 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 1 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

PURPOSE: The Company’s reputation in the marketplace is a major factor in its continuing growth and success. This statement of long-standing corporate policy concerning business ethics and conduct is provided as directives and guidance to directors, officers, employees and third parties performing services on behalf of the Company about their responsibilities to the Company, themselves and the public.

SCOPE: Corporate; all operating units (AAR CORP., its subsidiaries, business units, and other affiliates are collectively referred to herein as “Company”).

POLICY: AAR CORP. Standards of Business Ethics and Conduct (“Standards”)


It is the long-standing policy and commitment of this Company to observe high ethical standards and comply with all laws, rules and regulations affecting the Company and its directors, officers, employees and third parties performing services on behalf of the Company and to require all such persons to avoid any activities that could involve or lead to involvement of the Company or any such person in any unethical or unlawful practices.

The Company’s business goals are important and demanding, but maintaining integrity and ethical and legal standards always must take precedence. Compliance with the letter of the law is only a minimum standard; the Company also has sought, and will continue to seek, adherence to the spirit of the law. At times, observance of this policy may place the Company in a non-competitive position. However, strict compliance with this policy and its underlying values is of greater importance to the Company than any potential lost business opportunities.

Responsibility for carrying out the Company’s commitment to integrity, fairness and compliance with high ethical standards and legal requirements rests with each of its employees, officers and directors contractors, consultants and other agents when they represent or act for the Company (collectively "Covered Persons").

All Covered Persons are expected to adhere to a high standard of business and personal ethics and integrity so that the Company and all of its Covered Persons will enjoy the high respect and esteem of the public, government authorities, the business community, customers, shareholders, vendors and suppliers. To this end, each Covered Person shall:

- comply with all applicable laws, rules and regulations of all governmental jurisdictions throughout the world in which the Company conducts its business;
- avoid conflicts of interest with regard to the Company’s interests;
- refrain from (i) taking for personal benefit, or directing to a third party, opportunities that properly belong to the Company or are discovered through the use of Company property, information or position, (ii) using corporate property for personal gain, and (iii) competing with the Company;
- maintain confidentiality of confidential or proprietary information of the Company or its customers or suppliers acquired by or entrusted to the


 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 2 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

Covered Person in the course of his or her relationship with the Company, unless disclosure is required by law or expressly authorized by the Company;

- deal ethically and fairly with the Company’s customers, suppliers, and competitors;
- treat all persons without bias, discrimination or harassment and treat everyone within and outside the Company with proper respect and fairness, regardless of the person’s sex, race, color, national origin, religion, age, disability, sexual orientation, veteran status or any other discernable reason to the extent applicable under local law (see Policy No. 2.01.002);
- protect the Company’s assets (both tangible and intangible, including intellectual property) and use those assets only for legitimate Company business purposes in accordance with Company policies and approved practices and procedures;
- maintain accurate and complete books and records of the Company meeting the requirements of Generally Accepted Accounting Principles (“GAAP”), the Company’s record retention and accounting policies, practices and procedures, and all applicable laws and regulations, and provide prompt, accurate responses to requests for information from the Chief Financial Officer, General Counsel and other members of senior Company management, and/or their designees, to assure that the Company’s public reports are timely, complete, and accurate, and otherwise satisfy public disclosure requirements; and
- cooperate fully with the Company’s internal and external auditors, directors of the Company, the General Counsel, and other authorized representatives of the Company, as well as government law enforcement officials and inspectors, requesting information or conducting an investigation.

Covered Persons who observe illegal or unethical conduct by the Company or any other Covered Person or have concerns regarding compliance with financial reporting or accounting regulations, must promptly report such behavior and concerns to appropriate representatives of the Company such as a supervisor, Human Resources representative, senior managers in the Covered Person's chain of supervision, or to the General Counsel who will provide a report to the Audit Committee of the Board of Directors, as appropriate.

Alternatively, such reports may be made confidentially and anonymously (where permitted by law) via the AAR Ethics Hotline (the “Hotline”) which is operated by EthicsPoint, a third party provider. To place a report, go to www.aar.ethicspoint.com, which is a portal hosted on a secure server operated by EthicsPoint. Once you are in the portal, click on “To Make a Report” and you will be prompted with instructions for completing your report. The website also provides toll-free telephone numbers.

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 3 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

No acts of retaliation of any kind will be tolerated against good faith reports or complaints of violations of the Standards, accounting or financial reporting irregularities, or illegal or unethical conduct by the Company or any Covered Person.

The General Manager (or comparable senior executive) of each business unit and the senior executive of each corporate function are responsible for implementing the Standards of Business Ethics and Conduct with respect to all Covered Persons under their respective supervision. Each General Manager (or comparable senior executive) and the senior executive of each corporate function shall report to the General Counsel regarding compliance with the Standards. The Company shall not less than annually review the effectiveness of the Standards and the oversight of the Standards.

PROCEDURES:


The following procedures and requirements have been established to implement the policies set forth above:

1. Responsibility - Each Covered Person is subject to and is required to abide fully with the Standards of Business Ethics and Conduct and statement of policy and procedures (“Standards”), as well as all other Company policies relating to the Covered Person's assigned duties that may be in effect from time to time, including the Code of Conduct.

It is the responsibility of each Covered Person to become familiar with all applicable Company policies and implementing procedures and the legal and ethical standards and restrictions that apply to the Covered Person's assigned duties, and to abide by them. The Company’s written policy statements are available at the Policies/Procedures tab on the home page of myConnection at <https://myconnection.aarcorp.com/default.aspx>. These implementing procedures are general and not all-inclusive; nor do they cover all laws, regulations and rules pertaining to business relationships and ethics. The fact that a particular situation may not be covered explicitly by the Standards does not relieve a Covered Person from high legal and ethical standards in those situations. In addition, Covered Persons are reminded of their obligation to consult and abide by all other statements of Company policy that may apply, including the Code of Conduct.

The Law Department is available to each Covered Person for consultation on any question he or she may have concerning interpretation of his or her responsibilities under these Standards. Routine requests should be made through normal supervisory channels; requests pertaining to sensitive or private situations should be made directly to the Law Department. The Law Department, on request, will furnish advice with respect to the Standards and any particular practice or activity and, in any cases of doubt, the General Counsel must be consulted prior to action.

Covered Persons are encouraged to report violations of the Standards or other irregularities to their supervisor, or to other appropriate Human Resources representatives or senior managers in the chain of

 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 4 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

supervision, or directly to the Law Department. Alternatively, such reports may be made confidentially or anonymously (where permitted by law) via the AAR Ethics Hotline which is operated by a third party and can be accessed using the instructions that are stated above on page 2 of this policy and in Policy 1.14.001. All reports will be treated on a confidential, need-to-know basis to the extent feasible.


In furtherance of the Company's policy to comply fully with all applicable financial reporting and accounting regulations applicable to the Company, if any Covered Person has concerns or complaints regarding questionable accounting or auditing matters of the Company, he or she should submit those concerns or complaints (anonymously, confidentially or otherwise) in the one of the manners described in the preceding paragraph.

Compliance with Laws - No Covered Person shall, in discharging assigned responsibilities and duties, engage in any activity, domestic or foreign, that might involve the Covered Person or the Company in a violation of any national, state, provincial, municipal or local law, rule or regulation. In particular, Covered Persons involved in the Company's foreign operations and business activities shall act in a manner consistent with the laws, regulations and lawful customs of each host country. In the event of a potential or perceived conflict between US and local (foreign) laws and regulations, the General Counsel or Chief Compliance Officer must be consulted immediately and is responsible for resolving the potential or perceived conflict.

2. Personal Conduct - Covered Persons are expected to conduct themselves in a proper, safe and businesslike manner at all times while:
 - on Company premises,
 - wearing apparel bearing the Company's name or logo or otherwise identifying them as an employee of, or otherwise affiliated with, the Company, or
 - in the performance of duties or otherwise engaged in activities on behalf of the Company, including business trips or other Company assignments.

Disorderly or other conduct that might embarrass or reflect discredit upon the Company, its products or services, or might conflict with the best interests of the Company, whether while on or off duty (including, but not limited to, violation of Company policy with respect to controlled substances or illegal drugs or being under the influence of alcohol) (see Policy No. 2.01.001), is unacceptable and may result in disciplinary action up to and including discharge.

3. Ethical Practice - Each Covered Person shall, in discharge of assigned duties, observe high standards of business and personal ethics. This includes acting with honesty, sincerity and fairness in dealings with the public, government officials, customers, other Covered Persons, and those with whom the Company transacts business.
4. Conflicts of Interest - Each Covered Person shall avoid any act or relationship with persons, firms or corporations with whom the Company transacts or is likely to transact business that may involve the Covered Person in an actual or potential conflict of interest or the appearance of a conflict of interest between the Covered Person's

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 5 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

private interests and the interests of the Company. Each Covered Person has a duty to avoid financial, business or other relationships that might be opposed to the interests of the Company or might cause an actual, potential or perceived conflict with the performance of assigned duties.

It is impossible to list every situation in which a conflict of interest could occur, but some examples of situations that must be avoided, unless disclosed to and approved in writing in advance by the General Counsel, are:

- Covered Person's personal or immediate family's (i.e. spouse, minor child or other person residing in the same household as Covered Person) beneficial relationship or ownership interest(s) in enterprises that conduct or seek to conduct business with the Company or that compete or seek to compete with the Company. Ownership of less than one percent (1%) of the outstanding stock of a publicly-held company in the aggregate by a Covered Person and the Covered Person's immediate family will not be considered a conflict of interest. See also Section 10, "Relations with Suppliers";
- Any form of competition by a Covered Person with Company business activities;
- Acceptance by a Covered Person of positions as director, consultant, salaried or commissioned employee or similar positions with another company or with any competitor, supplier, partner or subcontractor of the Company.
- A Covered Person also acts as an officer of any government or government department, agency or instrumentality, especially if the position is linked to procurement processes; and
- A Covered Person stands to gain from or has influence over any supplier, subcontractor, customer or competitor involved in business dealings with the Company.


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 be followed by all Covered Persons. For that purpose, each Covered Person is expected to disclose to the responsible operating company General Manager (or comparable senior executive) or to the corporate senior executive of each functional area any situation that may involve a real or potential conflict of interest for review with the General Counsel. By providing this information, a Covered Person does not necessarily acknowledge that a conflict of interest exists or may arise. Rather, it gives the Covered Person and the Company an opportunity to address any actual potential or perceived conflict before it becomes an embarrassment to the Covered Person or the Company or a more serious problem.

The value of certain outside interests and activities to Covered Persons is recognized and the Company will interpret this policy with reason. If in the opinion of the Company a conflict arises, however, a Covered Person will be expected to promptly remedy the situation to the satisfaction of the Company. Failure to do so will subject the Covered Person to disciplinary action, up to and including termination.

Any Covered Person who becomes aware of an actual, potential or perceived conflict of interest must bring it to the attention of his or her supervisor, Human Resources representative, senior managers in his or her chain of supervision, or directly to the General Counsel. Alternatively, where permitted by local law, reports concerning actual, potential or perceived conflicts of interest may be made confidentially and anonymously via the AAR Ethics Hotline which is operated by a third party and can be accessed using the instructions that are stated above on page 2 of this policy and in Policy No. 1.14.001.

All Covered Person declarations of actual, potential and perceived conflicts of interest must be recorded in a dedicated conflicts of interest register that will be accessible to those responsible for oversight of the process. This file will be maintained by the Law Department under the direction and oversight of the

General Counsel or his or her designee.

 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 6 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

5. Outside Employment – The primary loyalty and interest of all regular, full time employees of the Company must remain at all times with the Company. Outside employment, self-employment or non-business commitments by a regular, full time employee may be permissible but are secondary to duties owed to AAR and are subject to the following restrictions.

All outside employment or self-employment activities by regular, full time employees in excess of 10 hours per week or 40 hours per month in the aggregate must be disclosed to the Company in writing at the time of application for employment with the Company or, if acceptance of outside employment or beginning self-employment occurs after becoming an AAR employee, prior to beginning this additional employment. Disclosure shall include the name and address of each outside employer, the nature of each outside employer’s business, the employee’s position with each outside employer, and the number of hours per week expected to be worked by the employee for each outside employer.

Outside employment or self-employment by any employee is not permissible if that employment:


- might affect the objectivity and independence of the employee’s judgment or conduct in carrying out the employee’s duties and responsibilities to the Company,
- interferes with the employee’s discharge of his or her primary responsibilities to the Company or otherwise conflicts with the best interests of the Company,
- might embarrass or reflect discredit upon the Company, or
- might involve the use of private Company information to which the employee has access.

6. Policy Regarding Receipt of Gifts, Payments or Other Items of Value

A gift may take many forms. For the purposes of these Standards, the term “gift” includes anything of value for which the employee is not required to pay the retail or usual and customary cost. A gift may include cash or other payments, meals or refreshments, goods, services, tickets to entertainment or sporting events, or the use of a residence, vacation home, or other accommodations. This section addresses the receipt of gifts. Section 8 of the Standards addresses, among other subjects, giving gifts and making payments that may be improper. The receipt or offering/providing any gifts, payment or other items of value must also comply with AAR’s Travel and Expense Policy and Global Anti-Corruption Policy.

A Covered Person may never, except as provided in the Standards, Travel and Expense Policy, and the Global Anti-Corruption Policy:

- solicit, for the Covered Person, himself or herself, or for anyone else, or accept anything of value from anyone doing business with the Company;
- solicit, for the Covered Person, himself or herself, or for anyone else, or accept anything of value from anyone in return for any business, service, or confidential information of the Company;
- accept a gift in appreciation for good service, as thanks for our business; or


 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 7 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

solicit, for the Covered Person, himself or herself, or for anyone else, or accept anything of value, directly or indirectly (other than bona fide salary, wages, awards, and fees paid by or to the Company), from anyone in connection with the business of the Company, either before or after a transaction is discussed or consummated.

These restrictions do not apply to gifts based on obvious family relationships (such as a Covered Person's parents, children, or spouse) or close personal friendships developed outside the context of a customer or vendor relationship, where the circumstances make it clear that the relationship, rather than the Company's business, is the motivating factor for the gift.

Acceptance of gifts of any kind (including entertainment and hospitality) from any customer, supplier, or other party doing or seeking to do business with the Company is generally prohibited. See AAR's Global Anti-Corruption Policy (No. 1.05.001). However, the following gifts may be accepted by a Covered Person on infrequent occasions from such a person if it is clear that the person is not trying to influence or reward the Covered Person inappropriately in connection with any business decision or transaction and the gift is unsolicited:

- gifts, including promotional material (such as note pads and calendars) and including food or beverage items that are not easily returned, having a retail value not exceeding U.S. \$100, but only to the extent given on an occasion when gifts are customary, such as a birthday or the year-end gift-giving season, or on the occasion of a promotion or retirement;
- entertainment, such as participation in or attendance at a sporting event (such as a golf outing) or attendance at an artistic event (such as a play or a concert), where the person paying for the event is in attendance and the amount of the expense is reasonable and customary for the type of event;
- discounts and rebates on merchandise or services that are offered to the general public, or to all Covered Persons under a plan negotiated by the Company;
- civic, charitable, educational, or religious organization awards for recognition of service and accomplishment having a retail value not exceeding U.S. \$100; and
- meals, refreshments, and entertainment in the course of a meeting or other occasion, provided: (1) the purpose is business-related, (2) the host of the event is present, (3) attendance is related to the Covered Person's duties with the Company, (4) the level of expense is reasonable and customary in the context of the business and the relationship with the host, and (5) the frequency of such invitations from one host is not excessive. Questions about whether a specific invitation may be accepted under this section of the policy – whether, for example, it is business-related, or reasonable and customary in the context of the business with the host – should be discussed with an attorney in the Law Department.

 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 8 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

Whenever a Covered Person receives a gift, or an offer of a gift, that is not specifically permitted by the Standards, the Covered Person must make every effort to refuse or return it. If that is not possible, contact an attorney in the Law Department or the Chief Compliance Officer to discuss how to deal with the gift.

Receipt or retention of any gift, entertainment or travel not expressly permitted by the preceding procedures must be approved in advance by an attorney in the Law Department only after written disclosure of all relevant facts, including the name of the donor, the circumstances surrounding the offer and acceptance, the nature and approximate value of the gift, and the reason why it should be accepted or why it cannot be or should not be returned.


Gifts given by other persons to members of the Covered Person's family, to those with whom the Covered Person has a close personal relationship, and to charities designated by the Covered Person, are considered to be gifts to the Covered Person for purposes of the Standards.

7. Policy Regarding Offering Gifts, Payments or Other Items of Value – The Company has **zero tolerance for bribery or corruption**. Neither corporate nor individual funds or assets may be used for any unlawful purpose or be offered or given to any entity or officer or employee of any entity directly or indirectly as a bribe, illegal kickback or illegal contribution. Before offering, promising, or providing a gift, meal, or entertainment to any third party, please refer to AAR’s Travel and Expense Policy and Global Anti-Corruption Policy to ensure that such gratuity is permitted under Company policy.

The giving or offering of gifts, payments and other items of value to government officials and employees, including employees of state-owned and state-controlled enterprises and labor unions as well as political parties, is in many cases prohibited or limited by law or regulation. For purposes of the Standards, the term “gift” includes payments and other items of value defined in Section 7, “Policy Regarding Receipt of Gifts, Payments and Other Items of Value.” U.S. laws and regulations provide that government personnel must avoid any action, such as accepting gifts, that might result in or reasonably be expected to create the appearance of any of the following: (1) using public office for private gain, (2) giving preferential treatment to any person or entity, (3) impeding government efficiency or economy, (4) losing independence or impartiality, (5) making a government decision outside official channels, or (6) affecting adversely the confidence of the public in the integrity of the government. Penalties may be imposed against the Company and Covered Persons, as well as implicated government personnel, for violating these prohibitions.

A Covered Person may not offer or give any gift, as defined in the Standards, to an official or employee of any U.S. executive, legislative or judicial branch of government: (1) where the branch, agency or other government entity regulates, does business with, or has any official interaction with the Company; or (2) where the gift could otherwise affect the performance or nonperformance of the government official or employee’s duties.

U.S. laws and regulations also specifically prohibit offering, promising or giving any money or thing of value to foreign government officials or employees who have discretion to make decisions affecting the Company’s business activities if the purpose of the payment is to influence those decisions.

 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 9 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

The laws of many other countries prohibit giving, offering, or promising, directly or indirectly, anything of value to corruptly influence any government official, including any officer of a political party or a candidate for political office, for the purpose of obtaining or retaining business or to secure an improper advantage (such as favorable regulatory or judicial action). Offering or paying such remuneration to any such person, either directly or through any intermediaries such as agents, attorneys or other consultants, is strictly prohibited. See AAR's Global Anti-Corruption Policy (No. 1.05.001) for further information.

Facilitating Payments. While the Foreign Corrupt Practices Act ("FCPA") does not prohibit payment to certain non-U.S. *government officials* to expedite or secure the performance of routine, non-discretionary government actions, such payments still constitute a compliance risk because they are considered to be bribes in violation of the UK Bribery Act ("UKBA") and many other local anti-corruption laws. Therefore, the Company prohibits any Covered Person from making any facilitating payments on its behalf.

For purposes of this provision, legally mandated fees payable directly to governmental agencies (and not individual government officials) for expedited administrative services are not considered prohibited facilitating payments if such fees are established in an open and transparent manner and if a proper receipt is provided.

Any Covered Person who is asked to make a decision concerning questionable payments or transactions or is aware of a situation where there is a potential that a payment or transaction is unlawful, questionable or sensitive, must report the facts to the General Counsel or the Chief Compliance Officer immediately for resolution of the propriety of the payment or action prior to acting.


Companies can be fined up to \$2,000,000 and individuals can be fined up to \$100,000 and imprisoned for up to five years for each willful violation of the anti-bribery provisions of the FCPA. Companies can be fined up to \$25,000,000 and individuals can be fined up to \$5,000,000 and imprisoned for up to twenty years for each willful violation of the accounting books and recordkeeping provisions of the FCPA.

Any Covered Person concerned that a contemplated action may violate the FCPA or any other applicable anti-corruption laws must contact the General Counsel or Chief Compliance Officer for advice and consultation before proceeding with the proposed action. All violations or potential violations of the FCPA or any other applicable anti-corruption laws must be reported immediately to the General Counsel or the Chief Compliance Officer. Any Covered Person who refuses acts ethically, as required by these Standards and the Company's ethical and anti-corruption values and policies, will always be protected and supported, regardless of whether such actions result in a loss of business or other disadvantage to the Company.

8. Competitive Practices - To foster the continuation of free enterprise, U.S. federal and state laws as well as foreign laws prohibit restraints of trade, price fixing, predatory economic activities and unfair or unethical business practices. To help preserve a free competitive economy, the Company will continue to comply with the letter and spirit of these laws. This statement of conduct applies to relationships with and between the Company's subsidiaries as well as with its suppliers, customers and competitors.

The Company and Covered Persons shall:

- Compete vigorously, but fairly and honestly;

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 10 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

- Not discuss pricing or anything that affects prices of products or services (e.g. pricing policies, discount allowances, costs or terms and conditions of sale) with competitors (except, if necessary, as discussions may relate solely and directly to a specific sale or purchase being negotiated with a customer who is also a competitor of the Company);
- Never agree with any competitor to fix prices or to divide markets or allocate business and never engage in an illegal boycott or agree with others to exclude a competitor or customer from the market;
- Avoid any other trade practices that are not consistent with applicable laws and regulations, including any conduct that the applicable regulatory authorities have determined to be unfair or deceptive; and
- Not provide information or make agreements concerning the Company’s business relationships with respect to boycotted countries or boycotted country business enterprises except in compliance with the U.S. Antiboycott Laws (see the statement of Corporate Policy concerning Transactions Involving Boycotting Countries, Policy No. 1.05.002).


Refer to the Company’s Antitrust Policy Compliance Guide (Policy No. 1.11.001) Whenever contemplated action or conduct raises antitrust, boycott or unfair competitive practice issues or concerns, or if there is any doubt, obtain advice and counsel from the Law Department or Chief Compliance Officer.

10. Relations with Suppliers - The purchase of supplies, inventories, materials and services will be made solely on the basis of price, quality, service and suitability to the Company’s business requirements. Purchases should be competitively priced wherever practicable and be made on the best terms and conditions available to the Company consistent with other principles set forth in the Standards. See also Section 7, “Policy Regarding Receipt of Gifts, Payments or Other Items of Value.”

No transaction with an outside business enterprise that furnishes property, rights or services to the Company shall be influenced, or reasonably appear to be influenced, by a Covered Person's personal beneficial relationship with or ownership interest in any outside enterprise. See also Section 5, “Conflicts of Interest.”

Under unusual or extenuating circumstances, contracts may be entered into with (1) Covered Persons or (2) business enterprises in which a Covered Person has a beneficial or ownership interest, upon prior written approval of the responsible corporate Vice President or other corporate executive officer who shall furnish a copy of the approval with an explanation of the justification to the General Counsel.

11. Relations with Commercial Customers - The Company and its Covered Persons shall deal on a fair and open commercial basis with customers and potential customers. Bribes, as well as unethical or illegal rebates, kickbacks, contributions or other similar improper favors to customers, potential customers or their representatives are prohibited.

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 11 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

Different local laws, customs and practices apply to international business activities. Covered Persons involved in international activities must become adequately informed about and fully comply with all laws and customs governing relations with customers in other countries.


Gifts given, received or exchanged where international trade is involved can occur only if authorized in writing by the General Manager (or comparable senior executive) of an operating unit or by the senior executive of the applicable corporate function. Copies of such authorizations shall be provided to the responsible corporate Group Vice President (if applicable) and the General Counsel. See also Section 7, "Policy Regarding Receipt of Gifts, Payments or Other Items of Value," and Section 8, "Policy Regarding Offering Gifts, Payments or Other Items of Value."

12. Government Business - Transactions with federal, state, local and foreign governments and agencies are subject to specific legal and regulatory requirements, limitations and restrictions that are frequently different from ordinary commercial transactions. It is the policy of this Company to comply in all respects with the letter and intent of these requirements, limitations and restrictions governing doing business with government entities.

Supervisory employees responsible for preparing government proposals or bids or negotiating or administering government contracts are responsible for ensuring that applicable requirements, limitations or restrictions are followed. Advice and assistance in preparing any government bid or negotiating or administering a government contract should be obtained from the Law Department to ensure compliance with applicable requirements, limitations and restrictions.

Covered Person shall not:

- Disclose to anyone outside the Company, prior to award in the case of a proposal, or prior to opening in the case of a bid, whether a proposal or bid for a government contract will be or has been submitted, except for disclosures to the extent necessary to solicit quotations from potential subcontractors, teaming partners, or joint venture partners;
- Disclose prices or delivery schedules related to proposals for government business;
- Attempt in any way to induce or influence any other person or firm to bid or not to bid, on particular procurements (except in connection with subcontractor, teaming, or joint venture negotiations);
- Offer, give or promise to offer or give, directly or indirectly, any money, gratuity or other thing of value to any procurement official during the conduct of any government procurement or at any other time to an officer or employee of the government with a view toward securing a contract or favorable treatment with respect to any government contract;
- Pay any commission, fee or compensation to the prime contractor or its employees or any higher tier subcontractor as an inducement or acknowledgment for the award of a subcontract or order;

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 12 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		


- Pay any fee or give any gift to a public official to influence the official’s conduct in office, or as an acknowledgment for having done or omitted to do any official act. See also Section 7, “Policy Regarding Receipt of Gifts, Payments or Other Items of Value,” Section 8, “Policy Regarding Offering Gifts, Payments or Other Items of Value,” and Section 11, “Relations with Commercial Customers”;
- Make any false, incomplete, or misleading statement to any government agency or official in connection with obtaining or performing a government contract. The submission to a U.S. Government agency of a proposal, quotation, claim, invoice or other document or statement that is false, incomplete or misleading is prohibited by law. Such action can result in civil and criminal liability for the Company and Covered Persons involved, and will not be condoned by the Company;
- Solicit or obtain, directly or indirectly, from any officer or employee of a government agency any proprietary or source selection information or any confidential pricing or other information concerning a competitor’s bid, proposal or anticipated bid or proposal prior to the time the bids are opened or proposals are awarded or otherwise made generally available to the public; or
- Make, directly or indirectly, any offer or promise of future employment or business opportunity to or engage, directly or indirectly, in any discussion of future employment or business opportunity with any procurement official during the conduct of any government procurement.

Covered Persons shall:

- Provide accurate, complete and not misleading representations and data furnished in compliance with governmental proposals and contracts. The Company has an affirmative duty to disclose to government contracting agencies current and accurate cost or pricing data where that information is required under applicable law or regulation.
- Protect classified information in accordance with applicable laws and regulations. Covered Persons with security clearances must ensure that they handle classified information properly. For clearances issued by the U.S. Department of Defense, this includes compliance with the National Industrial Security Program Operation Manual (DOD Manual 5220.22-M), which contains detailed procedures for obtaining and maintaining both personnel and facility security clearances.

Covered Persons shall comply with so-called “revolving door” restrictions imposed by laws and regulations regarding Company employment of former government employees. In the U.S., these restrictions impose permanent, two-year or one-year restrictions on former government officials and employees, depending upon their government seniority and responsibilities, in representing private employers before their former government agencies or on behalf of foreign entities.

In no event will the Company conduct employment discussions with a former or current government official without a review by the General Counsel or his or her designee of actual, potential or perceived conflict of interest and any restrictions in their activities if such a conflict of interest is identified. In the event the Company decides to hire such a former or current government employee, a cooling off period of at least 12 months, or such longer period as mandated by applicable law, will be imposed before such government official is permitted to have any contact or relationship with his or her former organization on AAR's behalf. The Company does not and will not contract for the services of currently serving politicians.

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 13 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

Covered Persons working on U.S. Government contracts and subcontracts shall comply with the Procurement Integrity Act, as amended by the Clinger-Cohen Act. This law regulates (1) the disclosure or receipt of procurement information before the award of related federal contracts, (2) employment contacts between prospective contractors and current government personnel, and (3) the acceptance of compensation from a contractor by certain former government officials for a period of one-year following their government employment.

13. Private Information and Company Property - The Company’s tangible and intangible private, proprietary or confidential information, including intellectual property (collectively “private information”), whether technical, business, financial or otherwise, and whether or not identified as such, shall not be divulged except in strict accordance with established Company policies, procedures and practices. Access to and use of the Company’s assets shall be permitted only in accordance with management’s general or specific authorization. Employees shall not use their personal email accounts (e.g., Gmail, Hotmail, iCloud) to conduct business on behalf of the Company.

The Company has proprietary rights in all property created or developed for the Company resulting from work performed by a Covered Person for the Company or that is created with Company resources.


Each Covered Person has a duty under the law and Company policy to preserve the confidentiality of the Company’s private information and to ensure that it is used in a responsible manner and only for the benefit of the Company. This duty exists both during and after employment with or performance of services for the Company.

Covered Persons shall not use private Company information, or any private information of others obtained by virtue of his or her work with the Company, for personal gain. By way of example only, the following conduct is prohibited:

- Selling private information;
- Knowingly converting for personal use (or directing to a third party) a Company business opportunity;
- Acquiring real estate or personal property that the Covered person knows is of interest to the Company; and
- Using private information in the course of employment outside the Company.
- If Covered Persons possess confidential information from a previous employer or client, such person must keep this information and not share with anyone at the Company or any other Covered Person.

14. Trading While Aware of Material Nonpublic Information

It is unlawful to engage in transactions in securities of the Company while aware of material nonpublic information regarding the Company or its securities. It is also unlawful to engage in transactions in securities of another company while aware of material nonpublic information regarding that company or its securities when that information has been obtained in connection with a confidential relationship with the source of the information, such as that other company (for example, a vendor to or customer of the Company). These and related policies and procedures are set forth in the Policy on Insider Trading (Policy No. 1.07.002).

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 14 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

15. Political Activity and Contributions - The nature of the Company's business activities requires contact with public officials on a wide variety of matters. Covered Persons responsible for dealing with public officials must be familiar and comply with applicable lobbying laws and regulations, particularly those that apply to registrations and filings when engaging in such activity, in accordance with AAR's Political Participation, Lobbying and Contributions Policy.


There is a comprehensive and absolute prohibition against any corporation making a political contribution to any U.S., federal election campaign. No such contribution, whether by cash or otherwise, may be made by or in the name of the Company. In U.S. state and local elections and in countries outside the U.S., political contributions may be prohibited. Before making any political contribution using Company funds or in the Company's name, prior written approval by the General Counsel is required. Under no circumstances will any money, assets, property, or other thing of value of the Company be contributed, loaned, or made available to any non-US candidate, party or political committee. The Company may make domestic political contributions in accordance with AAR's Political Participation, Lobbying and Contributions Policy.

Any Covered Person is free to make personal contributions, or engage in personal political activities including holding public office, provided those activities do not interfere with or impair the Covered Person's ability to meet the requirements of his or her services for the Company, do not involve the use of Company property and do not pose a conflict of interest that might be reasonably construed or appear to be a conflict of interest under applicable law or Company policy.

16. Accounts and Record Keeping; Public Financial Disclosure Reports - Covered Persons must observe the highest standards in keeping the Company's books and records and meeting the requirements of GAAP, the Company's accounting policies, practices and procedures, including internal financial controls, disclosure controls, and all applicable laws and regulations. All transactions shall be executed in accordance with management's general or specific authorization. The Company's established accounting, financial reporting, financial control, and disclosure control policies, practices and procedures must be followed to assure that all transactions are fully and accurately reflected in the books and records of the Company and that the Company's financial information disclosure and public reports are complete, accurate, timely, and otherwise satisfy applicable requirements. In doing so, it is important to comply with the spirit as well as the technical aspects of these requirements. Comparisons between the recorded accountability for assets and actual, existing assets shall be made at reasonable intervals and proper action shall be taken with respect to any differences.

All Company funds must be retained in recorded accounts and no undisclosed or unrecorded fund or asset shall be established for any purpose.

No accounting adjustments that depart from GAAP are allowed. In addition, all off-balance sheet transactions, arrangements and obligations, contingent or otherwise, and other relationships of the Company with unconsolidated entities or other persons that have or are reasonably likely to have current or future effects on the financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses that are material to investors, must be disclosed to the Audit Committee and the Company's independent auditors.

 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 15 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

No Covered Person or director may interfere with or seek to improperly influence, directly or indirectly, the auditing of the Company's financial records.


All books, records and accounts shall be retained in accordance with the Company's Records Management and Retention Policy (Policy No. 1.12.001).

17. Use of Agents, Consultants, and Non-Employees - Agents, consultants, or other non-employees may not be used to circumvent the law or Company policies. No agent, consultant or other non-employee or representative may be authorized or permitted to engage in any activity or practice on behalf of the Company that is contrary to any law or regulation or the Company's policies. As stated in Policy No. 1.05.001, Covered Persons must perform appropriate due diligence and implement contractual protection and/or other controls when engaging certain parties who will perform services for, in conjunction with, or on behalf of, the Company.

18. International Activities - Covered Persons operating outside the United States have a special responsibility to know and obey the laws and regulations of the host countries where they act for any of the Company's businesses, as well as to understand thoroughly laws that apply outside their territorial boundaries and, thus, also regulate the conduct of business in foreign countries, such as U.S. export control and trade sanction laws and regulations, the FCPA and the UKBA. Covered Persons involved in international matters should be familiar with AAR's Global Anti-Corruption Policy (No. 1.05.001) and all applicable anti-corruption laws. Covered Persons engaged in international business should also be familiar with the United Nations Convention on Contracts for the International Sale of Goods and other international conventions and rules that affect the Company's doing business overseas.

While these Standards strive to establish the highest level of integrity on a worldwide basis, the Company recognizes that its foreign subsidiaries and other foreign business operations also are subject to the specific constraints of local laws for the performance of their activities locally. Accordingly, the Company's foreign subsidiaries and foreign business operations must comply with all applicable local laws and regulations, except to the extent such compliance is prohibited or would subject the Company to penalties under US law. In the event of a potential or perceived conflict between US and local (foreign) laws and regulations, the General Counsel or Chief Compliance Officer must be consulted immediately and is responsible for resolving the potential or perceived conflict.

19. Reporting Standards Violations and Discipline – Covered Persons shall report any violation or suspected violation of the Standards or applicable law or regulations to appropriate representatives of the Company, such as the Covered Person's supervisor, Human Resources representative, or senior managers in the Covered Person's chain of supervision, or to the General Counsel or Chief Compliance Officer. Alternatively, reports may also be made confidentially and anonymously (where permitted by law) via the AAR Ethics Hotline which is operated by a third party. Access information and filing instructions for submitting a hotline report can be found online at www.aar.ethicspoint.com.


 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 16 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

As part of this reporting obligation, Covered Persons must comply with U.S. federal regulations that require a federal contractor, such as the Company, to timely disclose in writing to the contracting agency's Inspector General, with a copy to the Contracting Officer, whenever the contractor has credible evidence in connection with the contract that a principal, employee, agent or subcontractor has committed (1) a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violation or (2) a violation of the civil False Claims Act. For this purpose "credible evidence" means something more concrete than reasonable grounds to believe. It is imperative that any Covered Person who suspects that there has been a violation described in this paragraph should report it to the General Counsel so that the Company can examine the evidence to determine its credibility before deciding whether to make disclosure to the appropriate Inspector General. Knowing failure to timely disclose to the Inspector General is a ground for suspension or debarment of the contractor.

No acts of retaliation of any kind will be tolerated against good faith reports or complaints of violations of the Standards, accounting or financial reporting irregularities, or illegal or unethical conduct by the Company, or Covered Persons. However, Covered Persons who violate the Standards will be subject to disciplinary action up to and including termination. As with all matters involving disciplinary action, principles of fairness will apply and any person charged with a violation of the Standards will be afforded an opportunity to explain his or her actions before final disciplinary action is taken.

20. Interpretation; Revision - Questions concerning interpretation or application of this policy or the implementing procedures should be referred to the General Counsel or his or her designee. The Standards, like all corporate policies, is subject to review and amendment by the Company from time to time. No provision of the Standards waives the Company's right to take appropriate legal action with respect to any matter at any time. The Standards do not, and shall not be interpreted to, create any rights for any person or entity other than the Company. Nothing in the Standards shall be construed as altering the employment relationship between the Company and any employee or as granting any employee employment for any specific period of time.
21. Training and Attestations - Each Covered Person must be familiar with the Standards and all other policies and implementing procedures. General Managers (or comparable senior executives) of each operating unit and the senior executives of each corporate function are responsible for enforcing the Standards and for ensuring that the Standards are appropriately communicated to and discussed with employees under their respective supervision on an ongoing basis to the extent that those provisions relate to the Covered Person's assigned duties. Written certification from the operating unit General Managers (or comparable senior executives) and from the senior executives of each corporate function that this communication and discussion has occurred within a given calendar year will be furnished annually to the corporate Director of Internal Audit no later than March 31 of the following year.

Within thirty (30) days of their respective hire or retention dates, all new Covered Persons must: (i) be furnished a copy of the Standards, (ii) complete assigned training on business ethics and conduct topics, and (iii) make certain attestations using the statements shown in Addendum 1 or statements that are substantially

 <i>POLICY AND PROCEDURES MANUAL</i>	Effective Date: 02/05/93 Revised: 08/22/19	Page 17 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		


similar to the statements shown in Addendum 1. In addition, annually each Covered Person is required to: (i) complete assigned training on business ethics and conduct topics, and (ii) renew their attestations using the statements shown in Addendum 1 or statements that are substantially similar the statements shown in Addendum 1.

New and existing Covered Persons should make the foregoing required attestations electronically as part of completing their online training assignments on business ethics and conduct topics unless it is impractical for them to do so electronically in which case a new or existing Covered Person may make his or her attestations in hard copy using a form substantially similar to Addendum 1. However, if the attestations are made by a Covered Person in hard copy, the executed document must be uploaded to the Company's learning management system so that the document can be stored electronically as part of the Covered Person's record for completing the applicable training assignments on business ethics and conduct topics.

22. Key Covered Person Questionnaire/Certification - Upon request, each corporate officer, operating unit General Manager (or comparable senior executive), and other key Covered Persons, as may be designated by the Company from time to time, will file with the corporate Director of Internal Audit a completed, responsive conflicts of interest disclosure letter/questionnaire/representation or compliance certification in the form prepared by the Chief Financial Officer and approved by the General Counsel.
23. Cooperation in Company and Government Audits and Inquiries. It is necessary for the Company to conduct audits, inquiries and investigations from time to time in connection with its business activities, personnel, public disclosure requirements, and other matters. Covered Persons are required to cooperate fully with the Company's internal and external auditors, directors of the Company, the General Counsel or any other authorized representative of the Company requesting information or conducting an inquiry, upon request.

Covered Persons must also cooperate with government law enforcement officials and inspectors in matters pertaining to the business of the Company. In particular, Covered Persons shall provide full cooperation to any government agency responsible for investigating possible improper conduct. This cooperation should be coordinated with the Covered Person's supervisor or manager and the Law Department and includes disclosing to the government information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct, and providing timely and complete responses to requests by government auditors and investigators for documents and access to Covered Persons with information.

Covered Persons must be forthright and prompt in providing a full and complete response of all relevant information in connection with inquiries described in this Section 23. Information must not be falsified or concealed under any circumstances.

 POLICY AND PROCEDURES MANUAL	Effective Date: 02/05/93 Revised: 08/22/19	Page 18 of 18	Policy Number: 1.07.001
	SECTION: LAW		
	SUBJECT: AAR CORP. STANDARDS OF BUSINESS ETHICS AND CONDUCT		

ADDENDUM 1

**AAR CORP.
STANDARDS OF BUSINESS CONDUCT AND ETHICS
CERTIFICATION, ACKNOWLEDGMENT AND AGREEMENT**

I hereby certify that I have received a copy of the AAR CORP. Standards of Business Ethics and Conduct policy and implementing procedures, Policy No. 1.07.001 (the “Standards”).

I have read the Standards and understand how they apply to me. I acknowledge and agree that my relationship with AAR obligates me, and I agree to abide by the Standards 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 Standards, except as I have disclosed either (i) using one of the reporting options set forth in the Standards, including the AAR Ethics Hotline (where permitted by law), or (ii) in writing, below (if this form is being completed in hard copy).

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

(Signature)

(Print Your Name)

(Date)

(Operating Company)

Exceptions (If Any): _____

NOTE: If you are completing this form in hard copy, return the completed form to your supervisor or your local Human Resources representative so that the form can be uploaded and stored electronically as part of your record for completing the applicable training assignment on business ethics and conduct topics.