

Code of Business Ethics & Conduct

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1 Ethics Philosophy

Long-term success in personal and professional relationships depends upon honesty and trustworthiness. Air Tractor, Inc. (“Air Tractor”) has two fundamental principles that underpin our ethics philosophy.

Frank, Open Dealings: The first principle is that Air Tractor insists on frank, open, and ethical dealings with each other, with customers, and with vendors and subcontractors. This statement is broadened to encompass all organizations and individuals with which we interact and/or do business, including all auditors, auditing agencies, and the communities in which our staff and factory reside.

Acceptance and Responsibility: The second principle is that Air Tractor insists on both corporate and individual acceptance of responsibility. The word “individual” includes management and staff. If problems with our conduct and/or performance arise, we honestly admit our failings, deal with them, and fix them. We do not cover up problems, nor do we tolerate those who might try to do so.

2 Ethics Responsibilities

The Board of Directors has affirmed Air Tractor’s commitment to ethical principles and behavior. Management must ensure that strong ethical requirements permeate throughout Air Tractor’s culture.

Management at all levels are responsible for reinforcing Air Tractor’s dedication to ethical conduct and must create a work environment that supports Air Tractor’s ethical principles.

Staff at all levels are responsible for understanding ethics requirements, abiding by them, and reporting perceived breaches.

Retaliation for suspected ethical concerns or violations, reported in good faith, is forbidden.

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3 Some Specific Requirements

Ethical behavior means behavior based on right or good conduct. Specifically, ethical behavior must be observed in every aspect of Air Tractor's activities, including dealings within the Company, with customers, with advisors, with subcontractors and suppliers, with all government agencies that maintain oversight on our activities, and with the community in which our factory resides.

Some specific areas that demand ethical conduct include:

- Integrity in accounting and contracting; including timely and accurate allocation of labor and other costs to appropriate project and indirect accounts.
- Complete, accurate, and timely disclosure of financial, accounting, and other data; as required by oversight organizations, financial institutions, the Board of Directors, and other affected authorized parties.
- Avoidance of conflicts of interest between personal and professional interests; including conflicts between outside ownership or employment and Air Tractor's interests.
- Maintaining confidentiality with information from Air Tractor, its customers, and suppliers, except when disclosure is authorized.
- Safeguarding physical and intellectual property of Air Tractor's customers and suppliers from theft, loss and/or misuse.
- Complying with our Anti-Harassment policy, which forbids sexual harassment, the Export Compliance policy, the Foreign Corrupt Practices Act (FCPA) policy, and other Air Tractor policies not explicitly listed.

4 Fair Dealing with Competitors, Customers, and Business Partners

At Air Tractor, we seek to beat the competition fairly and honestly, gaining an edge through merit and superior performance—never through shady practices. We compete aggressively, but never by misrepresentation, manipulation, or any dishonorable conduct, regardless of the customer or competition.

Maintaining a level playing field while doing business promotes healthy competition and keeps the global marketplace dynamic and robust. When a company has an unfair advantage in the market, competition is stifled, and customers are negatively affected.

Therefore, we will treat all our customers, suppliers, business partners, competitors, and employees fairly and straightforwardly.

At Air Tractor, we do not—

- Disparage our competitors with untruthful or exaggerated comparisons.
- Misrepresent our capabilities.
- Use our business relationships to take advantage of business partners.

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- Offer special treatment to our customers that would not be offered to another under the same or similar circumstances.
- Favor one supplier over another for any reason other than merit or price.
- Use dishonesty or concealment to obtain information from competitors.
- Fail or refuse to honor our contractual obligations.
- Use or seek to obtain the confidential or proprietary information of others without their knowledge or acquiescence.

5 Special Rules for Doing Business with the Government

Air Tractor complies with all laws, rules, and regulations that are applicable to its business. However, there are special laws, rules and regulations that apply only to U.S. Government contractors and subcontractors, and we must also comply with both the letter and the spirit of those laws. These include, among others—

- **Fraud-** 18 U.S.C. 1031- complete truthfulness is required in representations, claims, certifications, contract performance and all the actions undertaken for the Government.
- **False Claims-** 31 U.S.C. 3729- Prohibits knowing submission of an inflated claim, or falsified statement, record, document or certification under a Government Contract.
- **Defective Pricing-** 10 U.S.C. 2207- Part of the Truth in Negotiations Act requiring that cost pricing data submitted to the Government is current, accurate and complete.
- **Bribery and Gratuities-** 10 U.S.C. 2207- Prohibits offering anything of value to a government employee.
- **Personal Conflict of Interest-** 18 U.S.C. 201- Prohibits Government employees from using public office for personal gain or providing preferential treatment to anyone.
- **Organizational Conflicts of Interest-** Public Law 100-463- Prohibits a contractor from obtaining an unfair competitive advantage as a result of technical assistance or proprietary data provided to the government.
- **Procurement Integrity Violations-** 41 U.S.C. 423- Generally includes offers of future employment or gratuities to a Government official in an attempt to influence or solicit impropriety or source sensitive information from a government official.
- **Buying- In-** FAR 3.501- Policy addressing submission of an offer at a price below cost with the future expectation of excessively priced change orders or follow-on contracts.
- **Kickbacks-** 41-U.S.C. 51- Prohibits paying or receiving any sort of compensation as an inducement to, or acknowledgment for, awards of a subcontract under a prime contract.
- **Contingent Fees-** 10 U.S.C. 2306 Prohibits payment of a fee contingent on the degree of success a representative has in securing Government contracts for the client.
- **Antitrust Violations-** 10 U.S.C. 2305- Prohibits numerous practices dealing with price fixing, collusion, restraint of competition or trade, sharing business, and bid rigging such as follow-the-leader pricing, rotated low bids or other forms of collusion.
- **Lobbying & Campaign Contribution Restrictions-** 2 U.S.C. 4442- Government contractors are prohibited from making contributions to any campaign for federal office.

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- **Payment of Appropriate Funds to Influence Federal Transactions-** 21 U.S.C. 1352- Using appropriate contract or grant funds in an attempt to influence Government officials is prohibited.
- **Whistleblower Protection for Contractor Employees-** 10 U.S.C. 2409- Government contractors shall not discharge, demote or discriminate against an employee as a reprisal for reporting a violation of law related to a contract.
- **Contractor Code of Business Ethics and Conduct-** FAR 52.203-13- Contractors shall properly prevent, detect, and report criminal behavior, and implement written ethics and standards of conduct programs and internal control systems to ensure good business ethics are enforced.

6 Health and Safety

Air Tractor strives to provide employees with a safe and healthy workplace and to comply with all applicable occupational safety and health laws. No employee will be required to work in conditions that are known to be unsafe.

Air Tractor expects its employees to share responsibility in maintaining a safe environment. Employees are requested to take all necessary and reasonable actions to keep Air Tractor's premises safe, including observing all safety rules and regulations set by Air Tractor or required by law. Report any unsafe or unhealthy working conditions in writing to the appropriate supervisor or the HR Manager promptly.

Air Tractor maintains workers' compensation insurance for any injuries or illnesses suffered by employees in the course and scope of their employment. You are required to notify your supervisor immediately about any injury sustained while on duty, no matter how minor the injury may seem. An injured employee also must complete and verify an incident report within 24 hours after the injury.

Failure to timely report an on-the-job injury or submit an incident report may result in disciplinary action, up to and including termination of employment.

No employee who, in good faith, reports an on-the-job injury or seeks workers' compensation benefits will be subject to an adverse employment action or otherwise be discriminated against.