



**COLUMBIA HELICOPTERS, INC.**

***Setting the Standard***

**Code of Ethics and Business Conduct**

**Updated – 6 November 2017**

## ***President's Message***

### **Dear Colleague:**

I am honored and proud to work for a company that contributes so much to our communities, our industry, our country, and freedom around the world. Our continued success as a Corporation depends upon delivering innovative and cost-effective solutions to our customers while maintaining our commitment to integrity – in everything we do.

All of us have a shared responsibility to maintain the highest standard of integrity and ensure that we sustain a place where we are proud to work. If you are faced with an ethical dilemma, you have a responsibility to speak up and seek resolution. We all must be accountable for acting with integrity and upholding the values of the Corporation.

*Setting the Standard*, our Code of Ethics and Business Conduct, provides guidance on our expectations for all employees, contract labor, agents, consultants, members of the Board of Directors, and others when representing or acting for the Corporation. Our Code spells out the values we live by and the standards we set. You should read and refer to it often as I do. I urge you to become thoroughly familiar with the contents of this Code.

Of course, this booklet will not have all the answers to every question that may arise. In those situations where the answer isn't obvious, there are various resources available to provide guidance on doing the right thing. If you observe misconduct or you have a question, talk to your department manager or director, human resources, legal, security, environment, safety and health, or the export/import compliance office.

Remember you are personally obligated to report any violations. In fact, your vigilance will ensure that CHI continues to maintain its reputation as a company with the highest ethical standards, an outstanding workforce, and superior products and services.

Thank you for your help in Setting the Standard for ethics and integrity.

Sincerely,

Steven E. Bandy  
President

## **STATEMENT OF POLICY**

### ***Setting the Standard* – Code of Ethics and Business Conduct**

#### *Introduction*

The Company demands high ethical standards of conduct from its directors, employees, and agents and will conduct its business with honesty, integrity, and in strict compliance with all applicable laws and regulations. In addition, the Company is committed to providing high-quality products and services, on schedule and within budget, to our customers while fulfilling all contractual obligations.

This Code of Ethics and Business Conduct contains the guiding principles for conducting business of the Company consistent with these commitments. The Company's General Counsel is the Chief Compliance Officer, responsible for administering the Code of Ethics and Business Conduct as part of the Company's Ethics and Compliance Program.

This Code applies to all officers, directors, and employees of the Company. It also applies to any person who acts on behalf of the Company, and sets our minimum expectations of all subcontractors, vendors, and suppliers. It does not, however, address every possible issue or situation, and it is not intended to provide answers to all dilemmas. Conscience, discretion, wisdom, and sound judgment should always guide an individual's actions.

The Company expects its personnel who have questions concerning matters of ethics or legal conduct to contact a supervisor or another appropriate Company official such as the General Counsel.

Failure to comply with this Code will result in disciplinary action, up to and including termination of employment.

As a U.S. Government Contractor, CHI is obligated to report certain violations to appropriate government officials. Failure to comply with this Code or with applicable law may result in Company disclosures to appropriate authorities. Personnel found to have violated this Code or applicable laws may be, in addition to other forms of discipline, barred from working on programs or projects involving the U.S. Government and from holding managerial or supervisory positions.

#### *Employee Responsibilities*

Compliance with this Code of Ethics is an individual responsibility. The Company expects high standards not only from its directors, but also from all of its employees, regardless of position or work location. No officer, director, supervisor, or any other individual has the authority to require conduct that is unethical, illegal, or in violation of this Code. If an employee suspects that any such conduct has occurred, it is that employee's responsibility to report the suspected conduct. Retaliation against anyone for making such a report will not be tolerated. Any employee who makes such a report

in good faith need not fear reprisal (although CHI reserves the right to discipline an employee who is found to have been complicit in a policy violation).

### Management Responsibilities / Ethics Training Policy

Managers set the tone in the workplace and must provide clear expectations of ethical conduct from their employees. All managers are accountable for the work-related actions of their employees. Managers are also responsible for ensuring that their employees receive training to achieve awareness and knowledge of legal requirements and ethical expectations. The Company will provide periodic training that reinforces ethical and legal requirements to employees. This training may be accomplished through on-line, live sessions, and/or other communications.

### Commitment to Employees

CHI values its employees and recognizes that its success depends upon their efforts. Trust, respect, and ethical business conduct are important to achieving and maintaining a safe, sound, and productive work environment. The Company recognizes the personal value and contribution of every employee and is committed to ensuring that each employee is treated with dignity and respect, and will not be subject to harassment or intimidation while conducting Company business.

### Competition and Fair Dealing

CHI personnel are obligated to deal fairly with fellow employees, customers, suppliers, and competitors. No one should take unfair advantage of others through manipulation, concealment, misuse of privileged information, misrepresentation of material facts, or any other unfair business practice. No one should make false or misleading remarks about our products or services, or those of other companies.

### Gifts and Hospitality

CHI competes solely on the merits of its products and services. The exchange of gifts or hospitality with current or prospective customers, suppliers, business partners, or government employees and government agencies can give the appearance that business decisions are being influenced by the granting or receiving of personal benefits. To avoid both actual and apparent conflicts of interest, the Company limits the offering or receiving of gifts, hospitality, entertainment expenses, and other things of value. These limits are more severe when the intended recipient is a government official or employee, or when the actual or prospective business partner or supplier is associated with a government contract. For details regarding CHI's policies related to gifts to foreign governmental officials, please reference Section VII.A. of CHI's "Export/Import and Anti-Corruption Compliance Program Handbook."

In all cases, gifts exchanged must never be extravagant, must have a business connection (as opposed to being purely personal), and must never be exchanged for

the purpose of improperly obtaining, influencing, or rewarding favorable treatment in connection with a business or official decision. Company personnel also must not give or offer gifts or hospitality when acceptance would cause a violation of the recipient's rules or regulations, and must ensure that all incurred meals and entertainment expenses have valid and justifiable business purposes and will not create even the slightest appearance of impropriety, such as attempting to unduly influence or buy access to an official. Under no conditions will CHI personnel offer, give, or accept a gift that is pecuniary in nature, such as cash, stocks, bonds, or similar items.

### Conflicts of Interest

All business decisions must be made in CHI's best interest. Company personnel are expected to act in the Company's interest and to avoid creating conflicts of interest (or the appearance of conflicts of interest). A conflict of interest arises when an individual's private interest is contrary to or interferes in some way, or reasonably appears to interfere, with the interests of the Company. If an individual has a financial, personal, or business interest in a customer, competitor, or vendor which either affects his or her ability to act impartially or creates such an appearance, that employee must not conduct business with that person or entity without first disclosing the interest to (and obtaining the advice of) the General Counsel. Conflicts and the appearances of conflicts can also arise when family members have a financial, personal, or business interest in the customer, competitor, or vendor. In general, if a Company employee or director is involved in business activities related to an entity in which s/he (or a relative – including domestic partners) is an officer, advisor, trustee, director, or principal, that individual must first disclose the relationship and obtain advice from the General Counsel.

Company personnel must also avoid any private interest that influences their ability to act in the best interest of the Company. To emphasize, Company personnel should not hold any financial interest in a customer, supplier, vendor, or competitor that could cause divided loyalty or even the appearance of divided loyalty.

### Inside Information

Company information must be used for Company purposes only, not for personal benefit or gain. "Inside Information" is non-public information about any company that would be material to an investor's decision to buy or sell that company's stock. Officers, Directors, and Employees may become aware of certain information about CHI or another company before it becomes public information. Company personnel must not use this information in making stock trading or other financial decisions, and they must not give this information to others for that purpose. This prohibition applies to all forms of investments and to all persons with inside information including employees, teaming partners, directors, agents, subsidiaries, friends, and family members. Violation of this prohibition and using inside information in this way is called "Insider Trading" and can carry both civil and criminal penalties.

Company Opportunities and Outside Employment

CHI personnel owe a duty of loyalty to the Company to advance the Company's legitimate interest when the opportunity to do so arises. If you discover or are presented with a business opportunity that is in the Company's line of business, you must present that business opportunity to the Company. No one may use Company property, information, or his/her position with the Company for personal gain at the expense of the Company.

No Company employee may serve as a director or employee of any CHI competitor, customer, supplier, or vendor without prior written approval. Any employee who performs outside work has a special responsibility to avoid any conflict with CHI's business interests. Outside work cannot be performed on Company time or on time being charged to a Company customer. Outside work cannot be performed using any vehicles, computers, equipment, tools, and/or uniforms belonging to the Company or to any of its customers. Contact the General Counsel for guidance and to request the necessary written approval for outside work.

Political Activities and Affairs

Company personnel are encouraged to exercise their rights and assume their obligations and responsibilities as citizens. Non-company sponsored political activities, such as making phone calls or fundraising for candidates, must be conducted on personal time, at personal expense, and not on Company premises. CHI personnel engaged in political activities may not hold themselves out as representatives of the Company, unless specifically authorized in advance by the Company. When participating in non-Company sponsored political activities, you must remove your Company identification badge, Company uniforms, and Company logo clothing items.

The Company must comply with all laws and regulations related to lobbying and other interactions with government officials. Company personnel must coordinate lobbying and donation activities with the General Counsel and cooperate fully with the Company's obligations to track and report those activities.

Government Contractor Requirements

As a contractor supplying products and services to the U.S. Government, the Company is firmly committed to conducting business in accordance with the highest degree of integrity and honesty. CHI personnel have an obligation to safeguard and preserve the goodwill and trust of the United States and its citizens. Employees are also required to comply with all laws, regulations, and Company policies concerning competitions for (or the performance of) U.S. Government contracts. For example, during the conduct of a U.S. Government procurement, Company personnel, consultants, and representatives must not solicit or obtain any competitor's contract bid or proposal information, or any other source selection information, unless authorized by law.

CHI. personnel shall promptly report all suspected ethical violations, improper or criminal conduct, and overpayments in connection with competitions for (or performance of) U.S. Government contracts or subcontracts.

### Current and Former U.S. Government Employees

Criminal laws and regulations impose certain restrictions upon the activities of former government officials and employees, as well as upon discussions of possible employment with current government officials and employees. As a U.S. Government contractor, CHI must rigorously observe these restrictions when attempting to discuss employment with a current official or employee and when Company personnel are subject to them (such as, for example, a Contracting Officer administering a contract awarded to CHI). Personnel subject to these restrictions must consult with the General Counsel, who will coordinate with the Human Resources department and managers, to ensure that they do not perform any assignments or duties for the Company in violation of any restrictions. The Company will request ethics opinions from the appropriate government ethics office prior to hiring any current or former government employee who was involved in the procurement process or in another position that would necessitate obtaining such an opinion.

### Export/Import Compliance

CHI has established policies and procedures to ensure compliance with U.S. Export/Import Control laws and regulations that meet or exceed industry best practices. All company personnel are individually responsible for knowing, and at all times complying with, these policies and procedures. All matters concerning export licensing, control, and compliance are managed by the Export/Import Compliance Manager in the Legal Department and are overseen by the General Counsel. No one shall export any technology, submit any proposal or agreement, or make any delivery or shipment involving exports or imports without full prior disclosure to and approval of the Export/Import Compliance Manager. For details regarding CHI's export/import compliance program, please reference CHI's "Export/Import and Anti-Corruption Compliance Program Handbook."

### Protecting Company Assets

Company employees should protect Company assets and property and ensure their efficient use for legitimate business purposes only. The use of Company funds, property, or assets for any unlawful or improper purpose is strictly prohibited. To ensure the protection of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the theft, damage, or misuse of Company property.
- Safeguard all electronic programs, data, communications, and written materials from inadvertent access by others.
- Use Company property only in the course of doing legitimate Company work.

Proprietary Information

The Company has developed valuable technical and business information over many years, and through considerable investment. All CHI personnel have an obligation to protect such information from unauthorized and inadvertent disclosure. Company personnel must also protect the confidential and proprietary information that the Company receives from current or prospective customers, vendors, suppliers, and business partners. A Nondisclosure Agreement must be in effect before the Company trades information with another party.

Accuracy of Company Records

Employees must record and report Company information, including business and financial information, accurately, honestly, and in a timely manner. This includes current, accurate and complete reporting of time worked in support of a contract or project, business expenses incurred, research of quality test results, revenues and costs, and other business-related activities. It is particularly important that time worked is recorded accurately and in a timely fashion, and all employees must ensure their time sheets are correct. No Company manager has authority to require employees to work hours that are not recorded. Any financial information provided to the U.S. Government, such as cost and pricing data, invoices, requests for change orders, and claims must be accurate and complete, and in accordance with all applicable government regulations. Company records are subject to private and government audit, and financial records must be maintained in accordance with generally-accepted accounting principles. Dishonest reporting will not be tolerated. NO ENTRY SHALL BE MADE IN THE Company's books that intentionally hides or disguises the true nature of any transaction.

Substance Abuse

CHI complies with the Drug Free Workplace Act of 1988 and, accordingly, prohibits all personnel from manufacturing, distributing, dispensing, possessing, or using any unlawful controlled substance, whether on or off premises. Company personnel who are convicted of a drug-related offense are required to notify the Company within five calendar days of the conviction, and the Company will, as required, in turn notify any relevant U.S. Government contracting agency of the conviction. Employees who fail to provide the required notice of conviction, or who are convicted of a workplace-related drug offense, will be subject to disciplinary action, up to and including termination of employment. In some cases, employees may also be required to participate in a substance abuse assistance or rehabilitation program. The Company ensures that all employees have access to education about the risks of substance abuse and to assistance when sought or needed. Where drug-testing is required, the Company complies with all applicable laws and regulations. Company personnel shall cooperate with any such drug-testing, pursuant to the policies set forth by CHI's Human Resources Department.

### Environmental Protection

CHI complies with all applicable environmental laws. The Company promotes protection of the planet for current and future generations. The Company supports activities that facilitate resource conservation, recycling, and preserving the natural environment.

### Document Retention

The Company adheres to all legal requirements concerning the preservation and retention of documents. Preservation of documents is particularly important in the event of an investigation or litigation, and for compliance with government contract requirements and auditing procedures. The preservation of electronic records and email is a critical component of complying with these requirements. All employees are responsible for taking the necessary steps to ensure that all documents, including electronic records, are preserved as required.

### Compliance with Laws

CHI personnel must comply with all domestic and foreign laws and regulations applicable to the Company's operations. These include, among others, laws prohibiting:

- Offering bribes and gratuities
- Offering or accepting kickbacks
- Infringement of patents, copyrights and trademarks
- Unauthorized release of private information
- Insider trading
- Illegal political contributions
- Antitrust activities
- Corrupt business practices
- Unauthorized exports or imports
- Harming the environment
- Employment discrimination or harassment
- Defamation
- Creation and submission of false or misleading financial information.

### Open Door Policy and Investigations

CHI is committed to consistently enforcing this Code of Conduct and Business Ethics, but can only do so when the Company is aware of violations. All Company personnel are responsible for remaining vigilant to ensure their own compliance and to recognize violations of these policies by others. The Company has an open door policy so that violations of these policies can be brought to the attention of management. If you wish to report a violation or other problems yet remain anonymous to your co-workers, the Company will protect your anonymity. The Company also guarantees protection of anyone making a report in good faith from retaliation (although CHI reserves the right to discipline an employee who is found to have been complicit in a policy violation).

Anyone who suspects that a violation of law or these policies has occurred or is about to occur is required to bring the violation to the attention of management as soon as possible.

All reports of suspected violations or misconduct will be investigated. Columbia Helicopters personnel are required to fully cooperate with investigations. Failure to cooperate with an investigation will result in disciplinary action, up to and including termination of employment.