

NAAS Employee Handbook

WELCOME TO NAAS

It is a pleasure to welcome you to North American Aircraft Services Inc., and to wish you success in your job with us. NAAS is a progressive corporation dedicated to providing comprehensive, high quality, technical services to our customers. The corporation was founded in 1993, chartered under the laws of the State of Texas, by a small group of highly motivated technical service experts. This nucleus of skilled personnel developed and implemented technical and personnel management policies, which have made NAAS one of the most successful aircraft fuel tank repair and structural modification service firms in the world.

NAAS is a fuel tank maintenance specialty company with a FAA Certified Repair Station (NS8R594J), with a limited airframe rating for the repair and maintenance of integral fuel tanks and fuel cell bladders.

NAAS specializes in heavy maintenance (tip to tip overhaul and repair) on transport category aircraft. Our personnel are highly trained and skilled fuel tank maintenance specialists with extensive experience on the transport category aircraft such as DC-8, DC-9, DC-10, B-707, B-727, B-737, B-747, B-757, L-1011, A-300, A-310, A-320, Military Aircraft KC-10, C-9 and C-17.

We have developed very effective fuel tank overhaul programs for DC-8s, DC-9s, A-300s, A-310s and B-727s, which feature a complete desealing and resealing of the tanks. These programs are integrated into heavy maintenance checks without schedule impact. The end result of the programs is a very clean factory type sealed tank, which greatly improves reliability.

In addition to our core business platform of fuel tank repair and maintenance, NAAS also offers line maintenance services to all air carriers in San Antonio, Austin and Denver airport locations. With our line services division, NAAS accomplishes quick turn and grounding item repair for aircraft that arrive into and depart from our staffed locations. Adding this capability to our current list of service offerings compliments our ability to market and achieve visibility with all national carriers.

Our corporate headquarters in San Antonio houses all corporate functions including senior management, quality control, finance, accounting, purchasing, and contract administration. The personnel and equipment at the corporate headquarters provide backup for the on-site / service facilities as well as execution of contracts for both military and commercial customers unique to this office.

Our central corporate service facility also contains our FAA Certified Repair Station and serves as the base for complete state-of-the-art fuel cell bladder repair and return to service of aircraft fuel cells. We manufacture test equipment for troubleshooting and repair of Aircraft integral fuel tanks. NAAS has purchased a major section of a DC-8 aircraft wing and an entire DC-9 wing for training and demonstration purposes.

The wing section allows NAAS personnel first hand experience with an actual confined space situation and leak detection and repair.

We have established on-site facilities throughout the world to improve customer communications and services. We have also expanded our involvement in the overall commercial marketplace. NAAS has a long-standing reputation as a dependable, high quality, cost-efficient supplier. We maintain a very flexible posture in order to meet the needs of our customers.

NAAS has been successful in our competitive area of aerospace procurement and have been able to maintain controlled, steady growth. The entire NAAS team is dedicated and committed to producing timely, economical, and quality services. Since it's beginning, NAAS has continually broadened its operational base to ensure effective customer support.

If there is anything in this handbook that you do not understand, we urge you to talk the matter over with your supervisor.

We wish to emphasize that the continued success of NAAS depends on each employee; YOU are a vitally important part of this organization.

Scott Hagler
President

INTRODUCTION

The purpose of this presentation is to provide employees of North American Aircraft Services, Inc. (hereinafter referred to as NAAS or the Company) with general information regarding the policies and procedures the Company attempts to follow in most cases, but neither this handbook nor any provisions of this book, is an employment contract or any other type of contract. The personnel policies in this handbook supersede and replace all prior published or unpublished policies.

This handbook, however, cannot anticipate every situation or answer every question about employment. The policies set forth in this handbook may not apply in every situation. The Company must demonstrate flexibility in the administration of policies and procedures, and reserves the right to change or revise policies, procedures and benefits without notice when such action is deemed necessary by the Company.

No term of employment, or term or condition of employment, including these policies and this handbook will be binding on the Company.

EMPLOYMENT CATEGORIES

- ☐ Full Time - An employee whose normal work week is over 30 hours
 - ☐ Part Time - An employee whose normal work week is 30 hours or less
 - ☐ Temporary or Seasonal - An employee not employed in a regular, on-going basis.
 - ☐ During the first three calendar months of employment, all new employees shall serve a trial-probationary period and may be terminated for any reason without notice.
 - ☐ The completion of the trial-probationary period is, of course, not a guarantee of continued employment since all NAAS employees are employed for an indefinite period.
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EMPLOYEE BENEFITS REVIEW

The following information is provided as an overview of your benefits package as a member of the NAAS organization.

BASICS

- All full time personnel are eligible to receive full benefits offered through North American Aircraft Services following successful completion of the 90-day probationary period.
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BENEFITS OVERVIEW

- ☐ Unemployment Compensation
 - ☐ Social Security Compensation
 - ☐ Workers Compensation Insurance
 - ☐ 6 Paid National Holidays
 - ☐ Paid Jury Leave
 - ☐ Paid Funeral Leave
 - ☐ Medical and Dental Insurance
 - ☐ Life Insurance, Short Term & Long Term Disability
 - ☐ Section 125 plan
 - ☐ Paid Vacation
 - ☐ 401 K Plan
 - ☐ Profit Sharing Plan
 - ☐ FMLA
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BASIC BENEFITS

- ☐ Unemployment Compensation
 - ☐ Social Security
 - ☐ Workers Compensation
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ADDED BENEFITS

☐ Paid Holidays

NAAS offers all full time employees 6 annual paid Holidays per year upon completion of probationary period.

☐ Paid Jury Leave

Any employee full or part time, who is called for jury duty will be excused from work with no loss of seniority. Full time employees with at least 3 months of continuous service shall receive 4 hours pay for each full day of duty.

ADDED BENEFITS

☐ Paid Funeral Leave

Full Time Employees with at least 3 months of continuous service will be allowed 3 consecutive days of leave in the event of death in the immediate family. For the purpose of this policy, immediate family member is defined as spouse, parent, step-parent, child, brother, sister, grandparent or parent-in-law.

ADDED BENEFITS

☐ Medical, Dental, Life Insurance, Short Term and Long Term Disability

NAAS provides group health Insurance to all Full Time employees after three months continuous service or their probationary period. This insurance provides benefits which are often unavailable to individual policyholders, and no proof of insurability is required if taken when first eligible. NAAS will pay 90% of employee only Medical and Dental Insurance and employee will pay 10% of employee only Medical and Dental. NAAS also pays 100% of employee Short Term Disability, Long Term Disability and Life Insurance. The Life Insurance policy for employee only is \$50,000.00. These policies are explained in detail in a separate booklet. Phone 1-888-416-2277

ADDED BENEFITS

☐ Section 125 Plan

NAAS offers a pretax benefit contribution option for employees. This concept in employee benefit coverage is known as a Section 125 Plan.

A Section 125 Plan is a benefit plan that allows you to make contributions toward premiums for medical insurance on a before-tax, rather than an after-tax basis. This means your premium contributions are deducted from your gross pay before income tax and Social Security are calculated.

ADDED BENEFITS

☐ Paid Vacation

After 90 days, hours accrued from hire date are vested and are available for use. Paid vacation accrues as follows:

During the first 36 months of continuous service hourly employees will earn approximately .019231 hours of vacation for every hour worked with a cap of 1 week per year or from anniversary date to anniversary date.

Beginning with the 37th month of continuous service hourly employees will earn approximately .038461 hours of vacation for every hour worked with a cap of 2 weeks per year or from anniversary date to anniversary date.

Added Benefits

☐ Retirement Plan

Eligible employees can participate in a 401-k plan through convenient payroll deductions. This is a tax-deferred plan as allowed by the tax code. Website www.planservices.com. Phone 1-888-800-5359

☐ Profit Sharing Plan

On a quarterly basis NAAS calculates corporate profits and allocates a percentage of your wages into your 401K based on collective earnings and your rate of pay. To receive this benefit you need not participate by depositing your funds into this account.

ADDED BENEFITS

☐ Family Medical Leave

Employees who have at least 1 year of service and have worked at least 1,250 hours over the previous 12 months are eligible for up to 12 weeks of unpaid, job-protected leave for one or more of the following reasons:

- the care of the employee's child (birth or placement for adoption or foster care)
 - the care of the employee's spouse, minor child or parent who has a serious health condition
 - a serious health condition that makes the employee unable to perform the essential functions of the job
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☐ **PERSONAL APPEARANCE**

- ☐ All employees in all operations are expected to maintain a neat, clean and professional appearance at all times while on duty. Males may not wear earrings on duty, and no employee may wear nose rings while on duty. Extreme hair styles, those which draw excessive attention, or are controversial (as determined by Management) are not allowed. Different operations of the Company have different specific uniform or dress codes.

- ☐ Any employee whose appearance is not proper, as determined by Management, will be asked to go home off the clock and correct their appearance. Refusal to comply with this policy will be considered as insubordination.

☐ **UNIFORMS**

- ☐ Mechanics should wear Company provided tee shirts on the job. Each employee can obtain 5 new tee shirts every 6 months.

☐ **BEARDS**

- ☐ In accordance with OSHA safety requirements beards are not acceptable when working in a confined space.
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☐ **PERSONAL TOOLS**

- ☐ NAAS is an aircraft service company where by hand tools are required to perform daily maintenance activities. All technical employees are responsible to supply their own hand tools to support their daily activities. Employees must meet the minimum tooling requirements within their 90 day probationary period. The minimum tool listing can be obtained from the site supervisor and or manager.

☐ **SAFETY**

- ☐ NAAS will comply with all Federal, State and local safety legislation and regulations, including traffic safety requirements. The Company places prime importance on the health and safety of its employees and will provide a safe and healthful working environment for everyone. Specific safety rules and requirements can be found in the Company's Safety Manual.
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DISCIPLINE PROCEDURES

- ☐ The following steps may be used by the Company in imposing discipline:
- ☐ (1) First Offense – Verbal Warning
 - ☐ (2) Second Offense – Written Warning
 - ☐ (3) Third Offense – Discharge
- ☐ In most instances, discharge will be considered a last resort. However, the Company reserves the right to discharge employees as it alone deems necessary without any prior disciplinary action.
- ☐ In making the decision to discipline an employee or not, and in determining the extent of such discipline, NAAS will take into consideration all of the circumstances including the employee's record with NAAS.
- ☐ Written warnings are intended to protect employees from excessive or redundant discipline, to keep employees apprised of their status at all times, and to afford employees the time and opportunity to correct problems.
- ☐ A written warning for attendance is in effect for six months after which time it is no longer counted as an active offense.
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ATTENDANCE

- Punctuality in reporting for work and regular attendance are absolutely essential to the efficient operation of the business and to the maintenance of good customer relations. Occasional unavoidable absences due to illness or other reasonable grounds will be excused; however, excessive tardiness or absence cannot be tolerated, regardless of the reason.
 - When an employee knows in advance of an impending absence, s/he must personally notify the Supervisor as far in advance as possible. The Supervisor will evaluate the reason for the absence and will advise the employee whether the absence will be allowed, or disallowed. A disallowed absence is counted as an unexcused absence.
 - If, because of some personal or family emergency or illness, an employee is unable to give advance notice of his absence, s/he shall personally notify the Supervisor on duty as soon as possible. The employee must personally notify his/her Supervisor no later than the first hour of the shift. An absence without proper notification will automatically be counted as an unexcused absence.
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