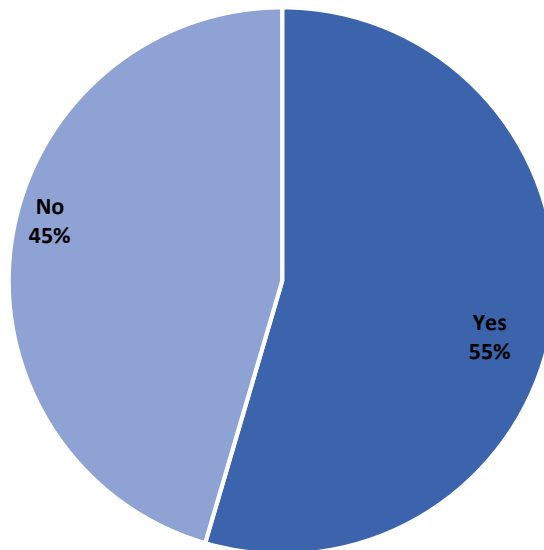


6. How often is simulator training conducted?



## 7. Upset Recovery Training

### Upset Recovery Training Participation



#### Training Providers Listed by Respondents:

- Flight Safety International
- Flight Research, Inc.
- APS
- Calspan

All participants surveyed indicated that they found this training valuable.

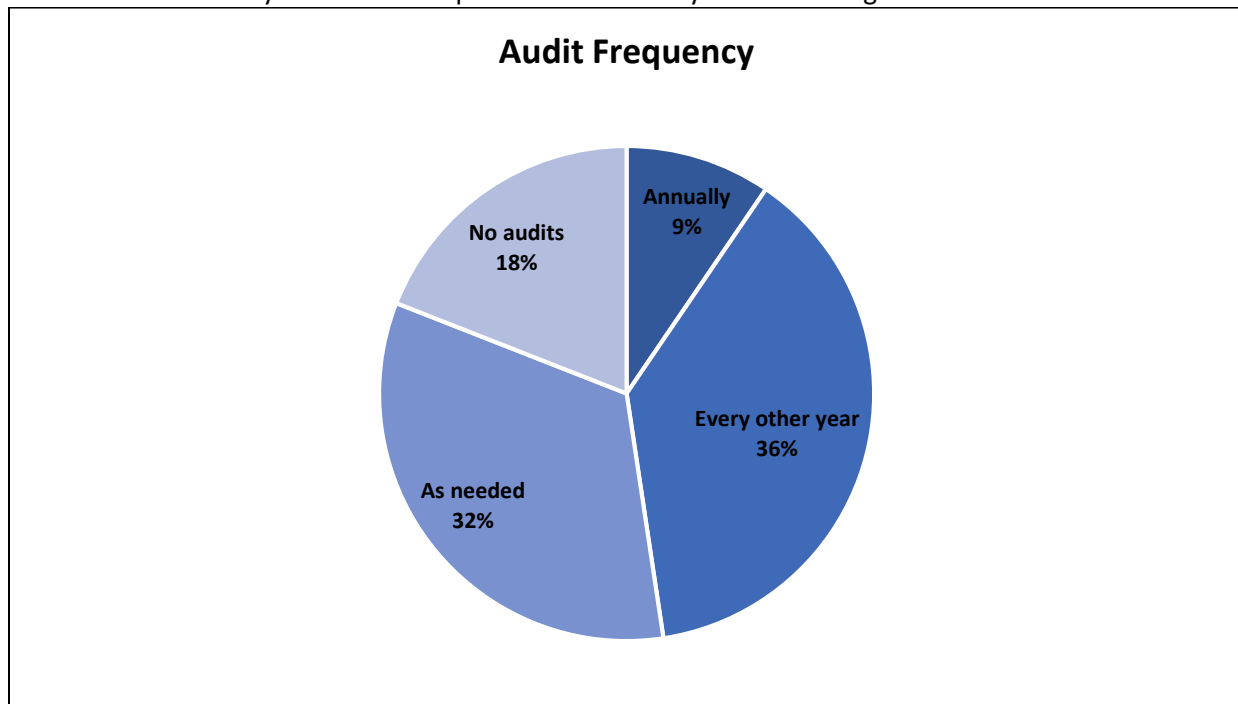
8. What methods are used for quality assurance of charter providers?

Method	% of Companies
ARG/US Rating	45%
ARG/US TripCHEQ	23%
Maximum Aircraft Age	27%
Minimum 2 Captains + 2 Turbine Engines	18%
Minimum 2 Pilots + 2 Turbine Engines	36%
Minimum crew qualification guidelines	50%
Minimum Equipment (i.e. EGPWS, TCAS, etc)	23%
Personal Audit via On-Site Visit	45%
Personal Audit via Phone	27%
Personal Audit via Records	36%
Wyvern Wingman	18%

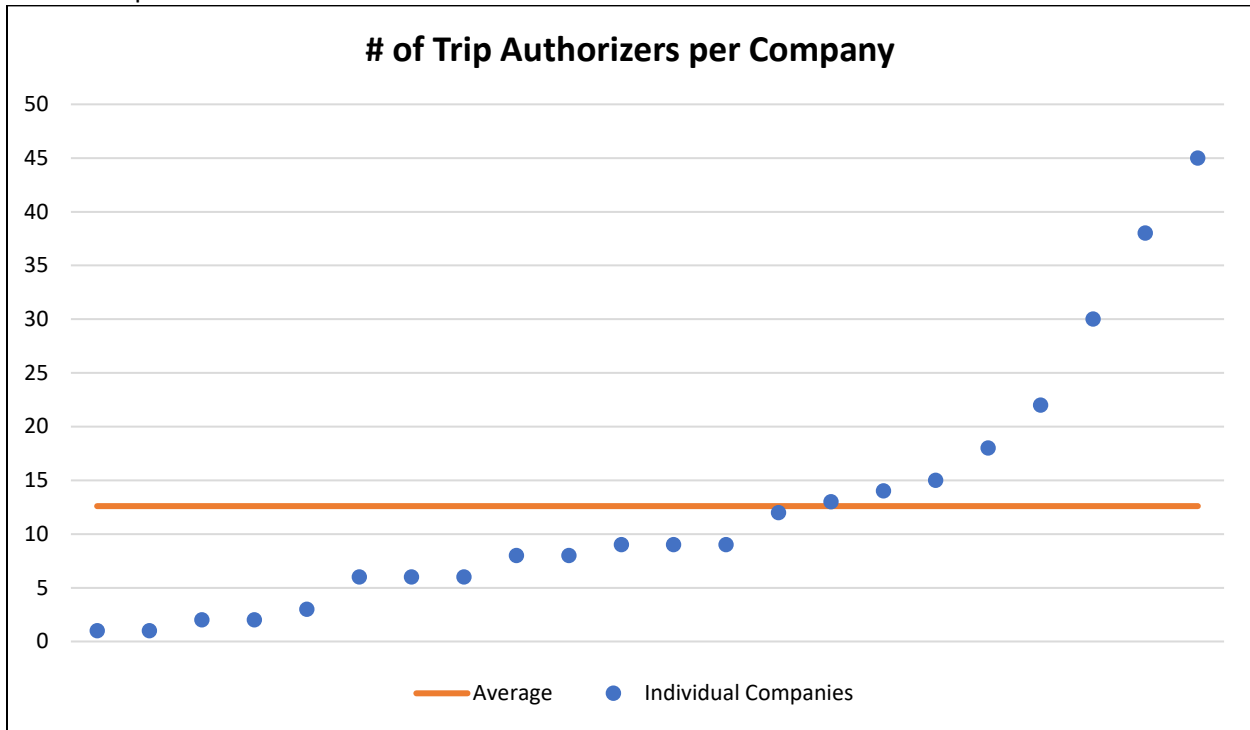
Additional comments from participants:

- We only use known operators.
- Currently using Solairus and/or EJM for charter.
- Air Charter Safety Foundation (ACSF) current member.
- IS-BAO Certification.

9. How often is your aviation department audited by an external agent?

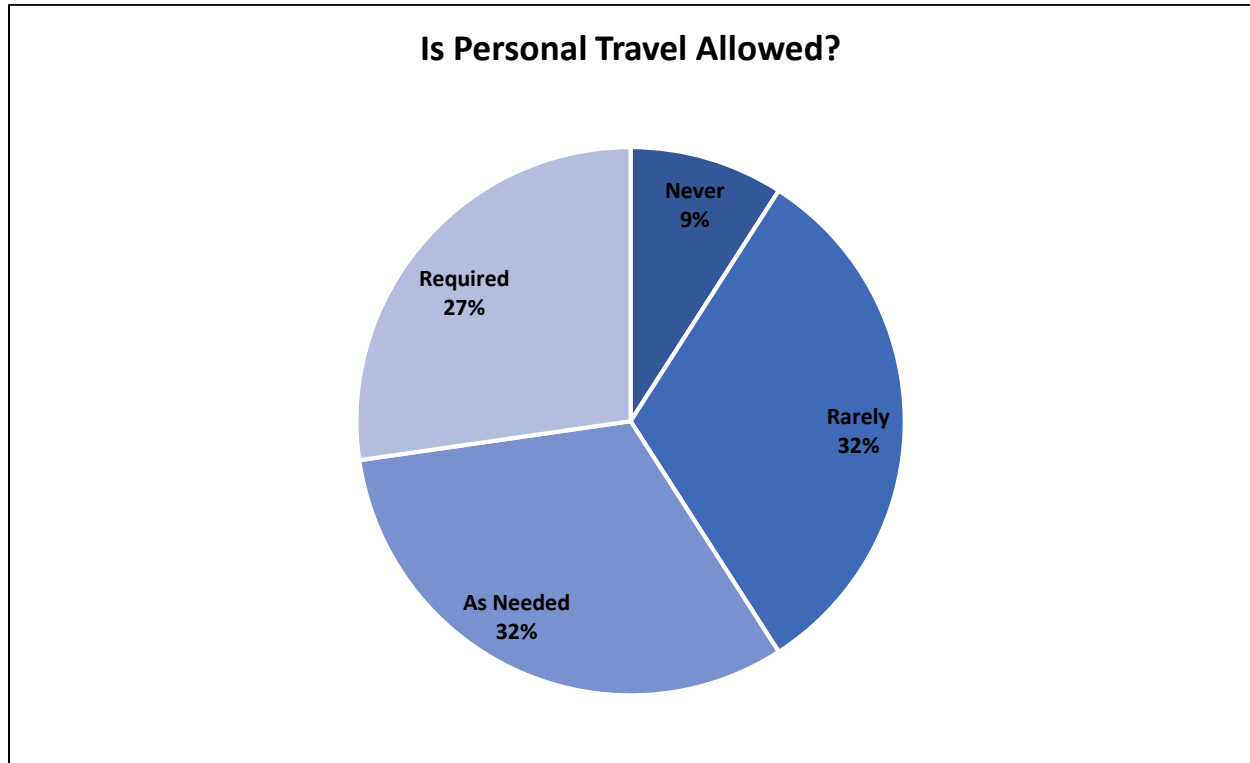


## 10. Trip Authorizers



Note: There is no correlation between total hours and number of trip authorizers.

## 11. Personal Travel



### Comments:

- Certain executives have 91.501 timeshares.
- Usually CEO and family only. Occasionally, CEO will authorize others for personal use.
- It is allowed for a select few and is part of their compensation package.
- As stipulated in the corporate use policy and under authority of Chairman/CEO
- For flights without a documented business purpose within the scope of and incidental to the business of the corporation approval is required from the CEO and Chairman of the BOD.
- Timeshare for CEO, guests allowed for certain executives
- Per Personal Use Policy, mainly the CEO and a time share agreement is in place.
- CEO has set number of hours in employment contract
- Only in an emergency. Requires CEO approval.
- The CEO is allowed 50 hours per year as part of compensation
- CEO has a dollar limit allocated to him.
- Aircraft normally must be going to vicinity of the personal trip on a business trip. Seldom launch a personal-only trip, except for CEO.
- CEO of parent company only.



12. Is there is a co-rider policy in place?

Comments:

- We do and we don't. We have a statement in our corporate travel policy and our Aircraft Scheduling and Use policy about evaluating the passenger mix on a case by case basis but it's loosely followed.
- No more than 3 from the executive council, with additional restrictions for certain titles flying together.
- CEO and the Chairman are not to fly together. We try to not to fly our key executives on the same plane as well.
- Generally, the top two/three executives and more than five from one team.
- We have a strict passenger pairing policy.
- CEO shall travel with no more than two of his or her direct reports. No more than three of the CEO's direct reports shall travel together. No more than 50 percent of their direct reports can travel with him or her.
- No more than three members of the OCE may travel together. The CEO, CFO, and President shall never travel together. The CEO, CFO, and President shall never travel together. Conjoined travel may occur within a combination of any two of these three executive positions. No member of the C-suite may travel together with more than three or 50% of their direct reports, whichever is least (administrative assistant positions excluded). No more than three operating company Presidents & CEO's shall travel together. No more than six outside directors shall travel together.
- Executive Travel Policy which provides general guidance
- No more than 3 C-Suite on one aircraft. CEO/COO never together. Also, business unit leaders are to ensure not more than half of key employees are together.
- No more than 2 in a direct line of command.
- To minimize the potential impact on the Corporation of a serious mishap, the following restrictions apply to the number of people and chain-of-command on board any flight: 1) The Chief Executive Officer and no more than two Executive Vice Presidents may fly together. 2) No more than two Executive Vice Presidents may fly together. 3) No more than two Division Presidents may fly together. 4) No more than one-half of the members of the Board of Directors may fly together. 5) No more than two employees in a direct line of organizational authority may fly together unless separated by at least one intermediate level of responsibility. 6) No more than 50% of any manager's direct reporting staff may fly together. 7) Other than the restrictions contained in this section of the Policy, the number of employees allowed to fly together on Abbott-owned aircraft will be limited to the maximum seating capacity of the aircraft as determined by the FAA. 8) No other combination of people may fly together if the Chief Executive Officer believes would unduly jeopardize the continuing conduct of the Corporation. Each of the above is an independent consideration. Any exceptions require the approval of the Chief Executive Officer, or in his absence, the Chief Financial Officer. This section of the policy also applies to any commercial flight.
- No more than three direct-reporting officer to CEO together.

Note: On average, it is reported that this policy is broken 3 times per year.

13. Please describe how trip requests are submitted, priorities, and managed.

Comments:

- Requests must come from the Opcorn level and are submitted to our Aircraft Scheduler who coordinates aviation details. Once that information is collected it is forwarded to the company Controller, or in his absence, the CFO for approval.
- Email/call to scheduler for availability (generally first come, first served, except CEO), fill out electronic trip request, routes to CEO for approval and then to Director of Corp real Estate for final approval. General Counsel is first approval for all Board trips.
- Executive assistants email schedulers with trip information. All trip requests are accepted and flown.
- Request from executive admin sent via phone or email to our Operations Administrator and checked to verify they meet our guidelines. Priority is first come, first serve with override availability by our CEO. Trips are managed by our Operations Admin, Director of Flight Operations (Chief Pilot) and Director of Aviation.
- Trip requests are submitted to the chief pilot. If the plane is available, the trip request then goes to 1 of 3 approvers. If approved, the chief pilot enters the trip details into our scheduling software. If there is a conflict, the CEO helps determine which flight request gets approval.
- Submitted via email or phone call. Prioritized primarily by first come first serve.
- Trips are requested with a custom SharePoint request form that collects trip details. It goes to the CFO's admin for approval, and if approved, the trip request details go to our scheduler to be built in PFM.
- We use PFM for scheduling flights. Aviation accepts executive requests in 90-day increments. For example, in July we will ask for October - December flight requests starting with the CEO, then executive committee members, SVP's and VP's. Then the flights are back filled with other employees. All passengers flying on the corporate aircraft are required to have a detailed reason for travel for regulatory reasons. In 2016, we had 547 employees flying on the corporate aircraft, with an average of 250 changes per flight from creation to completion of the trip. We keep our average passenger load above benchmarks, but there is a lot of work for one scheduler to accomplish.
- Company request form/email and telephone.
- Call or email scheduler with basic information. If available, plane is reserved with approver info. First come, first served basis, unless Chairman/CEO overrides.
- Submitted via a trip request form with all required pertinent trip information, prioritized with priority to BOD, second C-Suite, lastly all other. Conflicts managed by business priority and collaborative coordination suggested by Aircraft Scheduling/Chief Pilot to the business where appropriate to accommodate conflicting requests.
- Trips requested through our "Trip Request" program. Scheduler checks crew/aircraft availability and tells requester to send for approval or aircraft not available. Once approved, scheduler works with requester and builds the trip.
- Email or phone call. Priority with CEO first, Board Second the first come, when there are requests at the same time the groups work together if possible. Planning is managed by the Scheduling staff.
- Trips are requested by company officer to CEO for approval, if approved, trip is scheduled. CEO trips are sent directly to dispatch for scheduling.

- All trips submitted by administrative assistants to scheduler/dispatcher. Trips are then built and aircraft/crews assigned. All trips are covered. No one is denied if the trip has been authorized.
- Email requests sent to the Aviation Manager or CEOs Executive Assistant who works closely with Aviation and has access to our scheduling system.
- Email or telephone. First come, first served. Flights can be preempted by higher authority. All flights require approval by a CEO direct report.
- Trip coordinators submit request to travel schedulers. Schedulers assign trip to aircraft. If conflicts arise, trip importance and schedule flexibility dictate who gets aircraft.
- Trip requests received by Operations Supervisor or Operations Administrator and input into FOS scheduling system. Chief Pilot schedules crews and aircraft. Director of aviation and director of maintenance consulted as needed. One aircraft is always held back for CEO, but most often he will release it if needed.
- The executive assistant to authorized passenger submits trip request online to scheduling system. Prioritization by more senior executive or urgency of business matter.

14. How are “off-hour” trip requests handled?

	% of Co.
A dedicated email address or phone number	27%
A scheduler is "on call" during non-business hours, with access to scheduling software.	68%
Call the Director/Manager/Chief Pilot directly	59%

Comments:

- All apply and are available.
- Typically, this is performed via e-mail.
- Pop up trips are very rare. Most are coordinated through the scheduler. CEO/COO may call directly.
- Schedulers are on call and are receive additional compensation for work during off hours (minimum 4 hours).
- We have top four on an email/call list, and we can respond immediately.

15. Please describe any policies or practices around filling open seats or combining trips on company aircraft (choose all that apply):

	% of Co.
No policy or practice	23%
The scheduler communicates with various trip requesters to see if combining is practical	64%
Open seats are communicated with key passenger groups and available as requested	41%
Specific flights are deemed "protected" and unavailable for combining or empty seats	64%
Employees have access to seat availability information online and can book with directly with scheduler	14%

Comments:

- If I see a trip that looks like we could utilize some empty seats b/c of location and duration of trip then I will ask the lead passenger and then send out email to the exec in charge of the area that would be filling the empty seats. they will then filter the need to those below them.
- Handled by the Aviation Manager.
- We generally don't have two aircraft going to the same place, and when we do they are both full.

16. Please describe any contingency planning for "key" trips.

	% of Co.
Charter aircraft on standby	27%
Another company aircraft on standby	59%
Commercial airline tickets on hold	9%
Back-up crew on standby	45%
None	36%

Comments:

- We may utilize our fractional ownership for backup and possible an aircraft standing by.
- We utilize an interchange agreement. This is our go to option. Charter is a last resort
- We utilize various charter companies with large fleets as backup, but we typically do not have anything on hold unless we have less the 100% confidence on a maintenance fix or maintenance schedule.
- We check on charter availability and/or combine with other company aircraft.
- Would be handled as necessary. Time share or charter would be utilized or another scheduled flight would be utilized.
- Depending on circumstances, we've used all these.