

NON-COMPETE AND CONSULTING PAYMENTS POLICY

It is the policy of The Fairchild Corporation to refrain from making non-compete payments and consulting payments to any person except those employees of the Company who possess critical, specialized knowledge of a Company's subsidiary's operations or customers. Notwithstanding the foregoing, the Company shall not in any event make non-compete and consulting payments to any senior executive who is primarily responsible for investments and strategy.

This Non-Compete and Consulting Payments Policy shall not be amended, altered or repealed except pursuant to the affirmative vote of at least two-thirds of the Board of Directors.

Adopted December 7, 2005; effective December 23, 2005.