

HAPPY BIRTHDAY

October 3
Ruth Mead

October 5
Viola Martin

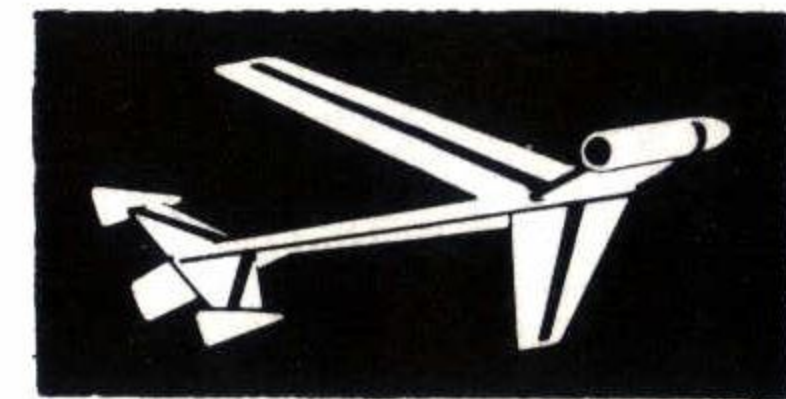
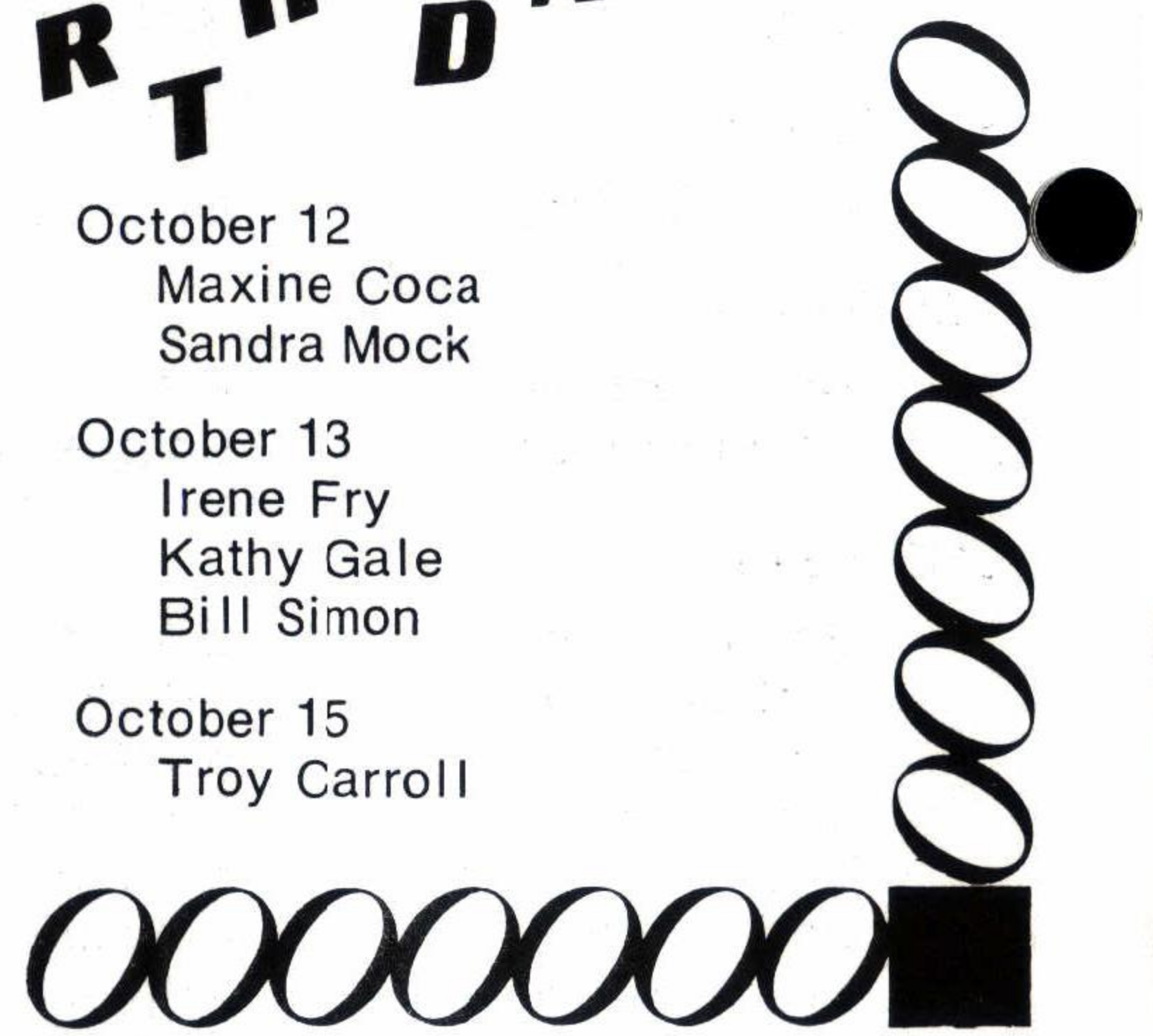
October 6
Donna Dremel
Mary Ann Christian

October 7
Donna Horn

October 12
Maxine Coca
Sandra Mock

October 13
Irene Fry
Kathy Gale
Bill Simon

October 15
Troy Carroll



uniforms, and the newest development is the introduction of protective eyewear.

The air filtering system in the new K & W Building is another illustration of unique safety equipment. The system removes wood dust from the air and collects it at a central point for disposal. The building will then remain clean, providing a better working area for

the Kit Packing and Wood Shop employees.

There are a number of other contributing factors to safety throughout the plant. Air conditioning is provided in most areas for comfort. Floor mats are used to cushion the standing areas in the kit packing stations and shipping booths. Coffee breaks have also become a regular feature of the day to help prevent fatigue.

Teamwork is an important part of safety consciousness at Estes. Through the cooperation of all of us, aisles are kept clear. Tools are replaced promptly, and co-workers help one another when handling heavy objects. Suggestions for improvements are also welcomed by supervisors throughout the plant in an attempt to make each department a better place to work.

Safety consciousness is the foundation of Estes Industries' safety program. With common sense and teamwork, the new 1970-71 fiscal year will be the safest year ever.

CLASSIFIEDS

A Free Service
For Employees

Deadline: Monday Noon
Before Publication of the Launch Pad

FOR SALE: 1963 Ford Station Wagon, V-8, Automatic transmission, Radio, Power Steering, Good condition, Can be seen in parking lot -- \$295. See Don Beebe or Bob McGill



A SUBSIDIARY OF DAMON

LAUNCH PAD

OCTOBER 1, 1970

Dear Estes/Damon employee,

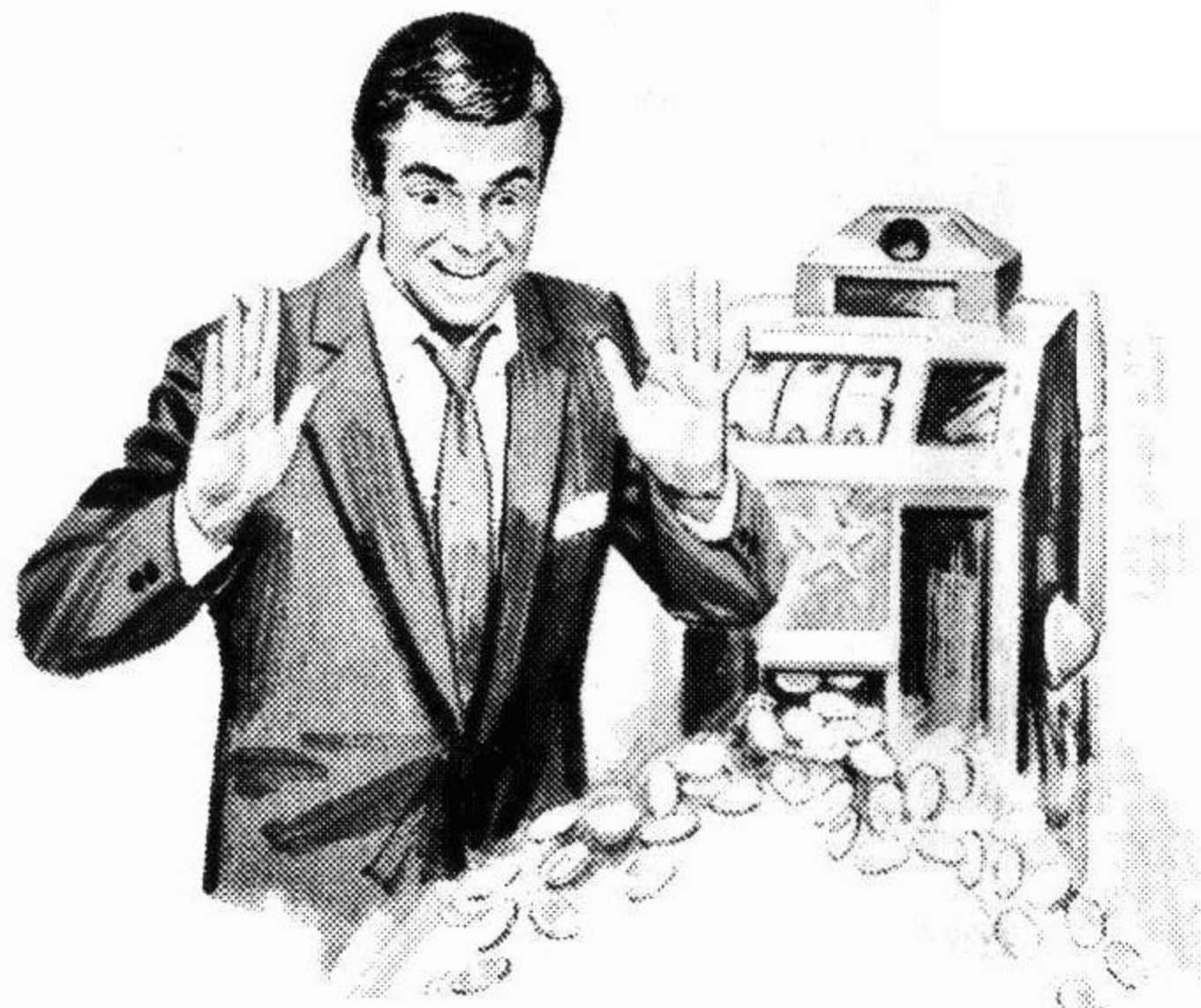
A few weeks ago, the new Fringe Benefit Program was presented to all Estes employees. At that time a brochure highlighting the individual benefits was given to us with explanations by Damon and Estes officials. Also represented in the discussions was New England Life Insurance Company and Blue Cross and Blue Shield.

The booklet distributed to each of us was a summary of these benefits. There are still many questions of detail to be answered. The two insurance companies are preparing complete insurance booklets for us, Damon will be sending more information on the Pension Plan, and we are arranging for the publication of the benefit policies.

Many hours of study by Vern, Jim Stuart, Dick Bowers, the Personnel department and Damon Officials have gone into this new program. Area surveys were taken, national surveys were reviewed, experts were consulted, plans used by other members of the Damon Corporation family were studied, and our special needs as Estes employees were carefully considered.

It's a good program, designed to give us and our families complete and uniform protection with benefits to meet our needs. I am going to outline the major provisions of the entire package in this Launch Pad, and articles featuring the benefits will appear throughout the year. If you have questions concerning specific details, please contact the personnel office.

Chuck Helsel
Personnel Director



EMPLOYEE BONUS PLAN

Although indications are that the cash bonus for the fiscal year just closed will be down somewhat from last year, it still remains one of the exciting benefits here at Estes. Based on Company profits, the cash bonus is a reward for past service and an incentive for the improvement of profits through work and material efficiency.

The profit base for the cash bonus is figured on the fiscal year closing August 31. Because distribution to each employee is made between December 15 and 24, it has

PAID HOLIDAY

Estes employees are eligible for seven paid holidays. They are New Years, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

There are three new features in the paid holiday policy:

1. Probationary employees are now eligible for holiday pay.
2. If a holiday falls on an employee's regularly scheduled day off, he will receive holiday pay for the day, and business permitting, his day off will be rescheduled.
3. A slight change has been made in the requirement that an em-

become known as the Christmas bonus.

A regular full-time employee becomes eligible for bonus on the first day of the pay period next following successful completion of his probationary period. He must be employed until the last day of the fiscal year to receive benefits from the plan.

There will be some changes in the cash bonus benefit this fiscal year just beginning. More information on the new plan will be available later.

Employee must work a full shift on his last regularly scheduled workday before the holiday and on his first regularly scheduled workday following the holiday to receive holiday pay. As in the policy, it reads:

"If an employee is unable, due to sickness or accident, to complete a full shift on the last regularly scheduled workday before the holiday, he will be eligible for holiday pay equal to the number of regular hours worked that day, providing he then works a full shift on his next regularly scheduled workday following the holiday." This same statement is true of the day following the holiday.

Example:

<u>The Last Workday Scheduled Before the Holiday</u>	<u>The First Workday Scheduled After the Holiday</u>	<u>Holiday Pay</u>
8 hours worked	4 hours worked 4 hours sick	4 hours
6 hours worked 2 hours sick	8 hours worked	6 hours

EDUCATION

A number of years ago, the Company established an education policy designed to encourage and offer financial aid to individual employees wishing to increase their job knowledge, improve their job effectiveness or prepare themselves for future advancement. Under this policy, any regular full-time employee could be reimbursed up to 90% of the registration fee for education courses. There are three conditions: 1. approval* by the Company of the class to be taken prior to its starting date, and 2. a receipt stating that the employee paid the registration fee, and 3. evidence of completion and grade level maintained.

These requirements are still in effect under the new education policy. However, the financial coverage has been greatly increased. An employee may now be reimbursed 100% of the cost of "lab fees" and "required books" as well as "tuition." The Company will pay these portions of an employee's educational expenses if he completes an undergraduate class with a "C" or better grade or a graduate class with a "B" or better grade. \$400 a year is available to help

cover tuition, lab fees and required books for each person who takes advantage of this program.

The Company's potential investment in the education of its employees is very substantial. It requires that one important stipulation be made: "In the event of employee termination, the employee will refund to the Company all education support funds under this policy which were received by the employee within the twelve (12) month period preceding the effective date of termination." This condition will affect all reimbursed funds after September 1, 1970.

*(To be approved by the Company, courses must increase an employee's job knowledge, improve his job effectiveness or prepare him for future advancement within the Company.)

Exempt Employee: *one who is paid a salary*

Non-exempt Employee: *one who is paid an hourly wage*

PENSION

PLAN

The new Pension Plan provides for each Estes employee's security for the future. It replaces the profit-sharing, investment-retirement concept which was dependent upon the unpredictable profits of the Company. The new plan is based upon a designated sum of money

being set aside each year by the Company for an employee's retirement.

Designed to complement social security, the pension plan provides for a monthly retirement check to the individual employee of \$4.25 for each year he is employed.

Example: John Doe works 30 years for Estes. Multiply 30 years by \$4.25 gives the figure of \$127.50. A thirty-year veteran, upon retirement, would be guaranteed \$127.50 per month plus social security.

Retirement age is considered to be age 65 or ten years under the plan, whichever is later. In the event a person who has twenty years of service and reaches age 55 wishes to retire early, he may do so.

All regular, full-time employees under the profit-sharing plans (regular full-time employees completing their probationary period prior to September 1, 1969) were automatically placed under the pension plan on July 15, 1970. Regular, full-time employees completing their probationary period after September 1, 1970, will come under the pension plan on the July 15th following completion of three requirements: 1. Three years of service with the Company, 2. Thirty years of age, 3. Under the age of 58.

The Pension Plan also allows for sizable death benefits. They equal 100 times the expected retirement benefit a person receives at age 65. In the example of a 30-year employee, his expected retirement benefits were \$127.50 at the age of 65. In case of his death his beneficiary would be entitled to 100 x 127.50. This \$12,750 is in addition to his regular life insurance benefits. Employees now under the plan are eligible for this death benefit on July 15, 1972. Employees coming under the plan at a later date are eligible on the July 15th, three years after entering the plan.

The Pension Plan is cost free to Estes employees. It is a benefit paid for by the Company, designed to reward those employees who choose to make a career with Estes Industries.

EMPLOYEE CLASSIFICATIONS

Since the terms, full-time, regular, part-time, temporary and call-in, will be found throughout the discussions of the benefit policies, it is necessary to understand their meaning. These are defined in the employee classification policy:

1. "Regular Employee: an individual hired on a permanent basis and pre-scheduled to work a specific number of hours each day."
2. "Temporary Employee: an individual hired for a specific time not to exceed six months."
3. "Full-Time Employee: an em-

ployee whose pre-scheduled work week is thirty-six (36) hours or more."*

4. "Part-Time Employee: an employee whose pre-scheduled work week is normally less than thirty-six (36) hours."
5. "Call-in Employee: an employee alternately held in a stand by status and scheduled for specific short term work."

*(It should be noted that if the Company cuts back the hours of its full-time employees to less than 36, the employees shall retain their full-time status.)

Each employee, except call-in persons is given a dual designation as to employment status.

Example: All employees who are working full time (normally more than 36 hours a week) for an indefinite length of time are classified as regular, full-time employees. 85% of Estes people are in this category.

Example: All persons who are working full time on a special job with an agreement that employment will cease when the job is completed (must last less than 6 months) are classified a temporary, full-time employees.

The official date, for benefit purposes, of an employee's classification is the date he begins work in that classification.

Example: A person who is hired on a regular part-time basis on March 1, 1967, then changes to a regular full-time status on August 21, 1967, would be eligible for benefits on the latter date. The only exception to this would be in the case of the change of a temporary, full-time employee to a regular, full-time employee. His eligibility would be retroactive to his classification as a temporary, full-time worker.

Each employee's classification is stated on the special insert page with this Launch Pad.

VACATION POLICY

The vacation policy has some very attractive changes for the regular, full-time employees of Estes Industries. Its greatest immediate effect is for employees in their first three years here at Estes and employees who are approaching ten years of service with the Company. Previously, an employee had to be with the Company at least four years to receive a full two-weeks paid vacation. Now he may be entitled to two weeks of paid time off after 25 months of service. There was no opportunity to accrue vacation beyond two weeks, prior to our new benefit program. This is changed to allow an employee with 10 years devoted to the Company, three weeks of paid vacation.

Under the old policy, vacations could be taken only from June 1 through October 31. Under the new policy they may now be taken anytime during the year. This change will allow some to take vacations at a time when it may be more convenient for their families.

Although department guidelines will require that vacations be spread throughout the year to provide the least possible disruption of work, every consideration consistent with the employee's needs and Company needs will be given to an employee's request for a specific vacation time. There may be a few peak periods throughout the year, such as the pre-Christmas weeks, when vacations will be limited.

Time of service with the Company at the close of one calendar year is the base for computing the next year's vacation. In other words, the number of vacation days and the amount of vacation pay an employee will be entitled to in 1971 is determined by his length of service as of December 31, 1970.

In November of each year, the Personnel Department will inform each employee concerning his vacation days and pay for the approaching vacation period. Each person shall specify in writing the vacation date he prefers. Employees will be scheduled by shift within each department according to Company seniority.

Another change in the vacation policy involves holidays falling within vacation periods. The new policy states: "In the event a paid holiday falls within an employee's regularly scheduled vacation:

1. He will receive holiday pay and an extra day off with pay on the day immediately preceding his vacation period,
or
2. He will receive holiday pay and an extra day off with pay on the day immediately following his vacation period,
or
3. He will receive holiday pay but will not be scheduled for an extra day off when Company business dictates in extreme work load conditions."*

*Sometimes, during extremely busy seasons, the Company needs an employee's services to the extent that, rather than schedule him for an extra day off, it is willing to pay him double-ounce for holiday pay and once for the hours worked.

What about the employee who is hired in the middle of the vacation year? Does he get any vacation that year? The answer to this last question is yes, if he is employed for a minimum of ninety (90) days prior to the end of the year.

Example: Pete Jones is hired as a regular full-time employee on May 27, 1971. He is not eligible for a scheduled vacation in the year 1971. However, on September 27, he will have been employed 90 days and may take five unpaid work days off between then and the end of the year, if the work load is such that he can be allowed to go.

VACATION PAY TABLE

<u>Time of Continuous Service as of Dec. 31</u>	<u>Maximum Workdays Off*</u>	<u>Paid Hours</u>
<i>Three Months</i>	5	0
<i>Four Months</i>	5	0
<i>Five Months</i>	5	0
<i>Six Months</i>	5	0
<i>Seven Months</i>	5	23.3
<i>Eight Months</i>	5	26.6
<i>Nine Months</i>	5	30.0
<i>Ten Months</i>	5	33.3
<i>Eleven Months</i>	5	36.6
<i>Twelve Months</i>	10	40.
<i>Thirteen thru 24 Months</i>	10	60.
<i>25 Months up to 10 Years</i>	10	80.
<i>10 Years or More</i>	15	120

*(When the number of work-days an employee may take for vacation exceeds the number of paid hours to which he is entitled, he may choose to limit his vacation to the paid time.)

Each employee's number of vacation days and amount of vacation pay for the 1971 vacation period will be stated on the special insert page with this Launch Pad.

One of the vital aspects of any program is up-to-date information. It is essential that information concerning your marital status, life insurance beneficiary, address, telephone number, person to call

in case of emergency and number of dependents be kept current. Please notify the Personnel Department of any changes in these items mentioned above.

PAID ABSENCES

Entirely new this year are the paid absence policies on military training, jury duty, bereavement absence and sick leave. Regular,

full-time employees who have completed their probationary period will find the provisions of these plans valuable.

MILITARY TRAINING

Once a year several of our young employees who are members of reserve units in the Armed Forces or National Guard units spend a week or two in intensive training. The Company will now reimburse these persons the difference be-

tween their regular pay and that which they receive for the military duty. A military trainee is eligible for training time up to 10 days, once a year. At least six-weeks notice is needed to allow the employee's department time to plan its work.

PAID SICK

LEAVE

The purpose of the paid sick leave policy is to give financial aid to an employee when he is sick and away from work through no fault of his own. Further discussion of this benefit will show that the better attendance an employee has at work, the more beneficial the policy becomes when an illness does occur.

If you had been working here at Estes Industries at least three years on September 2, you have accredited to your account three paid days of sick leave. If you had been with the Company two years as of that date, you have two days. And if you are a one-year veteran, you have one day of paid sick leave to your credit.

Example:

<u>Employees Completing Probationary Period</u>	<u>have</u>	<u>Sick Leave Days Credited to Their Account on Sept. 1</u>
Prior to Sept. 1, 1967	-----	3
Sept. 1, 1967 - Aug. 31, 1968	-----	2
Sept. 1, 1968 - Aug. 31, 1969	-----	1

Everyone, including employees with less than a year of service with the Company, began earning paid sick leave on September 1, 1970.

These days may be earned at the rate of one (1) day for every eight weeks worked.

Example: September 1 + eight (8) weeks = One day of earned paid sick leave.

Each employee may earn up to five (5) days of paid sick leave. At that time he ceases to earn more until he has used up part or all of the five-day reserve.

An employee will be eligible for sick leave pay beginning on the second consecutive day of absence due to illness or accident.

Example: An employee with earned sick leave who is absent one day, then returns to work is not eligible to be paid for that one day missed.

*Example: An employee with earned sick leave who is absent two or more consecutive days, then returns to work, may fill out a request with the supervisor for sick pay covering all but the first day absent. The Personnel Department will authorize payroll to pay the employee for each requested day up to the number of sick days credited to the individual's account.**

**(Should an employee be absent for three or more consecutive days, it is still necessary to present a doctor's statement confirming illness and authorizing the employee to return to work.)*

JURY DUTY

A number of employees have been called up in times past to serve on a jury. To encourage good citizenship without economic hardship, Estes Industries will now pay the difference between jury duty pay and a person's regular wages. To receive jury pay, an employee must notify his supervisor at least 24 hours in advance, and upon return

to work he must bring written verification of the amount of the jury fee and the days or portions of days he actually spent on duty. Should the jury upon which he is serving dismiss early, leaving him time to work three or more hours of his regular shift, he must report for work.

BEREAVEMENT

Death in one's immediate family is heartbreaking without the added burden of financial worry. Any employee suffering such a loss will receive up to three regularly scheduled workdays of absence with

pay. Persons considered as immediate family are an employee's children, spouse, brothers, sisters, parents, mother-in-law, or father-in-law.

INSURANCE

Insurance is one of the most important fringe benefits for Estes employees. Everyone hopes the circumstances of his life are such that the insurance benefits need not be used, yet it is comforting to know they are available when needed. By joining the Damon Corporation, our insurance benefits are substantially improved with little additional cost.

Life, accidental death and dismemberment, and disability insurance are covered by the New England Mutual Life Insurance Company. Their cost is paid for completely by Estes Industries. \$3,000 life insurance is allowed for non-exempt and \$5,000 for exempt

personnel. In case of accidental death, the coverage is doubled.

Disability benefits pay an employee 50% of his base weekly income to the next higher even multiple of \$5 for non-occupational* sickness and accident. Disability benefits begin on the 8th consecutive day of illness or accident and continue for 26 weeks.

*(Occupational (on-the-job) disability is covered under Workman's Compensation Insurance. The Company also pays for this type of insurance.

Example: An employee who normally receives \$72 for a 10-hour week would receive \$40 a week disability pay: $\frac{1}{2} \times \$72 = \36 to the next higher even multiple of \$5 = \$40.

As stated in the Damon/Estes presentation booklet, the schedule of benefits describing dismemberment provisions of the insurance policy will be outlined in individual policies to be provided in the near future.

Questions concerning the life, accidental death and dismemberment, and disability insurance should be directed to Verna McCallister, ext. 229. She will process all claims involving the New England Mutual Life Insurance Company.

As shown in the summary presentation booklets of September 1, the new medical benefits under Blue Cross and Blue Shield are greater than those under the Hartford policy. The allowance of \$30 per day semi private for 31 days in the hospital is increased to \$35 per day for 31 days. Full coverage for hospital extras (medicine, lab tests, x-rays,

etc) is now included. \$500, rather than \$420, is allowed for surgery. There was no coverage under the old policy for laboratory or diagnostic treatment done outside of the hospital; the new policy calls for \$100 for such treatment. The maternity benefit of Blue Cross and Blue Shield is now \$200, an increase of \$50.

The Company pays the total premium for each employee. The cost to an employee choosing coverage for his family is only \$19 per month.

Blue Cross and Blue Shield claims are now handled by the hospital or doctor. You need only to present the Blue Cross and Blue Shield group number (9601, Series N) and your social security number to the hospital or doctor. If you have additional questions, please contact Verna.

OCTOBER ANNIVERSARIES

SEVEN YEARS

Jean Fowler Bulk Mail

SIX YEARS

Irene Woolsey Shipping

TWO YEARS

Mike Dorffler R & D
Connie Linam Engine Manufacturing

ONE YEAR

Betty Balliet Education Services
Vickey Blea Kit Packing
Helen Daniels Kit Packing
Carol Davis Dealer Marketing
Theresa Godinez Kit Packing
Lee Harmon Education Services
Nadine Helmick Shipping
Gayl Higgins Print Shop
Betty Huey Education Services
Conly Merritt Engine Manufacturing
Al Nicholas Engine Manufacturing
Vivian Prather Mail Processing
Ruth Rothgeb Wood Shop
Ann Thompson Mail Processing
Charlie Wagner Visual Graphics
Linda Watters Shipping
Dixie Wright Special Manufacturing

SAFETY CONSCIOUS

When the Space Age was launched in 1957, hobby enthusiasts throughout the country began building rockets with whatever materials were handy in the garage, kitchen or basement. The results were generally disastrous. Alarmed at the increasing number of persons injured or killed while mixing rocket propellants, Vern Estes began developing a safe, solid-propellant model rocket engine. Eventually, he formed Estes Industries to help make model rocketry a safe hobby.

Although Vern was concerned with the safety of the youthful

rocketeers when establishing the Company, he was equally interested in safe working conditions for all the Estes employees. Particularly noteworthy is the principal of keeping fuel mixtures isolated from the Mabel machines in Engine Manufacturing. In certain critical areas lights and electrical outlets are designed to keep out powder and sawdust. Where open flame could be dangerous hot water heat is used, with the heating units separated from the work area. Some employees are provided safety engineered

(continued on next page)