

ANTILLES AIR BOATS, INC.

POLICY HANDBOOK
FOR
EMPLOYEES

WELCOME TO ANTILLES AIR BOATS, INC.

We all have been busy accomplishing many things to ensure that Antilles Air Boats, Inc. is now, and shall continue to be one of the nations best Commuter Airlines. Your contribution to that continuing success is equally as vital.

It really requires each of you, the employees, to do the very finest job possible.

Antilles growth as well as profitability depend to a very large degree on you.

Read it carefully and ask your supervisor questions about any item you may not fully understand.

Your supervisors and the management will help you in any way to improve your skills to help you grow on your job.

AGAIN WELCOME !

Nicholas A. Castruccio
Nicholas A. Castruccio
General Manager

ANTILLES AIR BOATS, INC.

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SAFETY AND HOUSEKEEPING

In business "housekeeping" means more than the word implies to the average person - it is a way of working. It means keeping your work place neat and free of items not being used; keeping your equipment clean and in the proper place; disposing of waste in proper containers; storing materials and equipment in an orderly manner in designated places only.

By practicing good housekeeping you, as an individual, can contribute to safety. Drawers carelessly left open and tools scattered around can cause serious injuries. Dirt and disorder contribute to injuries and adversely affect the quality of our work.

The type of housekeeping we must have cannot be accomplished by a periodic clean-up. Like safety, the maintenance of good housekeeping is the personal responsibility of each of us on a daily basis.

ANTILLES AIR BOATS, INC.

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EMPLOYMENT

The Company carefully considers all applicants for employment. The Department Head, in cooperation with the supervisor involved, is responsible for the proper selection and placement of qualified persons.

EMPLOYMENT OF RELATIVES

The Company will refrain from hiring relatives of employees.

TRAINING

You will be given thorough training in the best methods of performing your job, and in many cases, will have the opportunity of learning new skills. Instructions are supplemented by demonstrations, wherever possible, by your supervisor or by other employees under his direction. From time to time studies will be made of your studies with the view in mind toward improving the method, working conditions and effectiveness.

PROMOTIONS

It is the policy of the Company to fill vacancies, whenever practicable, by promoting qualified employees from lower echelons. Such promotions will be made on the basis of seniority, job qualifications and supervisor's evaluation of your potential abilities.

SUGGESTIONS

You have an important stake in the successful operation of the Company. In order that it may progress, continuous improvements in safety, process, and operating methods in any phase of the operations are sought and welcome.

EMPLOYEE EVALUATION

Twice a year an evaluation of your performance will be made by your supervisor. These completed evaluations will become part of your personal file which you are free to review - however nothing in your personal file may be removed without the approval of the Department Head concerned.

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RESPECTING COMPANY AFFAIRS

All employees shall respect the privacy of all Company business and shall not reveal to any unauthorized person or persons the nature or contents of any form of communications, the substance or results of any Company conferences or meetings pertaining to Company affairs.

PERSONAL RESPONSIBILITIES

It is the personal responsibility of all Antilles Air Boat's personnel at all times to see that:

1. They maintain the qualifications required for the position they hold.
2. That their personal conduct and appearance at all times be such that it reflects credit upon themselves, the Company, and their fellow employees.
3. That any conditions adversely affecting the safety or efficiency of the operations are promptly brought to the attention of the proper Company officials.
4. All Antilles Air Boats personnel shall be familiar with the pertinent regulations concerning their respective duties and Company instructions.

USE OF INTOXICANTS OR DRUGS

Antilles Air Boat's personnel shall not be under the influence of intoxicating liquor or any type of narcotic while on duty.

Personnel reporting for duty showing evidence of intoxication are subject to disciplinary action.

DISCIPLINARY ACTION

1. REPRIMAND. May be issued by a Supervisor for cause. Copy of reprimand to be filed in employee's personnel jacket in Antilles office.
2. PROBATIONARY PERIOD. For severe disciplinary infraction an employee may be placed on probationary period up to 60 days. The Department Head must approve this action.
3. TERMINATION. Termination of an employee may be recommended by the Supervisor. However, this requires approval of the Department Head. A terminated employee's final paycheck will be withheld until he had surrendered any and all Company property, including employee identification card, checked out tools, etc. An appropriate amount will be deducted for any missing property.

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WORKING HOURS

Due to the nature of the Airline business, the scheduled work week will vary. Whenever possible Personnel will work a 40 hour week. On occasions you will be required to work overtime; compensation will be in accordance with Company pay policy and the labor laws of the U.S.V.I.

UNIFORMS

All Ticket, Ramp, Cargo and Ground Maintenance personnel will wear approved uniforms at work. The Company will furnish decals which are required to be sewn on uniforms. Decals will be issued on custody card and must be returned upon termination of employment or cost will be deducted from final pay check. Employees shall not be required to have uniforms while on probationary period. Choice of color and style made by Company. Uniforms become property of each employee, who are expected to keep them clean and replace them as required. Uniforms will be furnished as follows:

TICKET/CARGO AGENTS

Five shirts/blouses per year per employee furnished by Antilles Air Boats. Employee must provide pants or skirt.

RAMP AGENTS/GROUND MAINTENANCE

Five shirts, pants, and patches per year per employee, two hats per year per employee, and four gloves per year per employee furnished by Antilles Air Boats. Each employee will receive one rain suit and one pair of boots and must turn these items in before being issued replacements by Antilles Air Boats.

APPEARANCE

Antilles Air Boat's personnel are expected to take pride in their personal appearance, manner and bearing. Cleanliness and neatness create a favorable impression on the public.

HIRING POLICY

Hiring must be approved by the General Manager. The Department Head will interview prospective applicants and submit recommendations to the General Manager. The General Manager will advise the Department Head of his decision and will forward, upon approval, the personnel form to the Payroll Department.

PROBATIONARY PERIOD

All new hire employees are subject to a 60 day probationary period. It is desired to evaluate an employee carefully during this period and should he be found unsatisfactory, to terminate prior to permanent status. Supervisors will exercise close evaluation of all probationary employees performance.

ANTILLES AIR BOATS, INC.

POLICY HANDBOOK FOR EMPLOYEES

WAGE POLICY

In establishing levels of pay for different assignments, many factors are considered, among them skill, responsibility, and effort. This is done in order to appraise the worth of the job and to be fair to the individual.

Your pay is considered confidential between you and the Company and it is recommended that it not be discussed with other employees.

PAY DAY

The regular pay day is Friday for work performed the previous work week.

LOST CHECKS

If you should lose your check, report it immediately to your supervisor, who will in turn, notify the Payroll Department.

QUESTIONS

If there is ever any question about the amount of pay you receive, please discuss the matter with your supervisor. Be assured that a thorough investigation will be made and any corrections will be made promptly.

DEDUCTIONS

No money is ever deducted from your pay unless the Company is required by law to deduct it or unless you have authorized the Company in writing to take it out. The major portion of the deduction is generally for taxes - Federal Income Tax, and Social Security (F.I.C.A.). Other deductions which will be itemized on your check stub also, are amounts authorized for deduction by you. Checks covering paid vacations include all authorized deductions for each week. Payroll deductions are primarily for your convenience.

SPECIAL CHECKS

If you are absent due to illness or for other reasons and are entitled to Disability Wages, insurance benefits or regular pay, your check will be mailed to you at your home address as listed in Company records.

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MEDICAL SERVICES

If you receive an injury, no matter how slight, let your supervisor know without delay. A small injury may result in an infection which may cause you suffering and loss of time on your job.

First aid treatment is available and your supervisor will arrange for treatment by a physician if necessary.

CONTRIBUTORY GROUP LIFE INSURANCE

Regular, full-time, active employees who elect to make the required monthly contribution may become insured under the contributory group life insurance, hospitalization and medical benefits program underwritten for the Company by The Travelers Insurance Company.

You are eligible for coverage by the group insurance, medical and hospitalization plan on the date of your completion of one (1) month of active service with the Company from the date of employment. If you signed an application card and are actively at work on the date you become eligible, you will become insured on that date.

It is important that you apply for the insurance promptly; otherwise you will be considered a late applicant and, should you wish to become insured later, you will be required to submit satisfactory evidence of insurability to the Insurance Company at your own expense.

If you are not actively at work on the date your insurance would otherwise become effective, the effective date of your insurance will be deferred until the date you return to work. Half of the insurance premium costs are paid by the employee and the other half by the Company.

However, personnel in Management and Supervisory positions shall have their premiums paid in full by the Company.

MEDICAL CARE COVERAGE

Your medical care coverages are made up of a basic plan and a major medical plan. The basic plan consists of hospital, in-hospital medical, surgical and maternity benefits, and your major medical expense insurance is a supplementary coverage which covers expenses in excess of those covered by the basic plan and other types of group insurance plans.

Complete details as to the extent of life insurance and medical coverage, your contribution, etc., will be made available to you by the Payroll Department when you become eligible for coverage by the plan.

ANTILLES AIR BOATS, INC.

POLICY HANDBOOK FOR EMPLOYEES

VACATION

Each employee is entitled to two weeks paid vacation after he has been a full-time employee of Antilles Air Boats for one year. After completion of five consecutive years of employment, each employee is entitled to three weeks of paid vacation. After ten consecutive years, he will be entitled to four weeks paid vacation. Employees whose services are terminated shall receive with their final pay, the vacation pay they have earned provided they have been employed for a period of six (6) months or longer and were not terminated for cause. Supervisors and management personnel who are not paid overtime are entitled to an additional week of vacation every year.

If a holiday falls during a vacation period, the vacation shall be extended by one (1) day. Vacations must be taken by every employee within twelve (12) months of their anniversary date, unless the need of their service does not permit, in which instance a written request for extension must be approved by the Treasury Department or the vacation is lost. Every attempt will be made to schedule your vacation completely at your most desirable time, however, the final approval must depend on the work load and the desires of other people with more seniority within your department. Vacations will normally be scheduled during the off season periods.

SICK LEAVE ALLOWANCE

All permanent full-time employees who have been in the continuous employment of the Company for a period of six (6) months or more shall be entitled to be paid sick leave of six (6) days per year. A doctor's certificate is required for a single illness in excess of three consecutive days. Notice must be given to your supervisor by 10:00 A.M. of the day of absence and the Company shall have the right to require satisfactory proof of illness. Sick leave is intended to compensate employees for actual illness and will not be used by employees for other purposes. Unused sick leave will be accrued up to eighteen (18) days, (three (3) years). Unused sick leave in excess of eighteen (18) days will be paid at the rate of 50% of the employee's regular pay, at the end of the fiscal year.

Employees whose services are terminated shall receive with their final pay, unused sick leave in excess of eighteen (18) days at the rate of 50% regular pay, if they were not terminated for cause.

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Employees whose services are terminated shall receive with their final pay unused sick leave earned at rate of 50% regular pay scale of each individual employed, provided they have been employed continuously for three (3) years or longer, and were not terminated for cause.

ANTILLES AIR BOATS, INC.

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HOLIDAYS

The Company recognizes the following holidays in its U.S. operations: New Year's Day, Washington's Birthday, Memorial Day, Good Friday, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day and Employees Birthday.

Each full time employee shall receive holiday pay for each of the designated holidays not worked at the rate of eight (8) hours pay at his regular hourly rate.

Employees who are required to work on a holiday have the option of receiving an additional eight (8) hours pay or taking one (1) day off within the following thirty (30) days if the work load permits.

Salaries employees, co-pilots, and pilots are not entitled to additional pay or time off for holidays because of their schedule structure.

Only full time employees (scheduled 40 hours per week) are eligible for holiday benefits.

ANNULLES AIR BOATS, INC.

POLICY HANDBOOK FOR EMPLOYEES

TRAVEL PRIVILEGES

Travel privileges are granted to full time employees only after 180 days of employment.

JURY DUTY

Full pay will be granted for all time spent on jury duty when satisfactory evidence of such duty, provided by the Court, is submitted to your supervisor. When courtroom attendance is limited to only a part of the day you are expected to be at your job for the balance of the day and no allowance will be given for the time not spent on actual jury duty.

PART TIME EMPLOYEE BENEFITS

Part time employees are not eligible for Holiday, Vacation, or Sick leave benefits. They are eligible for travel benefits only on Annulles Air Boat flights. However, part time employees are not eligible for any reduced fare travel with other carriers under any interline agreements.

PENSION BENEFITS

There is no pension plan available for employees at the present time.

DISCOUNT TICKETS

All full-time (40 hours per week) employees shall be entitled to discount tickets after they have completed six (6) months continuous employment with Annulles Air Boats, Inc. In order to purchase a discount ticket you must present to the Interline agent a properly completed travel request form approved by the Department Head.

ANTILLES AIR COATS, INC.

POLICY HANDBOOK FOR EMPLOYEES

PERSONAL MAIL AND TELEPHONE CALLS

Employees are requested to have personal mail and telephone calls directed to their homes. If someone outside the Company must reach you on a personal matter, the call should be as short as possible.

SOLICITATIONS

Solicitations and collection or passing out of papers of any nature on the parking lots or Company property is prohibited, unless specifically authorized.

IDENTIFICATION

Upon completion of the probationary period, each employee shall be issued a Company identification card. Upon employment termination, this card must be returned to the Company.

ANTILLES AIR BOATS, INC.

POLICY HANDBOOK FOR EMPLOYEES

TIPS ON CONDUCT

1. Make yourself dependable. This means arrive on time, don't leave ahead of time, don't overstay coffee breaks or lunch periods. Your supervisor should not have to clock you.
2. Don't be absent unless this cannot be avoided, as in the case of illness. Practice sensible health habits. Your presence is required; otherwise you would not have been hired.
3. Do an honest day's work. This is good therapy for the mind and spiritual nourishment for the soul.
4. Develop a wholesome attitude toward your work and your company. Don't gripe just for the sake of griping. If you aren't satisfied with the job, you ought to find another.
5. Or if you can't find the job you like, try liking the job you find.
6. Don't knock your associates or others. Don't be a tale-bearer or backstabber.
7. Criticism of others betrays your jealousy. Don't criticise the other guys whose enterprise has let them rise above the guys who criticise.
8. Show some enthusiasm. A worker who is not fired with enthusiasm should be fired with enthusiasm.
9. Respect your supervisor. Some day you may become one.
10. Learn to work with others. Ninety percent of people who apply for unemployment compensation are out of work not because they lack the ability to perform the job, but because of some personality deficiency which they would rather enjoy than correct.

TOTAL OPERATING BUDGET

OPERATING BUDGET RESPONSIBILITY CHART

GENERAL MANAGER

Overall Management
Personnel Policies
Public Relations
Regulatory Agencies
Advertising
Media Determination
Legal Matters
Inland Sales
Purchasing
Marketing

ACCOUNTING DEPARTMENT

Financial Statements
General Ledger
Budgeting
Cash Management
Operating Statistics
Personnel/PAYROLL
Accounts Receivable
Accounts Payable
Income Audit
Market Control

GROUND OPERATIONS

Dispatching
Reserve/Standby
Cargo
Maintenance
Fueling
Tarmac
Aircraft Maintenance
Insights & Performance
Ground Performance
Gate Control
Cleaning Services
Security

FLIGHT OPERATIONS

Flight Scheduling
Block Training
Aircraft Flight Safety
Flight Certification
FIM Procedures
Fuel/WFO
Insights & Performance
Pre-flight Checks
Flight Scheduling

MAINTENANCE DEPARTMENT

Programmed Maintenance
Pre-flight Service
Post-flight Service
Parts Stockroom
FIM records
FIM Regulations
Aircraft Cleaners
Unscheduled Maintenance
Aircraft Scheduling

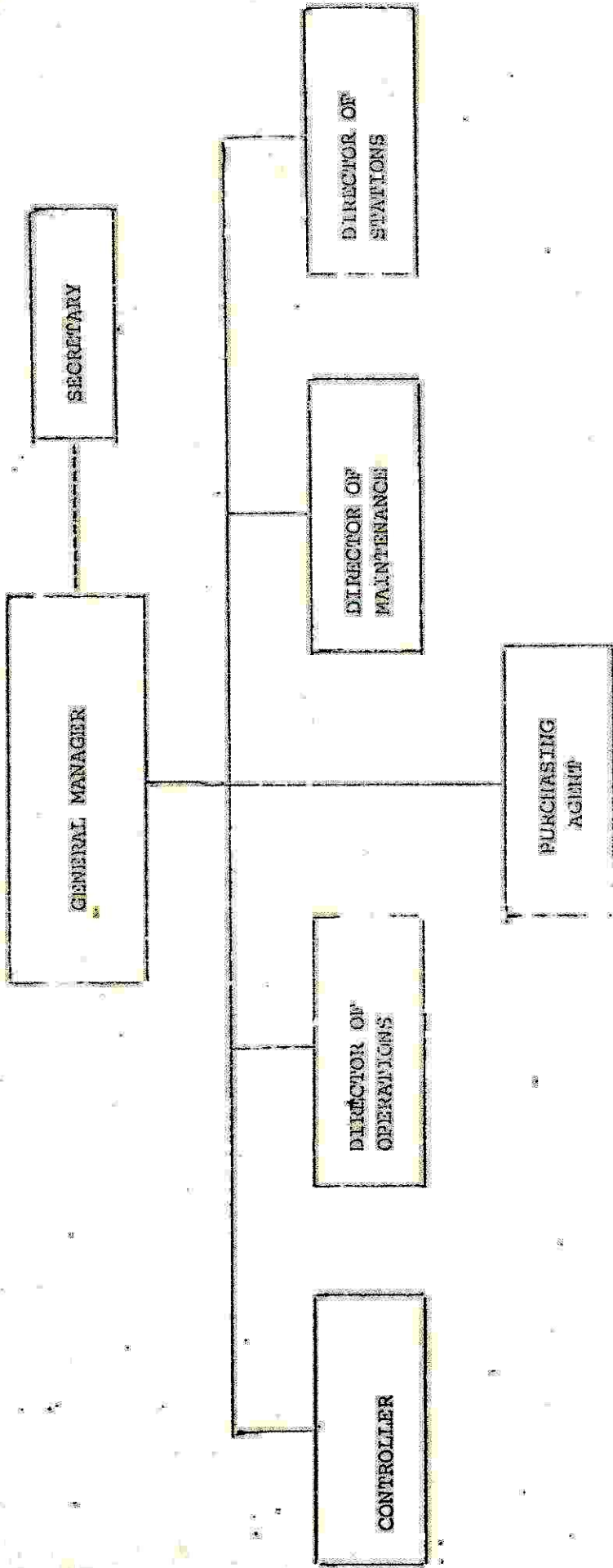
MAINTENANCE INSPECTION

Inspection
Maintenance Quality

ARTICLES AIR HORNS, INC.

1984 OPERATING BUDGET

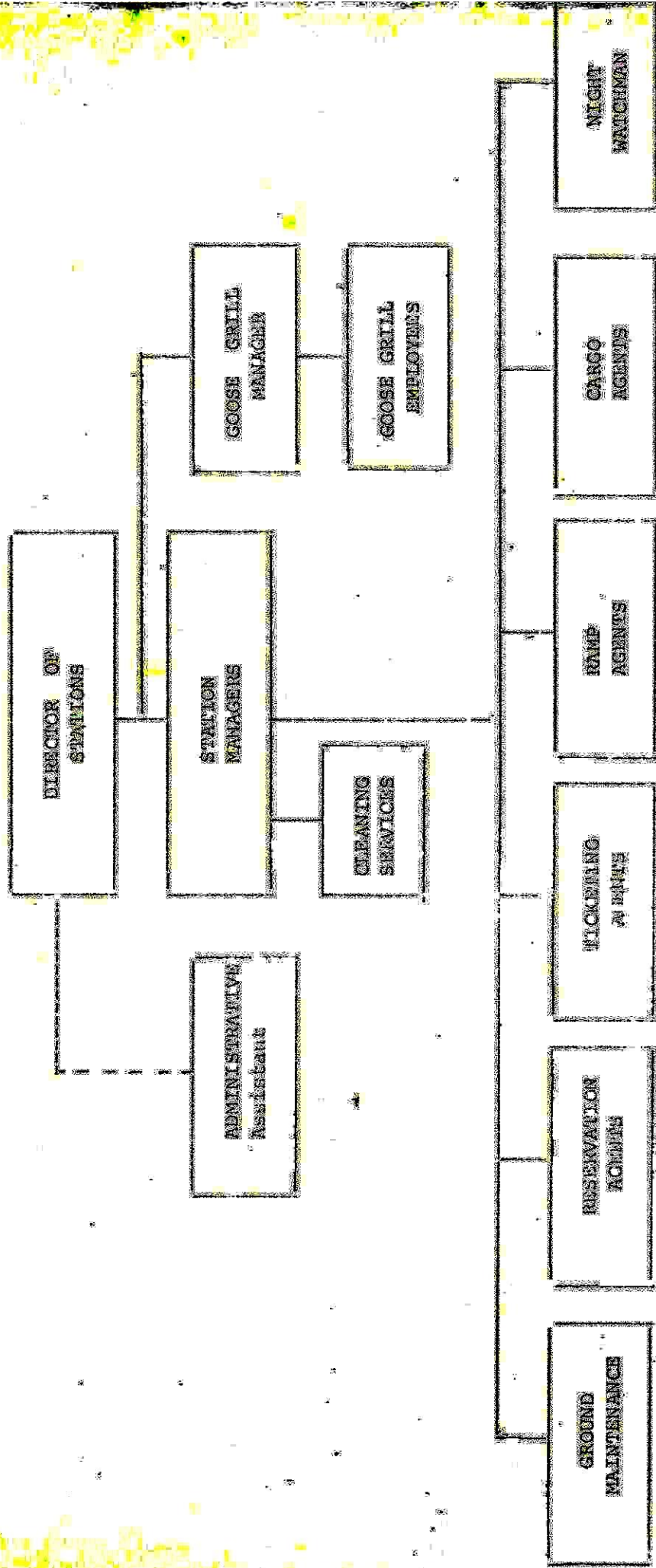
MANAGEMENT ORGANIZATION CHART



AMERICAN AIR SERVICE, INC.

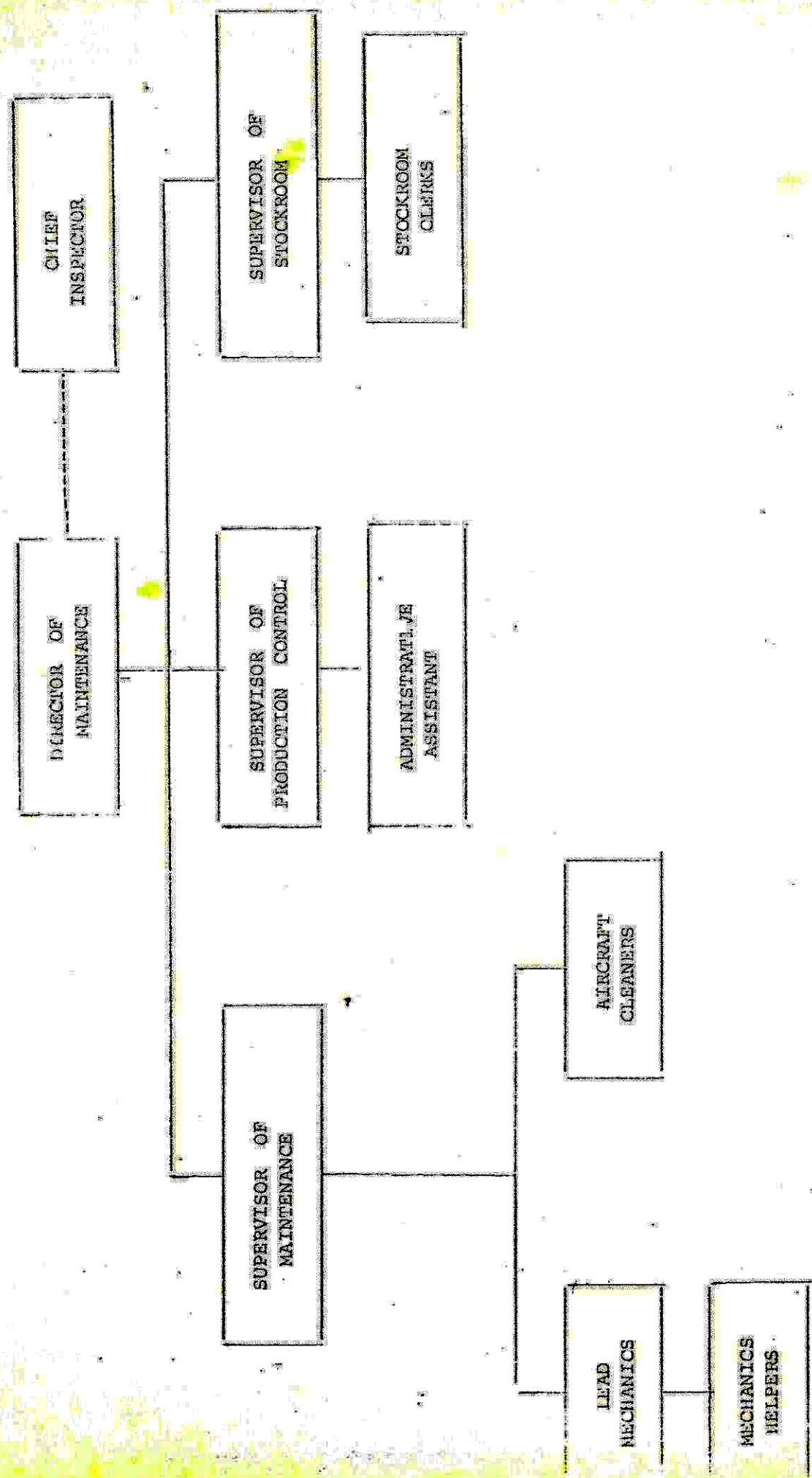
1981 OPERATING BUDGET

GROUP OPERATIONS ORGANIZATION CHART



1981 OPERATING BUDGET

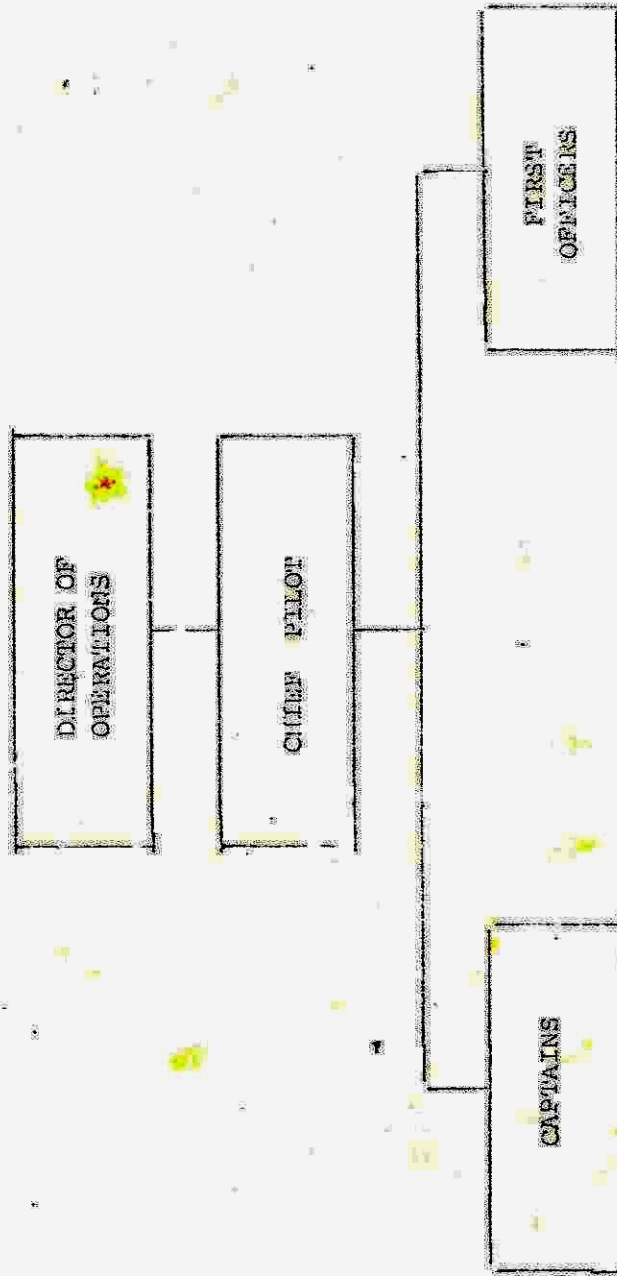
MAINTENANCE DEPARTMENT ORGANIZATION CHART



ANTILLES AIR BOATS, INC.

1981 OPERATING BUDGET

FLIGHT OPERATIONS ORGANIZATION CHART



ANTILLES AIR BOATS, INC.

1981 OPERATING BUDGET

ACCOUNTING DEPARTMENT ORGANIZATION CHART

