

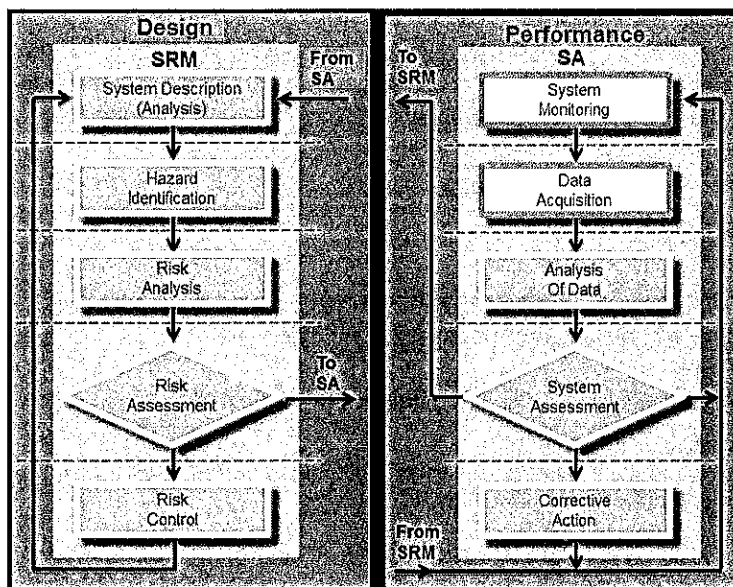
Safety Assurance (SA)

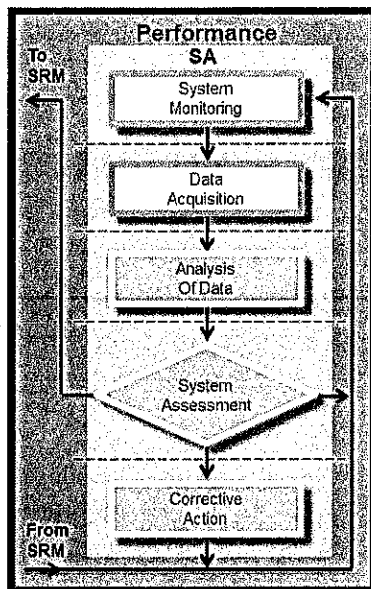
SMS is comprised of **two parts**.

First is the SRM (Safety Risk Management) which is the way Air Trek controls risk in a system or process.

Safety Assurance (SA) process is the Second. SA provides Air Trek with a process to give the company and staff the assurance that the Safety Management System is meeting the safety objectives and that the risk mitigation/controls developed using the SRM are working and continue to be optimized.

In SA the goal is to watch what is going on and review what has happen to ensure that company safety objectives are being met. SA therefor requires ongoing monitoring and measuring of both the operational and environmental process in an effort to continuously improve the level of safety in the organization.



Safety Assurance (SA)

SA consists of five process.

1. **System Monitoring**

Monitoring of operational process is what goes on by supervisors and staff each time a required piece of information comes in front of someone, this also includes the products and services provided to Air Trek by outside vendors. Monitoring environmental operations is from the system analysis conducted in SRM.

2. **Data Acquisition**

Information comes from areas such as Internal Audits/Evaluations, Investigations and Employee Reporting.

3. **Analysis**

This involves examining the information and data acquired (in steps 1 & 2 above) in order to make inferences about safety performance at Air Trek.

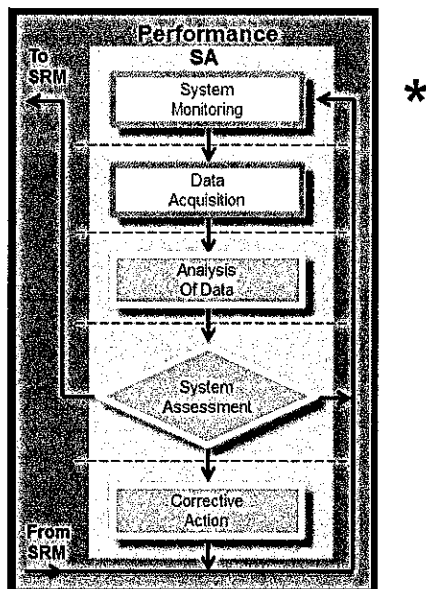
4. **System Assessment**

In this step informed decision making is completed by upper management.

5. **Continuous Improvement**

Is a process designed to ensure that Air Trek is acting to prevent or correct any substandard safety performance that may be identified.

System Operation / Monitoring



Operational Process Monitoring

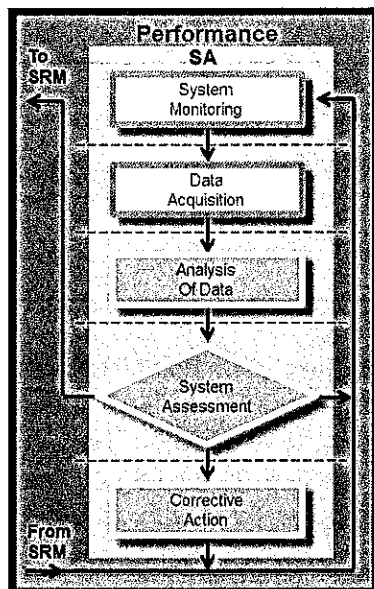
Management Personnel, as defined in FAR 119.69, at Air Trek are responsible to continuously inspect and monitor the areas that they are assigned duties for in accordance Chapter 1 of the Company General Operations Manual (GOM). In an ongoing effort to detect deviations from established procedures they shall ensure all areas within their scope for each SRM project are reviewed by each member of their staff and that abnormal findings are elevated to them as necessary for review. This includes not only internal operational process but must include products and services, that are referred to the SA process through SRM process, that are provided to and used by the company from outside sources and vendors.

Operational Environment Monitoring

In the SRM process after Risk Assessment is completed and a project or operation is allowed to proceed, it must be monitored, in regards to operational environment of operations, products and/or services, to determine that safety is maintained at an acceptable level with the Risk Controls that were implemented. During implementation of new projects or operation, that are referred to the SA process through the SRM process, elevated levels of oversight are necessary about all aspects of the environment in which the operation functions. This is accomplished by both staff and management. This mandates the utmost in care and attention to all of the details until ongoing safety is assured by data acquisition and analysis, overall system assessment and if necessary corrective action of the new project process.

Reserved

Data Acquisition



Internal Audits, Internal Evaluation, Investigations, Regulatory Non-Compliance Reports, SRM Safety Risk Control Non-Compliance, Employee Reporting

Internal Audits

Audits are a means of collecting data to confirm whether or not actual policies and procedures of the operational process, systems, products and/or services involved in the SRM project are being followed in accordance with established standards. These standards may be set forth in various documents such as but not limited to;

1. Company General Operations Manual (GOM)
2. Company Operation Specifications (OpSpecs)
3. Federal Aviation Regulations (FARs)
4. Company Standard Operating Practices (SOPs)
5. SRM Risk Controls

Air Trek will develop an audit checklist that covers SRM projects as they develop. These audit checklists are located in Appendix B of the SMS Manual.

Within each calendar quarter, or on a schedule determined by the Accountable Executive (AE), the AE with the aid of key management and/or knowledgeable employees will conduct portions of the audit check list. This should include random sampling of aircraft, pilot, maintenance and operation items/records involved in each SRM project to ensure completion of all items on the audit checklist by the end of the calendar year. These audit checklists should be retained to evaluate trends during subsequent audits and the analysis phase of the SA process.

Data Acquisition (Cont.)

Internal Audits (Cont.)

If findings are made during internal audits they will be inputted as necessary into the SRM process after the Analysis of Data, System Assessment and Management Review phases of the SA are completed.

Internal Evaluation

Evaluations differ from audits in that evaluations are about; doing the right thing the correct way and following good practices that are sustainable. The main question here is, are department managers and personal appropriately applying the documented policies, operational process, systems, products, services and procedures approved in Air Trek SRM guidance documents with expected outputs.

Evaluations should target and consider the results of:

1. Audits
2. Investigations
3. Corrective or preventive action effectiveness from past evaluations
4. Actions direct by reviews from management
5. Continuous monitoring activities conducted as part of the SA process
6. Hazard reporting, both direct and anonymous
7. Risk controls implemented as part of the SRM process
8. Any other relevant data

that relate to all SRM projects. Evaluations at Air Trek are conducted by the Accountable Executive at random intervals and focus on process and outcome.

If findings are made during internal evaluations they will be inputted as necessary to the SRM process after the Analysis of Data, System Assessment and Management Review phases of the SA are completed.

Data Acquisition (Cont.)

Investigations

Incidents and Accidents

Investigations into incidents and accidents at Air Trek are conducted or monitored by the management team members (DO, CP, DOM). Investigations are an opportunity for learning and understanding to prevent a repeat of errors and/or change company process through SRM so that mistakes do not recur. The focus is placed on what went wrong rather than who caused the error. Investigations should always emphasize improvement of safety.

Investigations of incidents and accidents should include operational process, systems, products and services of related SRM projects.

Outside organizations such as the FAA, NTSB, and Insurance Companies take point on major event investigations with assistance and cooperation of Management Team members. Their reports along with Management Team notes are kept as a final finding.

Minor accidents or incidents are conducted by the Management Team member in charge of the involved department and augmented by the other Management Team members as required.

Investigative notes, reports and findings will be inputted as necessary to the SRM process after the Analysis of Data, System Assessment and Management Review phases of the SA are completed.

Regulatory Non-Compliance Reports

Investigations of reports of regulatory non-compliance are of the highest importance since the vast majority of regulations have been written as a result of blood being spilled. IF and WHY it happened are important. As is distinguishing where it was error or intentional/willful non-compliance. As the investigation progresses non-compliance should be reported through the Voluntary Disclosure Reporting Program (VDRP) when applicable.

Investigations into regulatory non-compliance at Air Trek are conducted or monitored by the management team members (DO, CP, DOM). The focus of the investigation should reveal objective facts to identify deficiencies and help prevent future recurrences.

Data Acquisition (Cont.)

Regulatory Non-Compliance Reports (Cont.)

Investigations of regulatory non-compliance reports should include operational process, systems, products and services of related SRM projects.

Investigative notes, reports and findings of regulatory non-compliance will be inputted as necessary to the SRM process after the Analysis of Data, System Assessment and Management Review phases of the SA are completed.

SRM Safety Risk Control Non-Compliance

Investigations of SRM established safety risk controls non-compliance at Air Trek are conducted or monitored by the management team members.

Who did it, is not as important as why and where it was an error, lack of knowledge or willful disregard. There is a need to improve risk control reliability for the SRM process of the SMS to work to its full potential.

Investigations of SRM safety risk control non-compliance should include operational process, systems, products and services of related SRM projects.

Investigative notes, reports and findings of safety risk controls non-compliance will be inputted as necessary to the SRM process after the Analysis of Data, System Assessment and Management Review phases of the SA are completed.

Employee Reporting System

Since the inception of Air Trek's SMS employees have been encouraged to report hazards, issues, concerns, occurrences, incidents as well as propose solutions and safety improvements with respect to operations, products, services or anything else. The reporting has and will always be free of any reprisals from owners or management. Employees are seen as partners in the company's quest for safety and there are several ways established for them to report anything they think will improve or foster safety and a safety culture.

Data Acquisition (Cont.)

Employee Reporting System (Cont.)

FIRST and foremost direct communication with their direct supervisor or the DO, CP, or DOM. All of these employees have the ability and responsibility to fix any issue on the spot if it is in their power, and if it is not, elevate it to upper management and ownership. This has proven at Air Trek to be the fastest way to get corrective action and applies to any issue.

SECOND there are suggestion boxes that communications of safety and/or any issue can be reported either with or without anonymity. This system is effective but is slower than direct communication. In the case where the individual wants to remain anonymous additional questions on the details of the issue cannot be asked and no direct feedback can be given as to the resolve of the issue.

THIRD the employee side of the company web site, which all employees use during initial training, has a confidential reporting portal for safety and/or any other issue. All employees who wish to remain anonymous, give follow up information and/or receive feedback as to the resolve on their report are encouraged to use this method to communicate.

The employee may or may not leave their name on the web site portal report but in either case the report will be processed.

The web site confidential reporting portal sends an email with the reporters concern to a non-management individual who is charged with review, initial follow up (if necessary) and blinding of the reporters identity prior to bringing it to management.

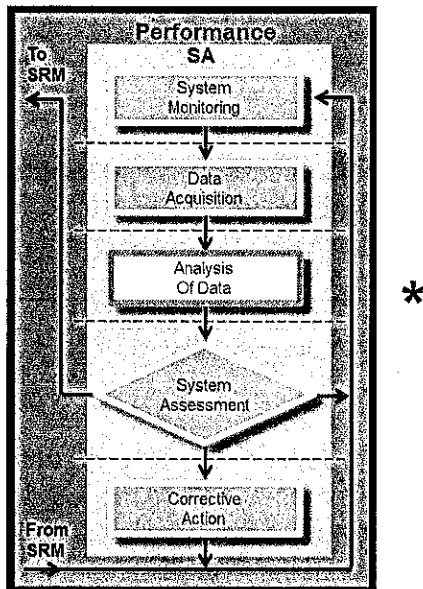
Investigations of an employee report from any source at Air Trek are conducted or monitored by the SMT members.

Investigative notes, reports and findings of employee reports will be inputted as necessary to the SRM process after the Analysis of Data, System Assessment and Management Review phases of the SA are completed.

If the reporting employee is known, updates and a final resolve to the concern will be communicated back to them. This is done either directly or by the non-management individual, who received the web portal report, to maintain confidentiality.

Reserved

Analysis of Data



The third element in the SA process is the **Analysis of Data** that has been collected during all the required steps of System Monitoring and Data Acquisition (as outlined on pages 51 through 60) of the SA process. Analysis of data, in respect to operational process, systems, products and services, is done to make inferences about safety performance at Air Trek.

System problems may not be seen if the data acquired, only through the System Monitoring and Data Acquisition as previously described, are examined in isolation. As in Risk Analysis in the SRM process Data Analysis in the SA process must also be based on expertise and judgment of the involved Safety Team Members. Analysis of data should also as a minimum include when necessary:

- Company derived data.
- Air Treks past experiences.
- Current company Policy and Procedures (P&P)
- Current company Standard Operating Procedures (SOPs)
- Industry experiences.
- Accidents reports and statistics.
- Failure and error data.
- NASA reports.
- Equipment reliability and serviceability reports and blogs.
- FAA malfunction and defect reports.

Analysis of Data (Cont.)

The analysis process should look across individual reports and among various data sources for patterns or trends. The analysis process progress from establishing the context, to identifying the objective, to securing the appropriate data, to selecting the appropriate analysis method.

Report on Data Analysis

Once conclusions and recommendations are formulated a report detailing the analysis should be made using ATSMS Form 5 (example below). This report shall be signed by the analyzing Safety Team Member and forwarded, with all pertinent information, to the Accountable Executive to complete the Safety Performance Assessment.

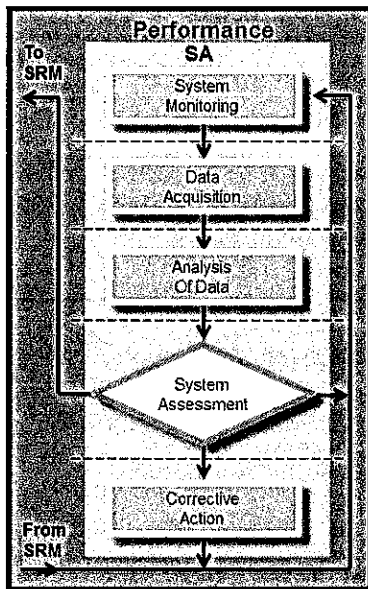
APPENDIX: A

PAGE: ATSMS Form 5
REVISION: 5
DATE: 03-15-2017

Analysis of Data Report	
Signed _____	
Safety Performance Assessment Review	
____ Acceptable performance; objectives met. ____ Needs Continuous Improvement changes. ____ Requires review through SRM Process.	
Accountable Executive _____	
Continuous Improvement Changes Needed	
Signed _____	

Reserved

Reserved

Safety Performance Assessment**Safety Performance Assessment**

This is the forth (4th) element in the SA process. The Accountable Executive when receiving the forwarded the report (ATSMS Form 5) generated during the Analysis of Data (3rd element of the SA) will use the analysis to conduct an assessment. This assessment is of the safety performance compared to the company's safety objectives. The assessment shall include the following:

1. Ensuring compliance with the safety risk controls established by the SRM process.
2. Evaluation of the performance of the SMS process when originally placing the project in operation.
3. Evaluating the effectiveness of the safety risk controls for the referenced project and identify any ineffective controls.
4. Reviewing for and identifying changes in the operational environment that may introduce new hazards.
5. Identifying any new hazards, either environmental or operational.

Safety Performance Assessment (Cont.)

There are three (3) way to go from the assessment phase and they are;

Back to Monitoring

If performance **is acceptable** and objectives are being met the project is placed back in the Safety Assurance loop for future monitoring, audit and/or evaluation.

Output to Continuous Improvement (CI)

If the performance **is not acceptable** but the analysis and assessment suggest the problem is with conformity of the risk controls, regulations, company policies & procedures, or that resources provided to the project are not adequate then the situation would warrant using the Continuous Improvement (5th) element of the SA process.

Return to SRM

1. If the assessment of risk controls and regulations seems to be satisfactory but the desired results aren't being reached or
2. Assessment reveals that controls are weak, ineffective, and/or inadequate or that a new hazards exists and has been identified

The Accountable Executive will direct a new SRM process to be conducted on the project.

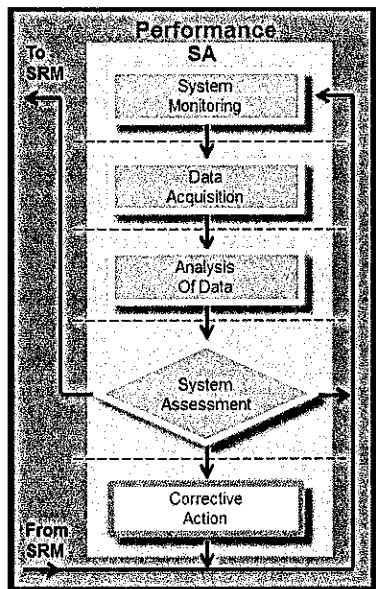
Recording Assessment Results

On ATSMS Form 5 (see page 62 for example) commentary and processing instructions should be entered by the Accountable Executive and signed for. The accountable executive will then forward ATSMS Form 5 and all associated documentation, as appropriate, for the processing instructions.

Reserved

Reserved

Continuous Improvement



Continuous Improvement

This is the fifth (5th) and final element in the SA process and is **corrective action**. As discussed in the Safety Performance Assessment step (on page 65);

"If the performance is not acceptable but the analysis and assessment suggest the problem is with conformity of the risk controls, regulations, company policies & procedures, or that resources provided to the project are not adequate then the situation would warrant using the Continuous Improvement (5th) element of the SA process."

It is **not** necessary to conduct a new SRM analysis if risk controls are working; albeit lacking conformity due to education, understanding, resources, lacking policies & procedures language, error, or a host of other very fixable issues.

Documentation

Just **tweak** the items necessary. Document those change on form ATSMS Form 5 (see example on page 62) and attach any pertinent information to the form and sign for them.

Communicate those tweaks to everyone who may even remotely needs to be informed about the tweaks.

Place the project back in the loop with heighten on going monitoring and accelerated SA review in the next quarter.

Reserved