



# MANAGEMENT PROCESS

# SILVER

## THE COMPANY

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Silver Air is an industry leading aircraft management company with a total focus on Owner advocacy, customer service and financial performance for our Owners. We hold a strong belief that we should specialize in two things; aircraft management and revenue generation through charter. Our job is to give you the best management oversight, decrease your cost for all services, provide expertise across all services and provide the highest level of customer service in the industry.

Silver Air was founded in 2008 as a single aircraft part 135 company with operations limited to the 48 contiguous states. Today, the company is a DOT Certificated Air Carrier, that operates under a Full FAA Part 135 certificate, with worldwide operations. The company is continually adding new bases of operation to meet our client's needs, with current bases in the following markets:

Los Angeles | San Diego | San Jose | Orlando | Dallas | Houston | Austin | Santa Barbara | Miami | New York

Silver Air manages and operates an all jet fleet, consisting of a wide range of aircraft from light jets to heavy long range jets, including the Boeing Business Jet. The company offers a range of services to our managed clients; including supporting stand-alone part 91 flight departments to full service Part 135 charter and management. Our team can support nearly any make and module of aircraft and has experience with most major aircraft manufacturers, including:



## JET MANAGEMENT PHILOSOPHY

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It is our belief at Silver Air, that we should tailor our services to accommodate our Owners and their specific operational needs. It is our responsibility to advocate for our Aircraft Owners and represent them on all management fronts to ensure they are getting the best price, from the best vendors, in the most efficient time frame possible. We focus on three primary factors while managing your aircraft:

**ADVOCACY** – Ensuring Aircraft Owners' interests are always first. Silver Air is not tied any single "In House" service provider such as; fuel, maintenance and hangars. This give us the freedom and flexibility to base aircraft at the best location for the Owner and negotiate the best deals for all services.

**PROCESS** – Building strategic plans around Aircraft Owners' interest. We work with the Owner to get very clear on their specific needs and set up the aircraft operation based on their needs. We continually monitor the operation and communicate with stakeholders.

**PEOPLE** – Putting our expert team to work for aircraft Owners. We have a very targeted view on people; we like to hire people with very specific skill set that will bring expertise to the Silver Air team. We hire the best in the industry, train them well and then put them to work for our Owners.

## KEY TEAM MEMBERS

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### **JASON MIDDLETON | CEO**

Jason built Silver Air based on his vision for an owner-centric and customer focused management/charter company. A true team leader, he hires the best professionals in the industry and invests in our success, inspiring us to continually find new ways to create an even better experience for our owners and charter guests.



### **JAMES MAXWELL | CFO**

James's in-depth background and expertise in both finance and aviation makes him the perfect CFO for Silver Air; He's constantly focused on Silver Air's financial health, both in-house and for our owner-partners.



### **BRANDON MARTIN | PRESIDENT**

Brandon has a knack for coming up with brilliant solutions to logistical challenges, making him the ideal person to run our charter operations. He ensures that our jets are working efficiently, increasing our Owner's profits and serving our charter guests.



### **CHUCK STUMPF | PRESIDENT OF BUSINESS DEVELOPMENT**

Chuck is an accomplished aviation executive with extensive leadership experience in the private aviation industry. In his 21 years in business aviation, he helped build and lead sales organizations for some of the largest private jet companies in the world.



### **ERIN KANALEY-FAMULARO | CHIEF PRODUCT OFFICER**

Erin's background in tech brings a fresh, new approach to managing jet products at Silver Air. Along with a unique focus on user experience, she has a 16 year careers history in partnership marketing, social media, advertising & operations.



### **JULIE WELTON | VP OF OWNER SERVICES**

Julie's attention to detail and customer service ensures our owner-partners and passengers alike will experience the best that Silver Air has to offer. As VP of Owner Services, Julie leads her team in providing world class customer service and sets the standard for quality control for the entire Silver Air fleet.



### **JUSTIN BOWMAN | EXECUTIVE VICE PRESIDENT FLEET / DOM**

Justin is an experienced Aviation Operations Executive who is A&P licensed, with 20+ years of achievement driving operational excellence in the aviation industry. Justin's role at Silver Air is to ensure fleet maintenance is performed to the highest standard of safety, airworthiness, and FAA compliance.

## SAFETY

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Your safety is our top priority. Silver Air is a Wyvern Wingman-certified, IS-BAO Stage 2 compliant company. These highest independent safety audits in private aviation demonstrate Silver Air's everyday culture of safety. Our maintenance department, flight dispatch, charter department and aviators work in unison to ensure all safety variables are considered for every flight, above and beyond industry standards and FAA mandates.

**SAFETY PROTOCOL** - As a part of our Safety Management System (SMS) protocol, each flight is run through a Flight Risk Assessment Tool (FRAT) during the flight-planning process. This allows crewmembers to assess potential risks for each mission, then establish a review process to develop risk mitigation strategies.

**ADVANCED, TRANSPARENT COMPLIANCE** - We are one of very few companies to provide the FAA uninterrupted access to our advanced record-keeping software. Real-time reporting allows the FAA to track the Silver Air fleet and crewmembers to ensure regulatory compliance for all flights.

**IS-BAO STAGE 2** - Developed by the International Business Aviation Council (IBAC) and its member associations, the International Standard for Business Aircraft Operations (IS-BAO) is a recommended code of best practices designed to help flight departments worldwide achieve high levels of safety and professionalism. This industry standard was built for operators, by operators, and shaped by the ICAO Standards and Recommended Practices (SARPS). Silver Air is currently IS-BAO Stage 2-compliant, demonstrating the industry's highest safety practices.

**WYVERN WINGMAN CERTIFIED OPERATOR** - Leading charter buyers rely on Wyvern's vetting tools for reliable safety intelligence and informed sourcing. Fortune 500 companies utilize the The Wingman Rating (TWR) when sourcing air charter, and Wyvern promotes Wingman Certified Operators through the Pilot and Aircraft Safety Survey (PASS) system, where Wyvern buyers vet the company, aircraft and crew for each individual trip. Only an operator who has successfully passed a Wingman audit and is in good standing with Wyvern may be called a Wingman Certified Operator.



## PRIVACY AND SECURITY

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Security for our Owners and their families is a primary concern. Although private aviation is less prone to security risks, they still exist. Silver Air takes multiple steps to ensure security is maintained at the highest level for our Owners, their aircraft and our charter guest. Company security procedures include: Employee Non-Disclosure, Secure Operations Center, Aircraft Security, International Security, Base of Operations Security, and Discreet Flight Codes

## FLEET ACCESS

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Should the Owner's aircraft not be available due to maintenance or the Owner desires to use a different Aircraft, the Owner will have access to Silver Air's Fleet of aircraft for "Cost". "Cost" is the hourly rate paid to the aircraft owner for the aircraft being utilized. Fleet utilization is based on availability of desired aircraft. Should a desired fleet aircraft not be available, Silver Air will source an appropriate aircraft for the owner to charter and handle all logistics regarding the replacement aircraft. All costs will be passed to the Owner; Silver Air will not add any margins to the price.

## INITIAL OR TRANSITION OPERATIONS SET UP

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Once Silver Air becomes the management company on record, our team will begin working on delivery, FAA conformity and initial flight operations. Our airworthiness team will assure the aircraft is in compliance with applicable FAR Part 91/135 regulations and owner requirements. We will also become familiar with the installed equipment and confirm it meets the requirements of all areas of expected operations, both domestically and internationally.

We will further develop the management plan as we get closer to aircraft delivery and flight operations anticipation. The following is a basic timeline from beginning of acquisition to being fully operational:

**INTAKE AND PLANNING** – The Silver Air will conduct an intake meeting with all department stake holders. Each department head will be briefed on the specific needs for each category such as; base of operations, airworthiness, flight crews and charter (if applicable).

**SET UP AND EXECUTION** – Each department head will execute their specific areas of responsibility according to the management plan. During this time flight crews will be hired, the base of operations will be set up, the maintenance will be reviewed, the base maintenance vendor will be selected, all paperwork will be submitted to the FAA for Part 91/135 operations and aircraft information will be put into all required software for management and operations.

**FAA COMPLIANCE AND CONFORMITY** – Silver Air will manage all regulatory compliance issues with the FAA. If the aircraft is to only be operated Part 91 (Owner use), Silver Air will acquire an LOA on behalf of the Owner, if the aircraft is to be operated Part 135 (Charter), we will place the aircraft into our charter fleet.

**BEGIN OPERATIONS** – Once each department has completed their task and signed off on areas of responsibility the aircraft will be handed off to flight operations and put into service. At this time the aircraft will be fully operational and ready for part 91 and or Part 135 flight operations.

## CHARTER REVENUE

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Our charter program is designed to work around our Owners schedule, while optimizing the overall schedule and maximizing revenue. Like management, we work with you to set up a charter program that fits into your world, around your schedule. We offer two charter solutions for our Owners;

**OPTION A GUARANTEED HOURLY RATE** – Our guaranteed hourly rate program is designed for Owners who want to have predictable hourly income for charter use. Under this program we work with the Owner to set the hourly rate and Silver Air will guarantee that rate for all hours the aircraft is used for charter regardless of the market fluctuations on the retail charter rates. Hourly charter use is derived from the aircraft flight logs. Owners are paid for all flight time associated with charter activity such as; occupied charter flights and any positioning flights associated with charter activity.

**OPTION B SHARED REVENUE PERCENTAGE** – Our shared revenue percentage is designed more as a partnership with the Owner in which Silver Air and the Owner share in the revenue generated from charter activity. Under this program we work with the Owner to establish a target “Retail” rate in which the aircraft is chartered to Silver Air clients but allows for market fluctuations on the retail charter rate. At the end of the billing period, the total charter revenue is calculated, and Owner receives 85% of total revenue and Silver Air receives 15% of charter revenue. If the average hourly income exceeds the established “Retail” rate, the Owner and Silver Air split the overage 50% - 50%.

**FUEL SURCHARGE** – Silver Air may charge a fuel surcharge for charter flights based on current fuel market conditions. If a fuel surcharge is implemented, 100% of the revenue collected will be paid to the owner. The fuel surcharge is accounted for in the monthly accounting statement.

## FLIGHT/GROUND CREW

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**CREW PLAN** – Silver Air will develop a specific crew plan based on the overall operation of the aircraft and the Owner's needs. If the Owner currently employs flight crews or maintenance personnel and would like to keep them on the Aircraft, we will integrate them into the Silver Air process. If the aircraft needs to be staffed, Silver Air will interview, vet, and present the final candidate to the Owner before they are hired.

Silver Air holds a high standard in our flight and ground crews and we are very culture driven. We hire crews that are not only highly qualified, but also fit into our Owners' culture. The traits we value in our flight crews are safety through intelligence, great personality, dedicated team member that puts the Owner's needs first, that is flexible and well organized.

Silver Air has clearly defined roles for our flight and ground crews. We work with the Owner to create an efficient crewing plan utilizing a combination of the following positions;

**LEAD CAPTAIN** - In addition to the normal PIC responsibilities, the Lead Captain will be responsible for management items such as: ensuring the aircraft is clean and well cared for, navigation databases are up to date, all required documentation is on board and liaison with the Silver Air management team on the status of the aircraft. The Lead captain will to be the on-site manager of the aircraft.

**LINE CAPTAIN** - In addition to the normal PIC duties and responsibilities, the Line Captain will support and assist the Lead Captain in ensuring the aircraft is operated according to Silver Air policies and Owner standards.

**SECOND IN COMMAND** - In addition to the normal SIC duties and responsibilities, the SIC will support and assist the Lead Captain in ensuring the aircraft is operated according to Silver Air policies and Owner standards.

**MAINTENANCE MANAGER (Optional)** – The dedicated Maintenance Manager is responsible to ensure the aircraft is airworthy and flight ready at all times. They will complete all pre and post flight inspections, fix any small discrepancies that arise out of the normal operations, complete normal line maintenance inspections and supervise all major inspections at the aircraft manufacturer service center or other vendors.

**FLIGHT ATTENDANT (Optional)** – The dedicated Flight Attendant is responsible for ensuring the cabin experience and the needs of the passengers are met and exceeded at all times, before, during and after the flight.

**COMPENSATION AND BENEFITS** – Silver Air offers our full-time flight crews compensation packages that are designed to retain the best crews possible, while being financially responsible to our Owners. Compensation packages include;

- Pay at or slightly above industry standard
- Bonus pay (for any days over 17 in a calendar month)
- Medical, vision, dental, and life insurance
- Daily Per-diem
- Retirement benefits
- Annual vacation time
- We treat our flight crew like customers

**SUPPLEMENTAL FLIGHT CREW** – If any members of the dedicated flight crew are not available for any reason, Silver Air will utilize fully qualified contracted supplemental flight crews. The contracted pilot(s) will have received simulator-based training within the last 12 months and will have met the hiring standards of Silver Air and meets the qualifications of the Silver Air Fleet insurance policy.

## FLIGHT CREW TRAINING

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We believe high level flight crew training and standardization training are the most important factors in safe flight operations. The Silver Air flight crew training programs consist of a combination of classroom, online and aircraft simulator-based learning. All Silver Air flight crews go through the basic ground school, emergency training, aircraft specific training, standardization training and customer service training. Initial flight crew training takes 3 to 6 weeks depending on the pilot's aircraft currency status and consist of the following modules;

**BASIC INDOC** - All flight crew members will go through Indoc training that includes; company procedures, regulations, international operations, flight procedures, Safety Management System (SMS) program, flight planning, weight and balance, CRM (crew resource management) and aircraft SOPs (standard operating procedures).

**SIMULATOR FLIGHT TRAINING** - Each flight crew member will be sent to simulator-based flight training for aircraft specific training at one our approved simulator training facilities for standardization training, normal and emergency procedures training, aircraft systems training. Once training is complete, the pilots will be tested by a "Check Airman" on their knowledge, skills and qualifications in the aircraft.

**EMERGENCY TRAINING** - All Crewmembers will go through emergency training that includes classroom learning and drill training that covers; evacuation procedures, emergency duties/responsibilities and location and use of emergency equipment, and basic survival and medical techniques.

**STANDARDIZATION TRAINING** - All company personal goes through standardization training includes classroom and on the job training and covers a wide range of subjects.

**CUSTOMER SERVICE TRAINING** - We have a heavy emphasis on customer service and providing our Aircraft Owners and charter guest this best experience possible.

We offer two paths for our Owners to pay for training cost;

**T-CAP PROGRAM** - Our T-CAP program is designed to eliminate the variability in pilot training cost with guaranteed monthly fixed training cost. (Ask for more info on this program)

**PAY AS YOU GO** - With the pay as you go method, Owners pay for each individual training event through the startup cost and the monthly accounting statement.



## FUEL COST MANAGEMENT

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Silver Air's fuel management program consists of several fuel programs designed to optimize overall fuel cost. Fuel requirements are analyzed prior to each trip on a leg by leg basis and our operations team determines the most cost-effective method of fueling. Silver Air creates a specific fuel management plan for each aircraft based on the following criteria:

- Base Fuel Cost
- Ability of aircraft to "Tanker" fuel from base
- Specific mission fueling locations
- Fuel cost analysis is performed for every flight

**Base Fuel** – As part of the Base of Operations selection, Silver Air will leverage our entire fleet while negotiating the best fuel price for the Aircraft Owner.

**Transient Fuel** – Our Team analyzes each flight and searches for the lowest fuel price at all transient locations while meeting the Owners' and charter customers' needs.

Taking these steps translates into a 25% fuel savings for the Owner compared to buying retail fuel for each leg. All fuel cost is a pass through, Silver Air does not markup fuel.

## INSURANCE

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**FLEET POLICY** – Silver Air will add the aircraft to our "fleet" insurance policy, providing worldwide coverage, the savings associated with our fleet policy are passed along to the Owner. The Fleet policy will provide Mexico issued and EU/War liability coverage when/if the aircraft flies to Mexico, Europe or areas of the world that require this additional coverage. Silver Air also offers engine and engine component heat damage as an optional coverage for our Owners. Coverages include;

**HULL VALUE** – Covers any losses due to airframe and engine FOD damage, all flight and ground operations, all airport operations, ramp and hangar coverage up to the value of the aircraft.

**AIRCRAFT LIABILITY** – Covers bodily injury and property damage to any person or property on the ground or in the aircraft up to the liability limits set forth in the policy. Silver Air will set the liability limits according to the Owner's requirements.

**EU/WAR LIABILITY (Only required for EU Operations)** – Covers bodily injury and property damage to any person or property on the ground or in the aircraft while the aircraft is operated on the ground, in the airspace or over the territory of the European Union up to the liability limits set forth in the policy. Silver Air will set the liability limits according to the Owner's requirements.

**ENGINE AND ENGINE COMPONENT HEAT DAMAGE (Optional)** – Cover losses due to engine heat events that are not otherwise covered by the general hull coverage. Heat events include, but not limited to; hot starts, excessive heat damage due to electrical or mechanical failure and heat damage caused by operation or shutdown of the engine.

*A full list of coverages will be provided to the Owner upon management engagement.*



## MAINTENANCE MANAGEMENT

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Our maintenance management process is highly focused on efficient management of our Owners' aircraft maintenance requirements. Our maintenance team is focused on two primary goals; keeping maintenance cost as low as possible while maintaining the aircraft to the highest standards and limiting down time as much as possible. We accomplish this by detailed forecasting and scheduling, combined with working with the best maintenance vendors in the business.

**MAINTENANCE TRACKING** - Our maintenance operations team will manage the aircraft maintenance tracking program (CAMP or similar). Maintenance tracking software is updated and reviewed after every flight.

**MAINTENANCE SCHEDULING** - Our maintenance operations team will develop a basic 12-month schedule of inspection events and then work around the flight schedule to efficiently complete maintenance.

**MAINTENANCE COST** - A big part of our maintenance management process is assuring we keep our Owners maintenance cost to a minimum. We do this by securing multiple quotes for all events, keeping a high level of oversight during each maintenance event and having a multi-layer approval process for all invoices.

**RECORD KEEPING** - Original aircraft documentation and Aircraft log books are inventoried, reviewed and then digitally scanned by our Airworthiness office. Original documentation is securely stored in our fire blocked records room.

**SCHEDULED MAINTENANCE** - Silver Air operates under three tiers of maintenance; light, medium and heavy.

**Light Maintenance** - Service checks and minor squawks will be handled primarily by a base maintenance vendor or a dedicated maintenance manager.

**Medium Maintenance** - larger inspections or multiple small inspections that are due at one time shall be done on an ongoing basis and are planned around the flight schedule.

**Heavy Maintenance** - These inspections generally take a week or more and happen less frequently. Our team projects these events far into the future and are planned around the Owner's flight schedule.

**UNSCHEDULED MAINTENANCE** - Should the aircraft have a maintenance issue during a trip, our maintenance operations team will work with the flight crew, the manufacturer's tech support and a suitable local maintenance vendor to efficiently correct the issue and release the aircraft back into service.

**MAINTENANCE SERVICE CONTRACTS** - Silver Air will transfer and manage any service program contracts that are put in place for the aircraft such as; engine, airframe maintenance, avionics and parts programs. Our team may make recommendations for adding or deleting service program contracts as we become familiar with the Aircraft.

**MAINTENANCE VENDORS** - Silver Air maintains a list of pre-vetted maintenance vendors both domestically and internationally that support our fleet for all light, medium, and heavy maintenance events. Approved vendors are vetted on qualification, staffing, resources, and on-site inspection of their facilities.

## BASE OF OPERATIONS

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BASE AIRPORT - Silver Air will manage the base of operations set up on behalf of the Owner. Our team will work with the owner to determine the ideal location based on the Owners needs and overall flight operation. We will present airport options to the Owner and make recommendation for the base Airport based on the follow criteria:

- Owner convenience
- Airport Services; Approach options, international customs, etc.
- Charter market
- Vendors; Cleaning, catering, maintenance...
- Multiple, competing FBOs on the field

BASE FBO/Hangar - Silver Air works with the Owner to secure an FBO/Hangar location that best fits their needs. We will make recommendations based on the overall FBO facilities, location and available services, such as;

- Competitive hangar cost
- Competitive base fuel cost
- 24-hour operation
- Customer service reputation
- Quality of services available on site

*Silver Air shall ensure that the base hangar facility is insured according to the requirements of the Owner and the Silver Air fleet insurance policy. Additionally, the line staff shall be properly trained on the servicing and handling of the Aircraft.*

## TECHNOLOGY, SOFTWARE AND SUBSCRIPTIONS

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Silver Air will manage all technology, software and subscriptions for the Aircraft. During the aircraft set-up phase, our team will execute contracts, set up accounts and update all aircraft and online software associated with the Aircraft. Technology, software and subscriptions for the Aircraft include, but not limited to the following;

**IPADS** - Silver Air operates a paperless cockpit environment; Each flight crew member is assigned an iPad for use in the cockpit.

**CHARTING** - All charting will be electronically updated on company iPads and aircraft charting systems. Each pilot is responsible for keeping all charting updated on their assigned iPads.

**AIRCRAFT DATABASES** - Silver Air will manage and ensure all Navigation databases are updated and installed in the aircraft. The Lead Captain will be responsible for managing and updating the aircraft Nav databases.

**AFM/POH/QRH** - Silver Air will manage any updates related to Airplane Flight Manual, Pilot Operating Handbook and/or Quick Reference Handbook. All these manuals will be managed and accessed digitally on iPads. The Lead Captain will ensure the latest revisions are installed on all iPads.

**MAINTENANCE TRACKING SOFTWARE** - Silver Air will manage the transition of the maintenance tracking software for the aircraft and will be responsible for maintaining it moving forward.

## FLIGHT SUPPORT

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Silver Air will manage all trip planning and flight support for our Owners and charter guest out of our central operations center. The Silver Air operations center will be the single point of contact for pre-flight planning, flight following and post flight support. Silver Air assigns an Ops Manger to each flight to manage the following;

**OWNER POINT OF CONTACT** - Silver Air assigns a single point of contact for Owner flight support. One team member will manage the trip from beginning the end the ensure all details and requests are coordinated. for our Owners. Silver Air will arrange any services the Owner requests to include, but not be limited to; catering, ground transportation, in-flight entertainment, in-flight services and/or any reasonable requests.

**DOMESTIC FLIGHT SUPPORT** - Our operations team manages all domestic trip planning and flight support. They arrange all services needed for our Owners and charter guests, including; ground transport, catering, and special requests.

**INTERNATIONAL FLIGHT SUPPORT** - For international flights, Silver Air works with a third-party handling company with expertise in the area of operation to supplement our internal flight support.

**FLIGHT FOLLOWING** - The assigned Silver Air team member will track all flight activity and report flight progression as required by the Owner or charter client.

## AIRCRAFT ACCOUNTING

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**ONE TRANSACTION** - Silver Air pays all direct costs of operations on the Owners behalf and submits one invoice per month to the Owner for reimbursement payment. As part of the monthly accounting package all receipts are included for all payments made on the Owner's behalf. If charter revenue exceeds cost during the accounting period, Silver Air will pay the Owner according to the lease terms.

**OWNER USE** - Silver Air will pay for the cost of Owner use and will be reimbursed through the monthly accounting statement. The expenses will be managed by Silver Air's accounting department with details and receipts included in the statement.

**MONTHLY STATEMENT** - The monthly statement will be prepared for the Owner within 30 days after the end of the monthly billing period. This statement will account for all income and cost generated from operations, including;

- Flight time reporting according to Owner's specifications
- Hourly totals for Owner use, charter use and any maintenance or training/checking flights
- Total hourly charter revenue
- Flight Support cost - Catering, ramp fees, permits, Owner requests, ground transportation, etc.
- Fuel accounting - Total gallons, base fuel, transient fuel, direct purchase and contract fuel
- Fixed Cost - Hangar, insurance, flight crew, cleaning, ground support, etc.
- Maintenance cost

**ACCOUNTING SUPPORT** - The Silver Air accounting department will work directly with the Owner's accounting department to ensure the aircraft accounting is managed according to the standards set by the Owner. Silver Air will also work with the aviation tax firm selected by the Owner to ensure all tax parameters and requirements are met. Silver Air will make a recommendation on an aviation tax specialist at the request of the Owner