



AAR[®]

Doing It Right[®]

Code of Conduct



Letter from John M. Holmes

“AAR’s culture of ethics and compliance depends upon leadership by example, a commitment to shared values, an environment where employees are encouraged to speak up, and a respect for all team members.”

Dear team members,

At AAR, we believe in Doing It Right[®], every time—even if it is not the easiest course of action. By acting with integrity and honesty, we are able to deliver the quality solutions and services our customers expect and deserve. Every day, we strive to exceed expectations and be better than the day before. That is how we have always done business, ever since our founding 70 years ago.

Just as we are dedicated to being the best-in-class aviation services provider for commercial and government customers worldwide, we must be similarly focused on upholding our commitment to ethics and integrity so we can remain a trusted partner. Our Code of Conduct helps us do that.

Our Code is more than just policies and procedures. It describes our commitment to a culture of compliance and the ethical standards we follow in conducting our business and working with those inside and outside of AAR.

All of us at AAR—employees, officers, and directors—must follow our Code and act with integrity. We have a responsibility to do it right. At times, there may be questions that are not answered by our Code. In those situations, you can turn to any of the resources listed in the “Speaking up” section of the Code to ask a question or report a concern. You will never face retaliation for speaking up.

As you go about your work for AAR, remember that we are all committed to doing business ethically. Every day, we find a way to be the best—through integrity, honesty, and our commitment to Doing It Right[®].

I thank each of you for the important role you play in AAR’s success and reputation for excellence.

Sincerely,

John M. Holmes

Chairman, President and Chief Executive Officer



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What is our Code?

At AAR, we are constantly searching for new ways to enhance our business and to find new solutions for our customers. The one consistent theme, however, is our commitment to “Doing It Right®” for our customers, our fellow employees, our third-party business partners, our stockholders, and our communities. That means acting with integrity and honesty every day and making sure that our business decisions demonstrate these values, too. The AAR Code of Conduct provides guidance to help us make good decisions and act with integrity, even in situations where the right course of action might not always be clear or easy.

How we own it

- We have a responsibility to follow the guidance in the Code, as well as all other AAR policies and the laws and regulations that apply to our work in the locations where we do business.
- If there is ever a conflict between these laws and regulations and the guidance in our Code, we should ask for help from a resource listed in the “Speaking up” section of our Code before taking action.

Who must follow our Code?

Just as everyone at AAR shares the same commitment to making sure we provide high-quality, safe solutions and services that exceed our customers’ expectations, we are also dedicated to acting with integrity. Whether you are an employee, officer, or director at AAR, you are expected to follow our Code, as well as the letter and spirit of the law.

In addition, we expect our third-party business partners, such as contractors, agents, consultants, representatives, and others who may be temporarily assigned to perform work or services, to meet our high ethical standards and follow the guidance set forth in our Code. If you see that a third-party business partner is not living up to our standards, speak up.



This Code describes and supplements AAR’s various policies and procedures. Go to AAR’s Policy tab on our Company’s intranet site – myConnection – to read the full text of our policies and procedures

Our values



Quality first.
Safety always.



Find a way.
Every day.



Do it fast.
Do it well.



Be honest.
Inspire trust



Work as one.
Be inclusive.



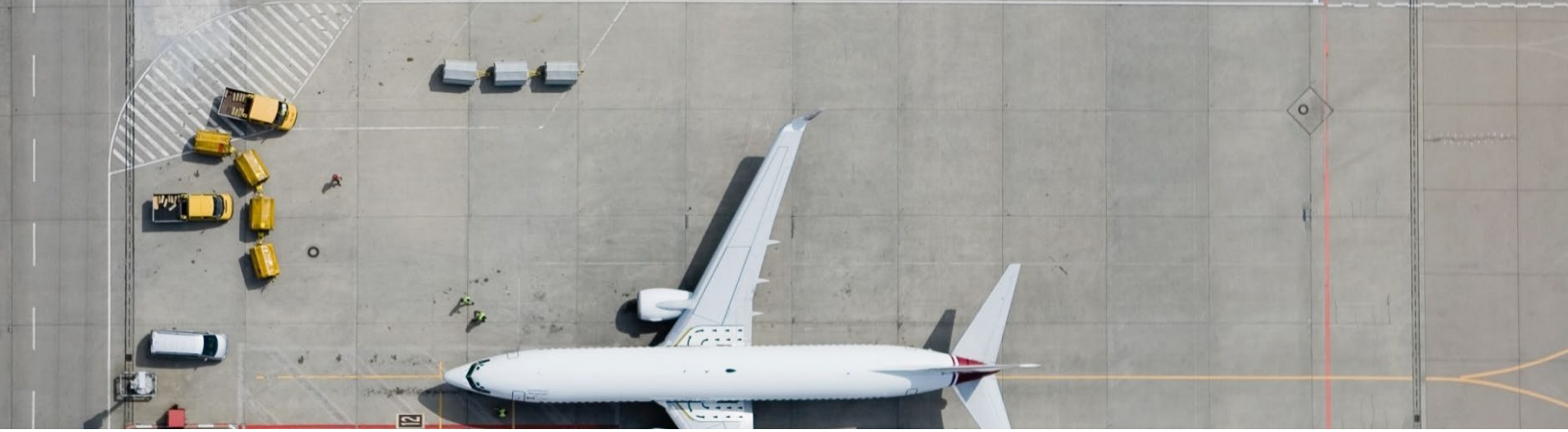
Ideas matter. Think new. Think ahead.



Make money.
Have fun.



Own it.



Why do we follow the Code?

Each of us plays an important role in AAR's ethical culture and contributes to the Company's reputation for integrity. We all must meet high standards when acting on behalf of or representing AAR.

How we own it

- When dealing with the public, government officials, customers, fellow employees and our third-party business partners, we must always act with honesty and fairness.
- Remember that any time you are on AAR premises, wearing clothing with AAR's logo, or working on AAR's behalf, your personal conduct sends a powerful message about AAR as an organization, and you should consistently demonstrate AAR's high standards to the public.

Leaders, in particular, set an example for "Doing it Right®" at AAR. Anyone in a leadership position is expected to:

- Act as an ethical role model for everyone around them
- Create an open-door environment that encourages employees to ask questions and raise concerns
- Handle reports and questions appropriately and escalate concerns, as needed
- Watch for, guard against, and report any signs of retaliation

Ethical decision-making

When faced with an ethical dilemma, it's important that we make decisions that we can be proud of decisions that support legal, ethical and responsible behaviors.

How we own it

Before taking action (or failing to act), ask yourself:

- Does something feel wrong about this situation?
- Would my action be consistent with AAR's values, the Code, Company policies or the law?
- Would my action be in the best interests of AAR?
- Would my action result in even the appearance of impropriety?
- What might be the consequences of my action?
- Would I be uncomfortable if my action became public?

If you are unsure about your answer to any of the above, there is no reason to struggle on your own when guidance is readily available. Discuss the situation with your manager, a Human Resources representative, or an attorney in the Law Department.



Creating an open-door environment

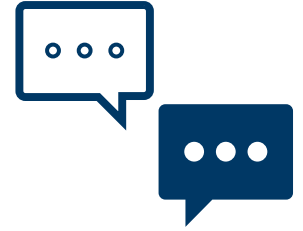
One of the most important responsibilities of leaders is creating an open-door environment. What does that mean?

In an open-door environment, employees feel comfortable approaching their manager or another member of management with a question or concern—regardless of their seniority, their position at AAR, or any other factor.

In the aviation industry, we think of this concept by another name: crew coordination. Members of a flight crew know that it is vital to create a welcoming environment where everyone feels comfortable raising concerns about safety, regardless of rank. This collaborative environment is key to having a safe and successful flight.

The same is true for us at AAR. For AAR to succeed, we must work together to create an open-door environment where employees can "cross check" an issue with their manager or another leader.

Asking questions and reporting concerns



Speaking up

During the course of our work for AAR, we may see or learn about potential violations of our Code or the law. We all have a responsibility to report any issues we know of or ask questions about anything we are unsure of. By doing so, we build on the culture of honesty, trust and integrity at AAR, which contributes to AAR's business success. Speaking up is the best course of action, even if you are not certain whether you have witnessed a violation. When in doubt, speak up!

How we own it

- If you have a question or need to report a potential violation of our Code or the law, it is usually best to speak first to your manager.
- You can also reach out to one of the following resources:
 - Another manager or business leader you trust
 - A Human Resources representative
 - An attorney in the Law Department
 - The AAR ethics hotline:
 - Report by phone in English from the U.S. or Canada, dial 1-855-822-9536
 - Report by phone in French from Canada, dial 1-855-350-9393
 - To report online or to report by phone from another country or in another language, visit aar.ethicspoint.com
- AAR will take your report seriously and conduct an appropriate investigation, no matter how you choose to report an issue or voice a concern. Your personal information—if you chose to provide it—will be handled discreetly.
- At times, we may be asked to provide information in connection with an audit, inquiry, or investigation. If directed by AAR, you have a responsibility to comply with these requests including to cooperate fully with any request for information from an internal or external auditor, director of the Company, our General Counsel, outside counsel, or any other authorized representative.
- If a government agency or third party is seeking information pertaining to a suspected violation of law, contact an attorney in the Law Department immediately.

AAR takes violations of our Code and the law very seriously. Unethical or illegal actions detract from our workplace's ethical culture. In addition, they could have serious consequences for the Company, including reputational damage, safety and quality concerns, and potential legal exposure. For this reason, anyone who is found to have violated our Code or the law will be subject to discipline, up to and including termination of employment. If AAR is required to restate its financial statements, the Company can also require executive officers who were involved in misconduct to return their incentive compensation to AAR, consistent with [AAR's Policy for Recoupment of Incentive Compensation](#).

See our [Speaking Up policy](#) for more information.

Upholding our commitment to non-retaliation

To maintain an environment where everyone feels comfortable raising concerns or asking questions, AAR does not and will not tolerate retaliation—a negative consequence experienced as a result of making a report in good faith. A good-faith report contains all the information you have at the time and that you believe to be true—even if it later turns out that you were mistaken. AAR never tolerates retaliation for a good-faith report, and anyone who engages in retaliation will be subject to discipline.



AAR Ethics Hotline

www.aar.ethicspoint.com

The AAR Ethics Hotline is operated by an independent third party and is available 24 hours a day, 7 days a week, via myConnection.

You can report anonymously using the AAR Ethics Hotline, where allowed by local law, but you are encouraged to give your contact information, as this permits AAR to better investigate your report.



What is retaliation?

Retaliation is a negative consequence experienced as a result of making a good-faith report. AAR does not allow retaliation against anyone for:

- raising a good faith concern,
- opposing misconduct in the workplace,
- participating in an investigation of misconduct, or
- asserting their rights under the Code.

If you think you have experienced retaliation, speak to your manager or another resource listed in the "Speaking up" section.

Doing It Right® in the workplace



Work as one. Be inclusive.

In order to best serve AAR's customers, we need to work in an environment where we each feel comfortable contributing our diverse points of view. To accomplish this, discrimination is not tolerated in our workplace.

How we own it

Never make an employment-related decision based on an individual's legally protected personal characteristics. These characteristics vary depending on where you work, but commonly include:

- Race
- Color
- Religion
- Sex
- National origin
- Age
- Veteran status
- Gender identity
- Disability
- Ancestry
- Sexual orientation

Treat everyone fairly, including when it comes to any employment-related decision— such as hiring, firing, promoting, or including someone in professional development activities.

See the [Equal Employment Opportunity](#) and [Equal Opportunity for Protected Veterans](#) policies for more information.

Anti-harassment

Our commitment to inclusivity also means that we want everyone to feel respected in the workplace. As such, harassment and bullying have no place at AAR. We never tolerate or engage in such behavior.

How we own it

Steer clear of any conduct that creates an intimidating, hostile, or offensive work environment, such as:

- Foul language or gestures or inappropriate jokes
- Demeaning comments
- Inappropriate images displayed in the workplace
- Unwelcome sexual advances
- Requests for sexual favors
- Any other unwelcome verbal or physical conduct

Do not engage in bullying or any other disrespectful behavior. If you know of harassment or bullying in your workplace, contact a resource listed in the [“Speaking up”](#) section. You will not face retaliation for making a good-faith report.

See the [Anti-Harassment policy](#) for more information.

The Code in Action



Q: Vivian works at AAR, and everyone else on her team is male. She sometimes overhears her co-workers making suggestive comments and jokes about other women in the office. She has asked them to stop, but they told her to “lighten up.” She is worried about reporting them because she thinks they might start excluding her from projects or treating her differently. She decides to just ignore the jokes. Is her team Doing It Right?

A: No. Vivian should speak to her manager, or another resource listed in the “Speaking up” section about this situation immediately. Her co-workers’ behavior is inappropriate and needs to be addressed. In addition, AAR’s strong non-retaliation policy means that she will not face any negative consequences for making a good-faith report.

Doing It Right® in the workplace



Quality first. Safety always.

Safety is always AAR's number one priority. We count on each other to work safely so that we can avoid injury and provide the best possible solutions and services for our customers. We must ensure our workplace meets AAR's rigorous safety standards and is free from hazardous or unsafe practices.

How we own it

- Follow all procedures when working with machinery or equipment.
- Never tolerate horseplay, threats, or acts of violence. If you observe suspicious activity, or if there is an immediate threat, contact your local security department or the local authorities.
- Do not work under the influence of illegal drugs or alcohol. If you use medically prescribed over-the-counter drugs that may adversely impact your ability to perform work in a safe manner, inform your manager prior to starting work.
- Do not use, possess, distribute, store, sell, or purchase illegal drugs or controlled substances while you are on AAR property or representing AAR in any way.
- Talk to your manager if you have concerns about someone working under the influence of alcohol or another substance.
- Never compromise our safety standards to "get the job done."
- Report safety hazards or issues/concerns and provide recommendations for safety improvements via our electronic [Report Something](#) system.

See our [Health and Safety Program](#), [Firearms and Weapons](#), [Insider Threat](#), and [Drug and Alcohol](#) policies for more information.

The Code in Action



Q: Andrea, who works at an AAR repair facility, had some dental work done yesterday, and her dentist prescribed medication for her pain. The pills make Andrea a little bit dizzy, and she is having trouble focusing on her work. Her team has a big deadline coming up, and she is worried that her manager will be upset with her if she asks to go home. She decides to keep working like usual. Is she Doing It Right®?

A: No, she isn't. By continuing to work while she is under the influence of this medication, Andrea is risking her safety, the safety of everyone around her and the quality of AAR's services and solutions. She should raise this safety concern to her manager. Working safely is more important than any deadline.

Doing It Right® in the workplace



Fair compensation and labor laws

No matter where we work, we must follow all labor laws that apply to us. Everyone who works for AAR, or a third-party business partner must be treated fairly and respectfully.

How we own it

- Follow all laws related to working hours, working conditions, and compensation.
- AAR has a zero-tolerance policy regarding trafficking in persons and forced labor. Keep an eye out for indications of forced labor or human trafficking, whether by AAR or any third-party business partner we work with, and report any suspicious activity immediately. AAR does not tolerate child labor and adheres to minimum age laws in all places where we conduct operations.

See our [Equal Employment Opportunity](#), [Equal Employment Policy for Protected Veterans](#), [Anti-Slavery and Human Trafficking](#) and [Contracting with the U.S. Government](#) policies for more information.

Protecting personal information

Doing It Right® in the workplace also means protecting personal data we may have access to about our fellow employees or others we do business with. Personal data might include contact information, marital status, health information, or national identification number. No matter what form it takes, we must always safeguard this information, including following data handling procedures and security measures.

How we own it

- If your job responsibilities give you access to personal data, use it only for legitimate business or legal purposes and take precautions to keep the information confidential and secure.
- Understand and follow all AAR policies and data privacy laws that relate to protecting personal data, including notice, collection, storage, access, use, sharing, and destruction of this information.

See [Personal Information Protection](#), [Employee HIPAA Privacy](#), and [Timekeeping Biometric Data](#) policies for more information.

The Code in Action



Q: George is in the procurement department at AAR. He sits near the HR team. On his way back to his desk, he stops by Joe's desk in HR. Joe was just on-boarding a new employee, Susan, and has not yet filed her new-hire paperwork, which includes a copy of her ID. George sees Susan's ID and notes that she shares his birthdate. Joe tells George that he has even more in common with Susan, explaining that she lives in the same town as George. Are George and Joe Doing It Right®?

A: No, they are not. Joe has a duty to protect Susan's personal information and ensure it is only used for business and legal purposes. Joe should never leave a copy of Susan's ID out in the open on his desk where someone walking by, like George, could see it. Joe should never disclose where Susan lives, except to those who need the information for legitimate business or legal purposes.



Putting quality first

In our industry, quality has a direct impact on flight safety. We have a responsibility to make sure that every solution and service we provide meets the highest standards for safety for our customers, our third-party business partners, and the flying public.

How we own it

- Ensure that our solutions and services comply with all relevant quality policies, work processes, and instructions.
- Always meet contractual and regulatory requirements.
- Speak up about any known or suspected quality issue.

See our [Health and Safety Program policy](#) for more information.

The Code in Action



Q: Karl is a supervisor at an AAR component repair facility. Sometimes, when he is overseeing or inspecting overhauled components completed by an experienced technician he knows and trusts, he saves time by just signing the paperwork without really checking the component. Is Karl Doing It Right®?

A: Absolutely not. Even if Karl thinks he can trust the technician, he has a responsibility to inspect the components thoroughly to verify that they meet AAR's quality and safety standards. Doing so ensures that the work was performed in accordance with regulatory standards and that our customers receive the best possible solutions while continuing to uphold AAR's reputation for integrity and quality.



Competing fairly

We want to do business with integrity and succeed on the merits of AAR's solutions and services—never because of dishonest business practices. One way we compete fairly is by following the antitrust laws (sometimes called competition laws) that apply to us. These laws may vary slightly from country to country, but in general they help to protect free and fair competition in the marketplace. Antitrust laws forbid any agreement or understanding that improperly restrains or limits trade, even if the agreement is only implied or verbal. It is also important that we are always truthful when speaking about AAR and our competitors.

How we own it

- Understand the antitrust laws that apply to our business and avoid even the appearance of anticompetitive behavior.
- Do not engage in anticompetitive activities, including:
 - *Price fixing*: Agreeing with a competitor to raise, lower, or stabilize prices
 - *Market or customer division or customer allocation*: Dividing customers, territories, or markets with competitors
 - *Bid rigging*: Coordinating bidding activity with competitors to decide who will be awarded a contract
 - *Boycotting*: Agreeing with a competitor to not do business with targeted individuals or businesses
 - *Monopoly*: Taking advantage of a dominant market position to dictate pricing or other terms
 - *No-hire pact*: Restricting the hiring of employees by AAR or third parties
- Do not exaggerate or misstate facts about our services and solutions, and make sure that our sales and marketing materials depict AAR's solutions and services honestly and fairly.
- Do not make false claims about our competitors or their products and services.
- Never misrepresent yourself or use dishonest methods to gather competitive information.
- Take care when speaking with competitors. If a competitor raises a potentially anticompetitive topic with you, object to receiving any nonpublic/sensitive information, end the conversation, and contact a resource listed in the "Speaking up" section.
- Remember that antitrust laws apply when you interact with AAR's customers, third-party business partners, and competitors.

See our [Antitrust Compliance](#) and [Hiring of AAR Employees](#) policies for more information.

The Code in Action



Q: Steve, who works in supply chain management for AAR, is at an aviation industry conference. He runs into Melissa, who manages suppliers at AAR's biggest competitor. Melissa mentions that one particular supplier has raised their prices substantially in the last few months. AAR also does business with this supplier, and Steve has noticed the same thing. Melissa says, "Let's both just stop buying from them. We are their two biggest customers, so they will have to lower their prices to get us back." Steve isn't sure how to respond, so he shrugs and says nothing. Is he Doing It Right®?

A: No, he is not. Melissa is suggesting boycotting a supplier, which violates competition laws. Instead of simply shrugging, Steve needs to make his objection known, leave the conversation immediately, and then contact his manager and report the incident to an attorney in the Law Department or through www.aar.ethicspoint.com. In these situations, it is important to clearly state that you do not agree with what has been proposed, and then end the conversation immediately.



Saying no to bribery and corruption

When we work on AAR's behalf, we must always demonstrate AAR's commitment to doing business honestly. In all our work, we must comply with all applicable laws, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and any local anti-corruption laws. AAR has zero tolerance for any form of bribery or corruption. That means we never offer, give, or accept, directly or indirectly, any bribes, kickbacks, or other corrupt payments, regardless of whether we are working with commercial entities or government officials, including employees at state-owned or -controlled airlines.

How we own it

- Never offer or accept any sort of bribe. This can be anything of value given with the intention of gaining an improper advantage, such as securing a contract or receiving a license or a permit. Value can include cash payments, promises or offers of employment, use of AAR facilities, lavish gifts or entertainment, payments for unreasonable travel expenses, or political or charitable contributions.
- Do not offer or accept kickbacks, which are payments paid (or due to be paid) after the completion of a business deal.
- Take special care when working with government officials. Under the FCPA, it is illegal to offer government officials anything of value that could corruptly influence their decision making. Never offer anything to a government official in exchange for any official action.
- Never attempt to improperly influence a government official regarding a government contract.
- Do not make facilitating payments, which are small cash payments to perform or expedite a routine non-discretionary government action, such as processing visas or obtaining utility services.
- Obtain pre-approval from AAR's Government Relations department prior to retaining outside lobbyists or prior to lobbying government officials on the Company's behalf.
- Always keep in mind that these rules also apply to third-party business partners, including agents and representatives, who act on AAR's behalf.
- Report any questions or concerns regarding bribery or corruption to a resource listed in the "[Speaking up](#)" section.

See our [Global Anti-Corruption](#) and [Lobbying and Contributions](#) policies for more information.



Who is a government official?

A government official is any of the following:

- Employees of any branch of the government
- Police officers
- Members of the military
- Employees of government-owned or -controlled enterprises
- Private citizens acting in an official government capacity
- Political party officials and political candidates
- Employees of public international organizations like the UN or Red Cross

This list is not exhaustive. Because these terms are so broad, it is not always easy to know who is or is not a government official. Speak to an attorney in the Law Department if you have any questions.

The Code in Action



Q: Susan is meeting with a prospective state-owned commercial airline customer in Asia. During the meeting, the customer suggests that AAR hire his daughter as an intern prior to submitting its bid. Susan agrees to do so. Is Susan Doing It Right®?

A: No, she is not. Many laws prohibit promising something of value to a government official to gain an improper advantage. Employees of state-owned commercial airlines are considered government officials, and hiring the customer's daughter could be perceived as an improper attempt to give something of value to the customer in order to secure the contract. Susan should refuse the request and immediately report this situation to the Law Department.



Exchanging gifts and hospitality

Exchanging gifts or hospitality can be a local custom in some places where we do business, and it is also a way to build business relationships. However, there are limits on the gifts and hospitality that we can make or receive.

Gifts and hospitality include anything of value that the recipient does not pay the retail price or usual cost for. Common examples include meals, tickets to sporting events or other entertainment, or items such as watches.

How we own it

- Avoid giving gifts or hospitality to or accepting gifts or hospitality from a customer, supplier, or anyone else doing or seeking to do business with AAR.
- Exchanging certain nominal gifts and hospitality may be allowed, but make sure they are unsolicited, not being used to influence a business decision, and not given in appreciation for a past action.
- Understand what constitutes an acceptable gift or hospitality, including:
 - Promotional materials bearing the company's logo or food or drinks that are difficult to return and are worth no more than USD 100, when they are given on occasions when gifts are customary.
 - Discounts or rebates that are available to the general public or all AAR employees.
 - Reasonably priced and infrequent entertainment or meals for a business purpose where the giver and recipient are both present.
- Refuse or return any other gifts or hospitality. If you are unable to do so, you must disclose the gift or hospitality in writing to your manager as soon as possible.
- Keep in mind that stricter rules apply to giving gifts and hospitality when government officials and employees are involved.
 - In general, do not give or offer any gift or hospitality—regardless of value—to a U.S. government official without first receiving approval from an attorney in the Law Department.
 - Do not give gifts over USD 25 or hospitality over USD 100 (per person) to non-U.S. government officials or employees without first receiving approval from the Corporate Compliance Department.

For more information, see the [“Doing It Right for Our Government Customers”](#) section of our Code and [Global Anti-Corruption](#), [Expense](#) and [AGS Travel and Expense policies](#).

The Code in Action



Q: Tania has become very friendly with her contact at one of AAR's customers. The two of them go to lunch once a month at a high-end restaurant. Occasionally they—discuss business, but usually they just chat about their lives. Either Tania or her contact at the other company will charge these lunches to their company credit card as a business lunch. Is she Doing It Right®?

A: No, she is not. These lunches are not for a business purpose, and meeting at a high-end restaurant may not follow AAR's guidelines for gifts and entertainment. Tania should pay for these lunches out of her own pocket unless they are truly opportunities to talk about business.



Following international trade laws

As a global company that operates in many different countries, we have a responsibility to know and follow the trade laws that apply to us. We are also subject to laws related to trade embargoes, economic sanctions, and boycotts, which we must follow carefully. Violating trade laws could have serious consequences for AAR, so we need to follow them exactly.

How we own it

- Follow all applicable export control laws related to requirements for exporting or re-exporting certain products, technologies, software, and technical information or in situations where their end use is considered sensitive. Keep in mind that these laws apply to both the physical movement of goods and intangible transfers through email, discussions, or presentations.
- Adhere to all applicable import laws and customs requirements. Provide accurate information regarding tariff classification, value, country of origin, product marking, preferential trade status, and other critical data elements.
- Abide by laws related to embargoes and trade sanctions, which prohibit some or all business activities with certain countries and their nationals, or with specific entities or individuals. Always conduct due diligence on customers, suppliers, and business partners to make sure they are not subject to such sanctions or embargoes.
- Do not participate in unsanctioned boycotts and be mindful of requests to boycott a country or individual which often appear in purchase orders, contracts, or shipping documents.

Contact the International Trade team at trade@aarcorp.com or resource listed in the “Speaking up” if you have any questions.

See our [Trade Compliance policy](#) or visit the [International Trade Compliance](#) tab on our Company's intranet site – myConnection – for more information.

The Code in Action



Q: Kevin needs to provide technical specifications for an aircraft engine that AAR is considering selling to an existing customer in China. Kevin sends an email containing the technical specifications to the customer without considering if there are any export control licensing requirements. Is Kevin Doing It Right®?

A: No, he is not. Transmission of technical documentation is an export activity just like sending parts from one country to another. Import and Export Regulations change, reflective of technologies, national security and foreign policy. Kevin should speak to his manager, a member of the Trade Compliance Department, or an attorney in the Law Department before sending the email to determine whether any licensing requirements apply. Always perform proper due diligence before engaging in import or export activity and maintain records that demonstrate compliance.



Selecting third-party business partners

When selecting contractors, agents, representatives, consultants and other third-party business partners with whom we want to do business, we must make sure to hold them to the same standards to which we hold ourselves.

How we own it

- Only work with companies and individuals who share AAR's commitment to integrity and meet AAR's third-party business partner due diligence process standards.
 - When working with other contractors or subcontractors to complete government projects, select companies that we can count on to do business ethically and follow the complex rules related to government contracting.
 - Make every effort to do business with small businesses, small disadvantaged businesses and woman-owned businesses whenever possible.
 - Keep an eye out for any potential misconduct by third-party business partners and report it immediately.
-

Steering clear of money laundering

AAR is committed to working with customers and third-party business partners whose business activities are legitimate and whose funds come from legal sources. Accordingly, we must always comply with anti-money laundering laws. Money laundering refers to the process of “washing” or hiding the proceeds of criminal activities or making it seem like the money comes from a legitimate source.

How we own it

- Keep an eye out for signs of money laundering by customers or third-party business partners. This could include:
 - Making payments in cash
 - Overpaying and asking for a partial refund
 - Having a third party make a payment on their behalf
 - Requesting to transfer money to another country
 - Making several smaller purchases (instead of one large one)
 - Buying unusual combinations of items

If you have concerns about a third-party business partner's practices, contact a resource listed in the “[Speaking up](#)” section.

See the [Global Anti-Corruption policy and Third Party Due Diligence Procedures](#) for more information.

We do business with the utmost integrity and follow all contractual requirements when working with our commercial customers, and we must do the same—and more—with our government customers. At all times, we must follow the laws, rules, and regulations related to government acquisition of goods and services, and we must compete fairly and ethically for these business opportunities.

Doing procurement right

When AAA bids on a government contract, we must act with integrity, never attempting to gain an unfair advantage in the process.

How we own it

- Do not solicit, obtain, or disclose any information about competitors' bids or proposals before the award of a contract. This includes cost or pricing information, indirect costs and direct labor rates, or information about operations that is marked with words like "confidential" or "proprietary" or "contractor bid" or "proposal information."
- Never try to obtain a government agency's source selection information before a government contract is awarded. This includes non-public information used for evaluating bids or proposals, such as proposed costs or prices, source selection plans, evaluations or rankings of proposals and reports from the source selection panel.
- Report any potential misconduct in the bidding process to an attorney in the Law Department.

See our [Contracting with the US Government](#) and [Bid and Tender](#) policies for more information.



Dos and don'ts for working on government contracts

Government contracts are subject to many complex laws and regulations. Here are a few general principles to follow.

Do:

- ✓ Compete fairly and vigorously for contracts.
- ✓ Maintain accurate books and records at all times, and be sure that cost and pricing data are accurate.
- ✓ Get any clarifications about the contract or the bidding process in writing.

Don't:

- ⊗ Contact the contracting officer, unless you are requesting clarification about the contract.
- ⊗ Ask a third party to contact the contracting officer on AAR's behalf.
- ⊗ Coordinate proposals with a competitor or engage in anticompetitive practices.
- ⊗ Give a government official or public servant any gift, gratuity, bribe, or other item of value during the contracting process or discuss possible employment with them.
- ⊗ Do anything that could create the appearance of impropriety.

Complying with government requirements

When working on a government contract, we must be especially careful in recording hours worked, travel costs, material costs, and other expenses. All records must be timely, honest, accurate, and in accordance with AAR policies and procedures, as well as government requirements.

How we own it

- Know which costs are allowable for a given project—and never claim unallowable costs.
- Never submit a claim or statement that you know to be false. Willingly or knowingly making a false claim could result in fines, discipline, termination, or even criminal prosecution for the individuals involved and AAR.
- Use government property only for authorized purposes, never misusing or wasting it.
- Protect government classified information or national security information and use it appropriately.
- Cooperate with any audit requests and provide government representatives with any documents they ask for in a timely manner.
- If you are contacted regarding an investigation (other than a background investigation for granting or renewing government security clearances), contact resource listed in the “Speaking up” section immediately.

See our [Contracting with the US Government policy](#) for more information.

Hiring former government employees

We work closely with government officials as we bid and work on government contracts. At all times, we want to avoid the appearance that we could be trying to influence the procurement process unfairly. Accordingly, we must be careful to comply applicable laws when hiring former government employees or even discussing employment opportunities with them.

How we own it

- Never discuss employment or consulting opportunities with a government official who is involved in certain competitive procurements on which AAR is bidding.
- Speak to a Human Resources representative and an attorney in the Law Department before discussing employment opportunities with anyone who works—or used to work—for the government.

The Code in Action



Q: Isaac is preparing a bid for a contract with a government agency. He receives an email from his contact at the agency, Sadie. Sadie meant to send the email to a colleague, but she mistakenly typed Isaac’s email address in the recipient field instead. The email includes a summary of other companies’ proposed pricing information for the contract. With this information, Isaac knows he can put together a better proposal and get the contract for AAR. Is he Doing It Right?

A: No. Sadie has inadvertently shared another company’s confidential information with Isaac, and this could be a big problem. We must act with integrity at all times when we bid on government contracts, and that means respecting others’ confidential information. Speak to an attorney in the Law Department if you receive a competitor’s confidential information.



Protecting AAR’s assets and information

In our work for AAR, we use Company assets every day, such as equipment, supplies, funds, licenses, trademarks, information, and time. We must use Company assets responsibly and appropriately, protecting them from waste, abuse, and disclosure.

How we own it

- Use AAR’s assets for legitimate business purposes, in accordance with all Company policies and procedures.
- Protect AAR’s confidential information, including trade secrets, business strategies, technical designs, financial records that have not been made public, and cost and pricing information. Do not share AAR’s confidential information with anyone who does not have a business need to know it and has not been authorized to receive it.
- Be careful when discussing AAR’s confidential information in public, as someone could overhear.
- If you have access to confidential or personal information that belongs to others—such as customers, third party business partners, or job applicants—protect it as you would AAR’s. Use it only for legitimate business purposes and do not share it with anyone who does not need to know it and has not been authorized to receive it.
- Making incidental and limited personal use of electronic assets—such as computers, software, Internet access, e-mail systems, voice mail, and mobile devices—is fine, but you should use them primarily for business purposes.
- Never use Company electronic assets to send or view offensive content.
- Remember that where allowed by local law, AAR may monitor your use of its electronic assets, so you should have no expectation of privacy.
- Use only AAR business email or company-supported messaging platforms (and not ephemeral or encrypted applications) for substantive business communications.
- When using electronic assets, always follow good information security practices:
 - Use strong passwords for all your accounts. Never share passwords or account credentials with anyone.
 - Never download or install software without permission, as it could contain malware.
 - Be careful of “phishing” attempts, and do not open attachments or click on links in emails from senders you do not recognize.
- Report suspicious emails to the Digital Technology and Analytics (DT&A) Service Desk immediately.
- If there is an unintended disclosure of confidential information, contact a resource listed in the “[Speaking up](#)” section or contact a member of the Law Department or DT&A Security, Compliance and Privacy team immediately.

Contact the DT&A Security, Compliance and Privacy team and see our [DT&A policies](#) for more information.

The Code in Action



Q: Andrew works in the government programs department and one of his job duties is to maintain and update a list of government contracting officers and quarterly report on the success or failure of various programs for government reporting and oversight. This information is maintained in several applications and databases in his department. In order to meet his quarterly reporting deadline, Andrew downloads information to his computer in his office, copies the data to a removable media thumb drive, and takes that home to finish his report there. However, he also leaves a copy of the information and the report on his computer at home. Is Andrew Doing It Right®?

A: No, this represents a potential information spillage security incident. Information spillage occurs when sensitive information is placed on unauthorized information systems. Andrew should never use personal computing devices to conduct company work. This includes personally owned computers, laptops, tablets, removable media including USB drives, and personal email accounts.



Avoiding conflicts of interests

We each have a responsibility to act with integrity and do what is best for AAR. As part of that commitment, we must avoid personal conflicts of interest, or situations where we might have to choose between doing what is best for AAR and what is best for us personally or for a member of our immediate family, such as a spouse, child, or anyone else who lives with us.

Due to AAR's long history of working with the government and other companies in our industry, the Company may sometimes face a potential organizational conflict of interest due to past work experience or because of our relationships with other persons, such as consultants, teaming partners, or subcontractors. In an organizational conflict of interest, a company is unable (or could potentially be unable) to act impartially, or it may receive an unfair advantage regarding a new business opportunity with the government. We must avoid even the appearance of an organizational conflict of interest.

How we own it

It is impossible to list every situation where a conflict of interest may arise, but here are a few guidelines to help you avoid the most common ones:

- Do not compete with AAR. Do not take for yourself any business opportunity that you learn about through your work with AAR, or serve as a director, consultant, or employee for any company that competes with AAR.
- Disclose any personal relationship with someone who is trying to do business with AAR. For example, if your family member or a romantic partner works for a supplier who is seeking to do business with AAR, that must be disclosed.
- Think before accepting outside employment. Any outside employment (or side business) must not reflect negatively on AAR, require you to use Company confidential information, interfere with your ability to perform your work for AAR, or compete with AAR. Full-time employees must disclose (and receive approval for) any outside job (or side business) that requires a significant time commitment—meaning more than 10 hours a week or 40 hours a month.
- Never directly supervise—or be supervised by—a member of your immediate family or a romantic partner. You must disclose any familial or romantic relationship with an AAR employee for whom you have the direct or indirect ability to influence terms or condition of their employment.
- Avoid romantic or close personal involvement with a customer, competitor, supplier, or subordinate employee of the Company, which impairs an employee's ability to exercise good judgment on behalf of the Company. Any romantic or close personal involvement with a customer, competitor, supplier, or subordinate employee must be disclosed.
- Exercise caution when making outside investments. You (or your immediate family) should not own more than one percent of the stock of a company that does business (or seeks to do business) with or competes with AAR.

The above examples of conflicts or potential or perceived conflicts of interest are not an exhaustive list, and it is important that the spirit, as well as the letter, of this conflict of interest policy is followed by all of us.

The Code in Action



Q: Mark, a fulltime employee, is serving as a consultant on the side for certain of AAR's competitors. He has not disclosed this to AAR because he is not directly employed by those competitors. Is he Doing it Right®?

A: No, both because he hasn't disclosed this to AAR and because he is working with AAR's competitors, which is a conflict of interest.



Disclosing conflicts of interests

If you believe you may be involved in a conflict of interest—or a situation that could appear to be a conflict—you must disclose it. Many actual or potential conflicts of interest can be resolved in an acceptable way for both the individual and the Company. In case of a conflict of interest, the employee concerned must immediately inform their manager or Human Resources to find a solution that will be reviewed by the Law Department.

Many employees will be asked to certify annually that they do not have any conflicts of interest with AAR. If you are one of those employees, you should not wait for the annual certification to raise any concerns related to potential conflicts of interest.

Similarly, if you learn of a potential organizational conflict of interest, report it to a resource listed in the “[Speaking up](#)” section immediately.

See our [Related Person Transaction policy](#) for more information.

The Code in Action



Q: Marjorie is in a position to hire her cousin’s company as a vendor. No one at work knows of this family connection. Marjorie does not disclose the connection prior to retaining her cousin’s company. Is Marjorie Doing it Right®?

A: No, she is not. While Marjorie’s cousin may bid the work, Marjorie should exclude herself from the decision-making process and disclose the conflict of interest to her manager and the Law Department. Be careful never to create a situation where it seems that you’ve used your position in an unfair way to benefit yourself or your family or friends.



Keeping accurate books and records

AAR uses its business records—such as expense reports, time records, and invoices—to make important business decisions and create its financial disclosures. In order to ensure that these business decisions are sound, AAR’s records must be complete, accurate, and truthful.

We have internal controls to maintain the reliability, accuracy, and timeliness of accounting information and ensure we are complying with all applicable laws. These controls are also designed to provide reasonable assurance that our financial statements are in accordance with generally accepted accounting principles and in compliance with Company policies. As a result, all control procedures must be followed. False, misleading, incomplete, inaccurate, or artificial entries in the Company’s books and records are strictly prohibited.

How we own it

- Be certain that any records you create are correct and complete.
- Never provide false or misleading information in a record.
- If you work on AAR’s financial disclosures, ensure they are full, fair, accurate, and understandable. Follow all generally accepted accounting principles, as well as AAR’s policies, controls, and procedures.
- Retain records only as long as needed, destroying or deleting them appropriately when that period has ended.

See our [Records Management and Retention policy](#) for more information.

Avoiding insider trading

During the course of our work, we may have access to material non-public information, or inside information, about AAR or another company with whom we do business. Information is material if a reasonable investor would consider it important when making a decision to hold, sell, or buy a company’s stock.


Information is considered non-public until it has been communicated to the marketplace and the market has had time to absorb it—usually a day or two.

How we own it

- Be able to identify common examples of inside information: financial results or forecasts, major personnel or management changes, new service or solution offerings, or the gain or loss of a major customer.
- Do not trade in the stock of any company while you have inside information about that company.
- Never “tip” inside information to family or friends, or even to co-workers who do not have a business need to know it.

If you have questions about the right way to handle inside information, contact a resource listed in the “[Speaking up](#)” section.

See our [Insider Trading policy](#) for more information.



Doing It Right® for our communities

Being good corporate citizens

At AAR, we know that running a responsible business is about more than providing high-quality solutions and services. We strive to make a positive impact on the world around us through the work we do each day. AAR believes that Doing It Right® is not just about business success—it is also about making the world a better place through sustainability and promotion of health and safety.

How we own it

- Put safety first and ensure anyone working for AAR, from employees to suppliers and subcontractors, can live safe, healthy, and productive lives. We are working toward an environment with no injuries, occupational illnesses, or safety incidents.
- Work to minimize AAR's environmental impact and use natural resources by supporting sustainable solutions, waste prevention, and efficient use of resources at AAR and end-to-end across AAR's supply chain.
- Comply with environmental laws and regulations, and expect all suppliers and contractors to do the same.
- Contribute resources to promote the health, welfare, and economic stability of communities around the world.
- Do your part to contribute to AAR's corporate initiatives that are designed to improve our communities by supporting non-profit organizations, particularly those that help veterans or active military members, promote science, technology, engineering, and mathematics (STEM) education, and encourage health and wellness activities.

See our [Environmental](#) and [Health and Safety Program](#) policies for more information.

Doing It Right® for our communities

Responsible use of social media and personal activism

AAR knows that employees are active on social media, and many of us are deeply committed to improving our communities through volunteering for or donating to charitable organizations or political causes. While AAR does not seek to limit our personal use of social media, and encourages engagement in our communities, there are a few important guidelines to follow in these activities.

How we own it

- Do not share AAR's confidential information online. For example, do not discuss new projects you are working on, AAR's finances (even in general terms), or any other information that is not available to the public.
- Make it clear that your political views are your own, and not those of your employer or anyone else.
- Exercise good judgment in what you say and how you say it. Your words will reflect on you and AAR, given how easy it is to identify a person's employer.
- In some cases, you may be able to show AAR's support or use AAR's assets for your volunteer or charitable activities, with advance permission from a senior officer.
- Be careful that your political involvement does not create a conflict of interest under applicable law or AAR policy.
- Be aware of the laws related to lobbying and follow them at all times, if your work involves interacting with government officials.

If you are contacted by the media or an analyst for information about AAR or any of its stockholders, do not directly respond. Refer any such requests for information to the Corporate Communications Department and Investor Relations.

Also, remember that you are welcome to contribute to the AAR Political Action Committee, which may advocate on AAR's behalf regarding certain issues or legislation. However, you are not obligated to do so.

See our [Investor Relations and Disclosure](#), [Lobbying and Contributions](#), [Government or Media Request for Information](#), and [DT&A](#) policies for more information.

The Code in Action



Q: On her social media page, Corinne posts the following update: "Such a long week! Can't wait to relax this weekend. I've been working a ton of extra hours setting up this new contract with Acme Airways, and I need a break!" Is Corinne Doing It Right®?

A: No. It is fine for Corinne to post generally about her workload or the fact that she is looking forward to the weekend, but she also mentioned a new AAR contract. If that information has not been publicly disclosed yet, she should not discuss it on social media or elsewhere publicly.



Q: Adolfo is volunteering for his local state representative's political campaign. The campaign manager asked Adolfo to print off campaign posters for an upcoming rally. Adolfo doesn't have a printer at home, so he prints them at AAR's office. Is he Doing It Right®?

A: No, he is not. We should never use AAR's assets—including office equipment such as printers—to support a volunteer or political cause unless we have permission to do so. Speak to your manager if you have questions about using AAR's assets appropriately.

Waivers and Certification



Waivers

Any request for a waiver from a requirement of the Code must be submitted to and approved by the General Counsel (and by the Board of Directors or a committee of the Board of Directors in the case of a waiver request from an executive officer or director), and must be promptly documented and disclosed, as required by law. Contact the General Counsel if you have any questions about waivers.

Certification

At AAR, we are all held to the same expectations and the commitment to do what is right under our Code. That is why employees are provided a copy of, and certify compliance with, the Code upon hiring. Additionally, all employees certify each year that they will comply with the Code.

Code of Conduct Certification, Acknowledgement and Agreement

I hereby certify that I have received a copy of the AAR CORP. Code of Conduct (“Code”).

I have read the Code and understand how it applies to me. I acknowledge and agree that my relationship with AAR obligates me, and I agree to abide by the Code of Conduct and other applicable corporate policies in effect from time to time.

I affirm that, to the best of my knowledge, I am not now, nor will I become, directly or indirectly, engaged in any activity or involved in any situation that is not in accordance with the Code.

I also hereby certify that I have reported to the Company, and will report in the future, any suspected violation of the Code or applicable law or regulations, using one of the reporting options set forth in the Code, including the AAR Ethics Hotline (where permitted by law).

Print Name

Operating Company

Signature

Date

NOTE: If you are completing this Certification in hard copy, return the completed form to your supervisor or your local Human Resources representative.

The keys to Doing It Right®

While there is no one document that can address every difficult scenario we may face, we can sum up AAR's Code of Conduct with a few short keys to Doing It Right®:

- **A**ct ethically, in accordance with the law and AAR's Policies and Values.
- **A**sk—when in doubt, or if you have questions.
- **R**eport good-faith concerns to your manager, your Human Resources representative, an attorney in the Law Department, or through the AAR Ethics Hotline.



Parts
Supply



Repair &
Engineering



Integrated
Solutions



Expeditionary
Services

Additional information

For more information, please contact a member of the Law Department or Human Resources.

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