



Mid-Western Aircraft Systems, Inc.

Equity Participation Program

**Employees Represented by the
International Association of Machinists &
Aerospace Workers**

May 12, 2005

Introduction

- We have negotiated an Equity Participation Program for eligible employees represented by IAM Local Lodge 834.
- Participants will be entitled to receive cash or stock if the new company completes an initial public offering (IPO), sale, or merger, provided that transaction delivers at least a 15% annual profit to the initial equity investors (a “Payment Event”).
- All information in this document concerning future value or performance is intended to provide examples for illustrative purposes and does not constitute a prediction or projection. Actual value and performance may vary materially from the information in this document.

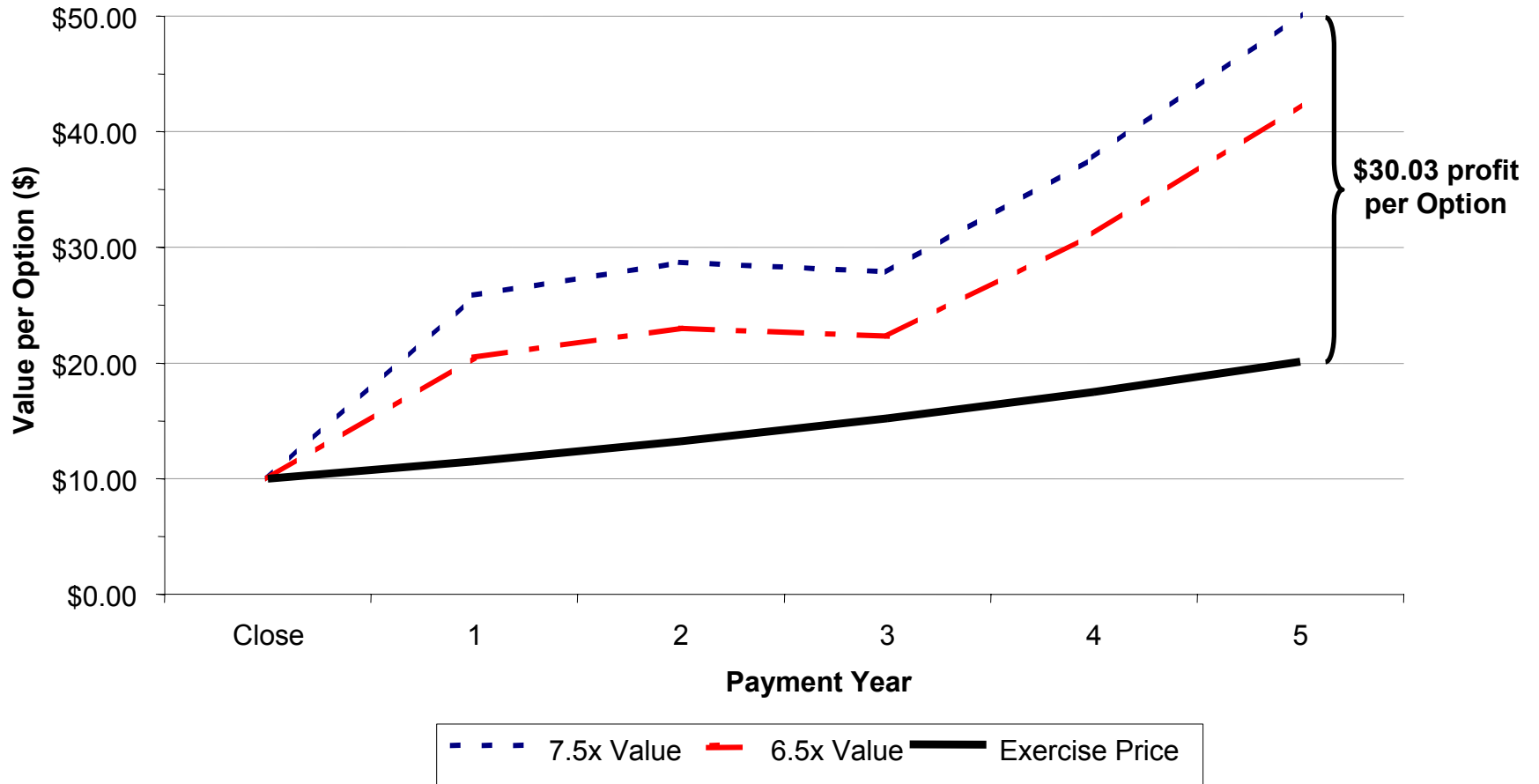
Who Will Run the Program?

- The Program will be administered by a trustee appointed by mutual agreement of the participating unions and the company.
- The unions will appoint a board of advisors to consult with the trustee, and the company will have an observer at meetings of the board of advisors.
- The trustee will meet annually with the Audit Committee of the company Board of Directors to confirm the calculated value for Options existing under the Program.

What Exactly is an Option?

- Each Option represents a right to share in the Payment Event profits on one share of Mid-Western Aircraft Systems Holdings, Inc.
- Each Option gets 100% of the profit on one share of common stock after the initial investors have achieved a 15% annual return.
- IAM-represented employees will have Options relating to about 10% of the common stock on day one.

Illustration of Option Value



Note: Does not include transaction or administrative costs, and is pre-tax.
See Appendix.

How Do I Get Money From This?

- Upon a Payment Event, each Option will be valued and the Program will receive cash or stock. The company will decide whether the payment will be made in cash or stock.
- The cash or stock will then be allocated and distributed by the Program among eligible employees in compliance with applicable securities laws.
- The value of each Option will be the net proceeds received by Onex or the company in the Payment Event, less the “exercise price” of the Option.
- The exercise price of an Option will be \$10.00 (equal to the price Onex is paying for each share), then growing by 15% per year until the Payment Event takes place. You never write a check for the exercise price – it will be deducted from the proceeds and you will receive cash or stock for the net amount.

Am I Eligible to Participate?

- You are eligible to participate in the Program if you meet the following requirements:
 - You work for the new company in a job category represented by the IAM Local Lodge 834.
 - You work for the company (or are on an authorized leave of absence from it) for at least three consecutive months during the first few months after it acquires Boeing Commercial's Wichita/Tulsa Division.

Do I Have to Sign Up?

- There is no need to sign up.
- The Program will send all eligible employees a notice confirming their status.

What Does it Cost Me to Participate?

- It does not cost anything to participate in the Program.
- It does not cost anything to be allocated an Option.
- Following a Payment Event, cash or stock will be distributed automatically.
 - The amount you receive will be net of the exercise price of the Option.

Can I Lose Money?

- The Program only has upside – it cannot cost you money.
- Under current tax laws you do not have to pay tax unless and until you receive cash or stock, and you will receive value that exceeds any tax you would have to pay relating to the Option.

How Many Options Will I Get?

- We have negotiated with Onex to make about 4.4 million Options available to participants represented by the IAM.
- Assuming that there are about 4,400 IAM participants, then the average IAM participant would benefit from 1,000 Options.
- When the Valuation Event occurs, the IAM and the other industrial unions participating in the Program will determine the allotment of Options among eligible employees.

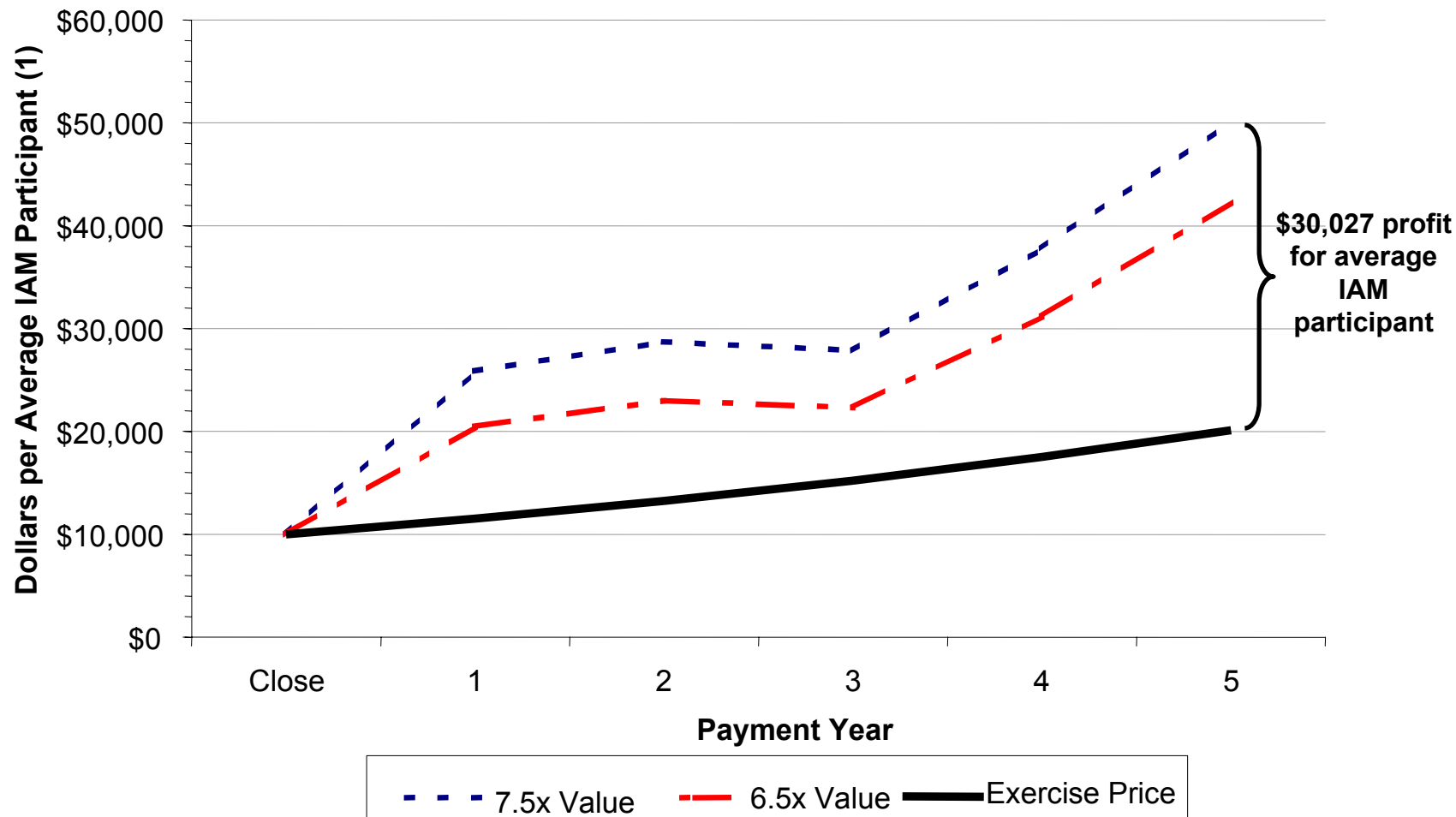
What Is Each Option Worth? (1)

- The example on the following page is for illustration purposes only and does not represent a promise by Onex or the company. Actual value will depend on many factors, including the success of the company.
- This example uses the following assumptions, and additional details about them are appended to this presentation:
 - It is based on the business projections Onex is using for its own purposes.
 - It assumes a Payment Event on the fifth anniversary and that companies like this one are valued much as they are today.
 - It does not include transaction and other administrative costs (which should be quite small).
 - It is pre-tax.

What Is Each Option Worth? (2)

- Using those assumptions, each common share would be worth \$50, and the exercise price would be about \$20, so each Option would be worth about \$30 when the Payment Event occurs.
- A participant with 1,000 Options would receive about \$30,000 in cash or the equivalent value in common shares.

Illustrative Value for Average IAM-Represented Participant



- (1) Assumes 1,000 options for average IAM-represented participant.
(2) Does not include transaction or administrative costs, and is pre-tax. See Appendix.

Am I Guaranteed to Receive Profits?

- There is no guarantee that you will receive a payment, this will depend on the allocation of Options and the net share value in the Payment Event relative to the exercise price of an Option.
- Onex and company managers will invest in the same class of common stock as drives the value of the Options.
- Onex cannot sell shares in an IPO unless the Program is entitled to sell shares too.
- You are guaranteed that you will not lose money from receiving an Option.

If I Get a Payment, When Would That Happen?

- The company is required to distribute cash or common stock to the Program when a Payment Event occurs. The Program will then distribute the cash or stock to participants as soon as practical.
- We do not know when a Payment Event will take place, but Onex is using a five-year period in their planning.
- The company and Onex will want a Payment Event as soon as they believe that the conditions are right for an optimal valuation.

What If I Retire or Leave Before the Payment?

- If you work for at least three consecutive months during the first six months after the company buys the Wichita/Tulsa Division, then you will remain a participant in the Program, even if you retire, resign, or are terminated before the Payment Event.
- The actual allocation of Options among participants will be done by the Program when a Payment Event occurs.

How Can I Check on the Value of the Options?

- Each year the Program will make available to participants an estimate of how much each Option would be worth if the Payment Event had occurred at that time.

Will I Get a Document Showing Ownership of the Options?

- Participants will get a summary of the Program shortly after the legal paperwork is complete.
- When a Payment Event has occurred, each participant will receive a statement showing his or her allotment and the proceeds he or she will receive in cash or shares.

Can I Buy Shares?

- For legal and tax reasons, additional Options will not be available for sale.
- However:
 - The company will try to ensure that IAM-represented employees have the opportunity to purchase common stock in an IPO, at the IPO price, without paying stock brokerage fees.
 - If the company does set up a general employee stock purchase plan following an IPO, then IAM-represented employees will be able to participate on the same basis as salaried employees.