

# **AERO COMPONENTS, INC.**

## **Code of Conduct and Ethics**

### **1. Introduction**

The Board of Directors of Aero Components, Inc. (the “Company”) has adopted this code of ethics (the “Code”), which is applicable to all directors, officers and employees, to deter wrongdoing and promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- compliance with applicable rules and regulations;
- the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- accountability for adherence to the Code.

This Code may be amended only by resolution of the Company’s Board of Directors. In this Code, references to the “Company” mean Aero Components, Inc.

### **2. Honest, Ethical and Fair Conduct**

Each person owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest, fair and candid. Deceit, dishonesty and subordination of principles are inconsistent with integrity. Service to the Company never should be subordinated to gain personal advantage.

Each person must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of the Company’s information where required or in the Company’s interests.
- Observe all applicable governmental laws, rules and regulations.
- Comply with the requirements of applicable accounting and auditing standards, as well as Company policies, in the maintenance of a high standard of accuracy and completeness in the Company’s financial records and other business-related information and data.
- Adhere to a high standard of business ethics and not seek advantage through unlawful or unethical business practices.
- Deal fairly with the Company’s customers, suppliers, competitors and employees.

- Refrain from taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.
- Protect the assets of the Company and ensure their proper use.
- Not use corporate assets, information or position for general personal gain outside the scope of employment with the Company.
- Avoid actual or apparent conflicts of interest in personal and professional relationships. A “conflict of interest” exists when a person’s private interest interferes, or appears to interfere, in any way with the interests of the Company. Conflicts of interest may not always be clear-cut, in which case you should seek guidance from the Company’s Chief Executive Officer and Board of Directors. Examples of conflict of interest situations include, but are not limited to, the following:
  - any outside business activity that detracts from an individual’s ability to devote appropriate time and attention to his or her responsibilities with the Company;
  - the receipt of any money or items of value, non-nominal gifts or excessive entertainment from any company or person with which the Company has current or prospective business dealings
  - selling anything to the Company or buying anything from the Company, except on reasonable commercial terms for Company employees; and
  - any other circumstance, event, relationship or situation in which the private interest of a person subject to this Code interferes- or even appears to interfere – with the interests of the Company.

### **3. Disclosure**

The Company strives to ensure that the contents of and the disclosures in the reports and documents that the Company files with the government and other public communications shall be full, fair, accurate, timely and understandable in accordance with applicable disclosure standards, including standards of materiality. Each person must:

- not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to governmental regulators, self-regulating organizations and other governmental officials; and
- in relation to his or her area of responsibility, properly review and critically analyze proposed disclosure for accuracy and completeness.

In addition, the Chief Executive Officer, the Board of Directors, and each other person that typically are involved in the financial reporting of the Company must familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.

Each person must promptly bring to the attention of the Chairman of the Board and the Board of Directors any information he or she may have concerning (a) which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who are involved in the Company's financial reporting, disclosures or internal controls.

#### **4. Compliance**

It is the Company's obligation and policy to comply with all applicable governmental laws, rules and regulations. It is the personal responsibility of each person to adhere to the standards and restrictions imposed by those laws, rules and regulations, including those relating to accounting and auditing matters.

#### **5. Reporting and Accountability**

The Board of Directors of the Company is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code. Any person who becomes aware of any existing or potential breach of this Code is required to notify the Chairman of the Board and Directors promptly. Failure to do so is itself a breach of this Code.

Specifically, each person must:

- Notify the Chairman of the Board and President promptly in writing of any existing or potential violation of this Code on a confidential and anonymous basis if the employee so desires by regular mail (or, at the employee's option, by certified mail, return receipt requested) as follows:

By regular mail (or certified mail, RRR):

Chairman of the Board (PERSONAL AND CONFIDENTIAL)  
c/o Aero Components, Inc.  
5124 Kaltenbrun Rd.  
Fort Worth, Texas 76119

Any expression of concern, whether by regular or certified mail, should provide as many specifics as possible, including names, dates, places and events that took place, the employee's perception of why the incident may be an issue of concern and what action the employee recommends to be taken. The person submitting a complaint should also include a telephone number in the submission at which he or she may be contacted if the person requests contact and would like to discuss the concern in more detail. The Chief Executive Officer, Board of Directors or any other person employed by the Company shall:

- Not retaliate against any other person for reports of potential violations that are made in good faith.

The Company will follow the procedures set forth below when investigating, enforcing and reporting on the Code:

- The Chief Executive Officer and Board of Directors will take all appropriate action to investigate any breaches reported to it.
- Upon being notified that a breach has occurred, the Chief Executive Officer and Board of Directors will take or authorize such disciplinary or preventive action as it deems appropriate, after consultation with its General Counsel, up to and including dismissal or, in the event of criminal or other serious violations of law, notification to the appropriate law enforcement authorities.

No person following the above procedure shall, as a result of following such procedure, be subject by the Company or any officer or employee thereof to discharge, demotion suspension, threat, and harassment or, in any manner, discrimination against such person in terms and conditions of employment.

## **6. Waivers and Amendments**

Any waiver or an implicit waiver from a provision of this Code is defined below:

- A “waiver” means the approval by the Company’s Board of Directors of a material departure from a provision of the Code.
- An “implicit waiver” means the Company’s failure to take action within a reasonable period of time regarding a material departure from a provision of the Code that has been made known to an executive officer of the Company.
- An “amendment” means any amendment to this Code other than minor technical, administrative or other non-substantive amendments hereto.

All persons should note that it is not the Company’s intention to grant or to permit waivers from the requirements of this Code. The Company expects full compliance with this Code.

## **7. Other Policies and Procedures**

Any other policy or procedure set out by the Company in writing or made generally known to employees, officers or directors of the Company prior to the date hereof or hereafter are separate requirements and remain in full force and effect.

## **8. Inquiries**

All inquiries and questions in relation to this Code or its applicability to particular people or situations should be addressed to the Chief Executive Officer and the Board of Directors.