TENAX ETHICS AND BUSINESS CONDUCT POLICY



TENAX AEROSPACE

Tenax's Vision

To be the premier provider of special mission aviation solutions including aircraft, equipment and services; supporting the U.S. Government, Defense and Civilian customers; recognized for the quality, performance, value, and service we deliver.

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Chairman's Message

Companies, just like people, stand for things. It is important that a company's employees, customers, vendors, competitors and the communities where a company conducts its work understand what those things are. So, Tenax is proud to present the following Ethics and Business Conduct Policy to let our employees and other stakeholders know what Tenax stands for and what Tenax will and won't do.

A for-profit business's primary goal is expanding the economic value of the enterprise for the benefit of all its stakeholders including employees, customers, vendors and owners. However, equally as important as the economic goal, and critical to obtaining that goal, are the values that determine how a company and its employees behave.

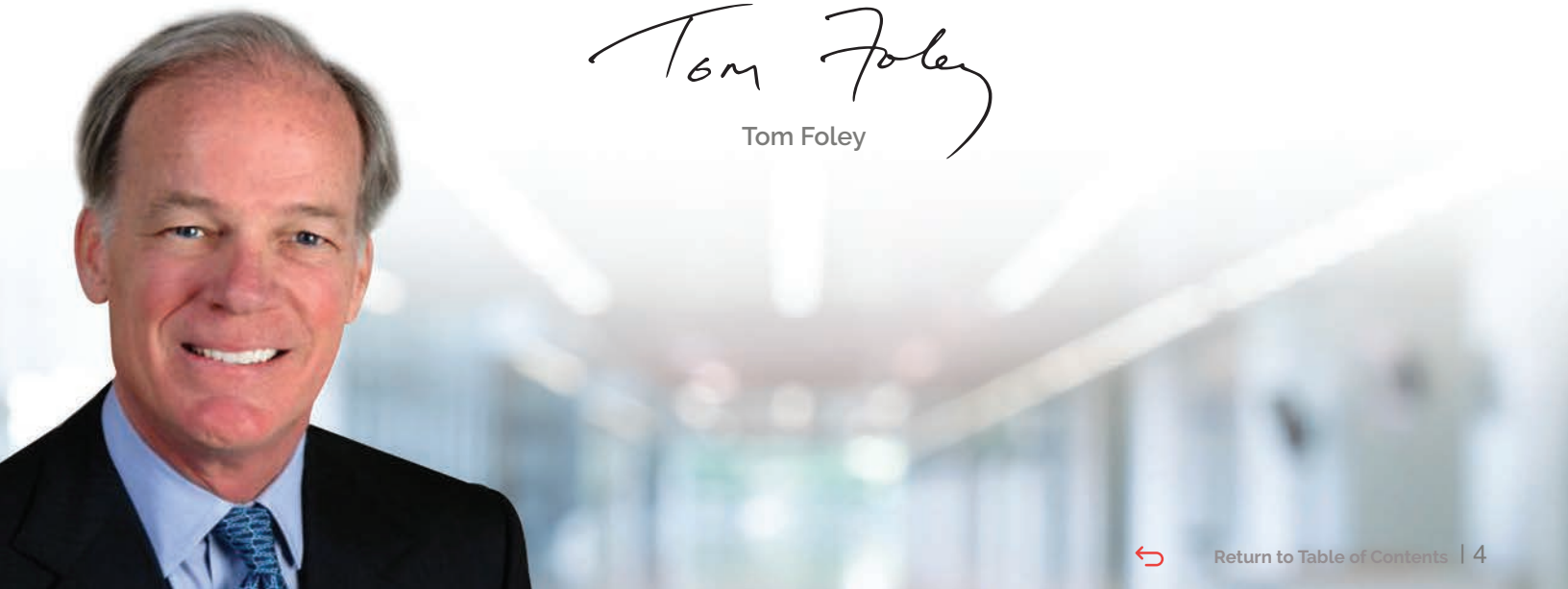
The following policy statement sets forth the ethics that are important to us and the ways we will and won't conduct ourselves in the marketplace and workplace. The foundation of our ethics and business conduct policy are the core values we embrace wholeheartedly:

- **We tell the truth**
- **We obey the law**
- **We are fair**
- **We respect the rights and interests of others**

Meeting these standards in a large and expanding organization is not easy. The task starts at the top. A company's leadership must lay-out and explain the company's values and goals and set an example for others to follow. This letter and accompanying policy aim at doing that.

Thank you,

Tom Foley





Introduction to the Tenax Ethics and Business Conduct Policy

This policy on Ethics and Business Conduct sets forth important Tenax values and rules to help guide our employee's everyday actions. It identifies the legal, regulatory and ethical requirements that employees of Tenax are expected follow. It is organized to provide easy reference when needed.

No policy can anticipate every situation that may arise in one's daily work. If in doubt about a course of action, consult others for guidance and use your best judgment to make the right decisions for the company.



01

Complying with Applicable Laws and Regulations

Complying with Applicable Laws and Regulations

One of our basic values is to obey the law and the regulations that apply to us. With respect to your role at Tenax, you are responsible for: **1)** knowing the laws and regulations that apply to your work; **2)** knowing what is required for compliance, and; **3)** seeking guidance when you are unsure what to do.

Important!

Government Contracting
Specific requirements for government contracting as related to these laws and regulations are further detailed in the section: **Complying with Government Contracting Requirements.**



Key Term

Antitrust - U.S. Antitrust Law prohibits business activities that impede fair competition. Most countries outside of the U.S. enforce similar laws to promote fair competition.

Fair Competition and Antitrust

Tenax is proud of the quality of our products and services, our past performance, our reputation and the business relationships that help us win and retain long-term customers. Tenax is confident that we will win our fair share of business competitively. Tenax will not participate in any anti-competitive activity - not only because it is illegal, but because it is contrary to the interests of our customers. Anti-competitive activities include price fixing, bid rigging, market sharing and boycotting of suppliers or customers.

Be alert to approaches from competitors or their agents regarding any kind of cooperation. There are many ways competitors cooperate that are not anti-competitive or illegal, but it is a sensitive and potentially risky area. If you are not familiar with the rules that govern anti-competitive behavior, consult your supervisor or legal counsel before discussing with or otherwise responding to a competitor or an agent of a competitor who approaches you about pricing or cooperating in any way.

Common Antitrust Behavior	Description
Price fixing	Agreement among competitors to set the price of a product or service above the market price.
Bid rigging	Agreement among competitors to allow one of them to win a contract by having others bid at a higher price.
Market sharing	Agreement among competitors to divide up their territories (e.g. by geography or customer) to reduce competition.
Group boycott	Agreement among competitors to avoid doing business with a particular company.

Anti-Bribery and Anti-Corruption

Anti-bribery and corruption laws in the United States and in most other countries prohibit the giving, receiving or offering of anything of value in exchange for an unfair business advantage. Engaging a third-party intermediary to conduct such activities on Tenax's behalf is also illegal.

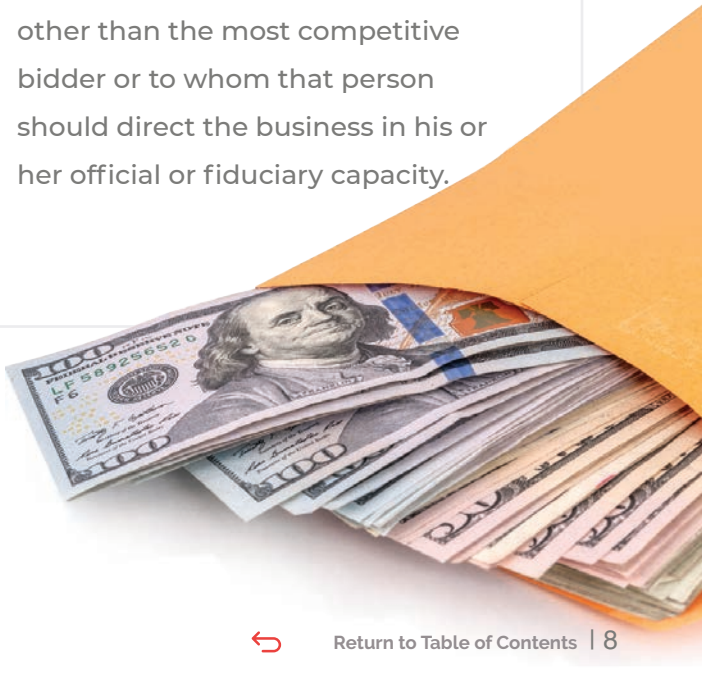
Tenax's policies and values prohibit employees from giving or receiving anything of value that is or could appear to be a bribe or corrupt the duty of an official or fiduciary.

Sometimes practices that people think are ok are not. For example, if a company doesn't explicitly permit it, an employee who books company travel that provides him or her with personal sky miles or other benefits, but is more expensive than taking a different airline or route, is participating in a form of kickback scheme and has a conflict of interest with Tenax.

Key Term

Bribery - The offering, giving, receiving or soliciting of any item of value to influence the actions of an official or other person in charge of a public, fiduciary or legal duty.

Corruption - Use of a political or other position of power granted by others to direct business to someone other than the most competitive bidder or to whom that person should direct the business in his or her official or fiduciary capacity.



Important Terminology

Anything of Value	Can include cash, gift card, employment, donation, travel, entertainment or any other gratuity.
Kickback	A form of bribery in which an undisclosed payment or benefit is provided to someone who has the power to direct a piece of business. More on Anti-Kick back Laws can be found in the Government Contracting Laws and Regulations section.
Foreign Corrupt Practices Act (FCPA)	U.S. law that prohibits the direct or indirect bribery of foreign government officials as well as the falsification of accounting records to obscure bribes.
Foreign Government Officials	Under the FCPA, this term is applied broadly and includes: anyone working directly for or on behalf of a foreign government, its agencies or departments; a public international organization such as the United Nations, or; a government-owned corporation.
Facilitating Payment	A small sum paid to a government official to expedite routine government actions. While not always illegal, facilitating payments are problematic under the law and thus are prohibited by Tenax.

Anti-Money Laundering

Money laundering is a tactic used to fund criminal activities and terrorism. The buying, selling and leasing of aircraft, for example, could be used in such a scheme. While Tenax would not knowingly engage in money laundering, you should follow best practices and be aware of the warning signs so you do not inadvertently aid a criminal or terrorist enterprise.

It is against the law to not report suspicious activity that could be related to money laundering. It is also illegal to notify or "tip-off" someone suspected of money laundering. If you see suspicious activity that may be related to money laundering report it immediately to Tenax's President.

Key Term

Money Laundering - The practice of hiding the origins of illegally obtained money by transferring funds through legitimate businesses and banks.

Anti-Money Laundering Best Practices and Warning Signs

BEST PRACTICE

Proper Documentation

Document and keep records of transactions, information gathered, and due diligence efforts conducted, especially for problematic transactions.



Warning Signs

- Discovery of discrepancies with information provided by customer post-transaction.
- Request by customer to change payment or delivery terms post-transaction.

Know Your Customer

Collect adequate information to ensure the legitimacy of the customer entity; ensure your customer is not identified with criminal or terrorist activities.



Warning Signs

- Customer unwilling to provide basic ownership or line of business information.
- Customer providing inconsistent information or materials.
- Customer requesting unexplained changes to previously provided information.

Determine Payment Terms

Detail acceptable forms of payment through established financial institutions, and conduct additional due diligence if exceptions are requested.



Warning Signs

- Request to make payment through one or more unrelated third parties.
- Request to pay in multiple installments of less than $10,000.
- Request by customer to send a refund of overpayment to an unrelated third party.
- Payment that circumvents the conventional banking system.



Trade Compliance

Any time a product, service or technology is transferred or performed across international borders, it is subject to trade compliance regulations. The import and export laws of the United States and other countries with which we do business impose restrictions on the sale or transfer of certain products, services or technologies. These laws sometimes restrict the mere exchange of information by email or in conversation.

Defense-Related Export Control

You must be aware of and adhere to special restrictions when exporting defense-related items that are subject to the U.S. International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). These laws are designed to protect national security and further U.S. foreign policy by restricting and controlling the export of defense and military related technologies.

Important!

The US State Department Munitions List identifies all articles, services and technical data considered defense articles subject to ITAR.

Restricted Party Lists

Tenax cannot do business with any of the individuals, entities or countries listed by the Office of Foreign Assets Control (OFAC) in its Sanctions Program Listings. These listings are designed to prohibit dealings with certain countries, individuals or companies that threaten the national security, foreign policy or economy of the United States.

Trade compliance is extremely complex and consequences of violations can be severe. If you are unsure of the trade compliance regulations that apply to your work, consult your supervisor or the Director of Contract Administration for guidance.

Anti-Boycott Laws

Tenax is required to adhere to the U.S. anti-boycott laws which prohibit supporting or participating in boycott activities not consistent with U.S. policy. If you receive a request for information or support relating to international boycotts and are unclear about applicable laws, consult your supervisor or Tenax's President.

Insider Trading

Tenax occasionally comes across material non-public information about public companies. It is illegal to use that information to buy or sell that company's stock or to share that information with someone who uses it to buy or sell the company's stock. Doing so could subject the individuals involved to serious fines and penalties, including imprisonment.



Key Term

Material Non-Public Information

Information about a public company that has not been made publicly available and is important enough to affect the value of the company's stock.

Human Trafficking and Modern Slavery

Tenax will not engage in an activity or support others who engage in an activity that violates basic human rights including forced or compulsory labor, human trafficking or modern slavery. Tenax will not do business with suppliers or other parties suspected of engaging in these activities.



02

Observing Fair and Responsible Business Practices

Observing Fair and Responsible Business Practices

Tenax wants to be an exceptional corporate citizen who follows the highest ethical and business conduct standards. That goal demands that Tenax always be fair and responsible in its business practices and that we comply with both the letter and the spirit of the law.

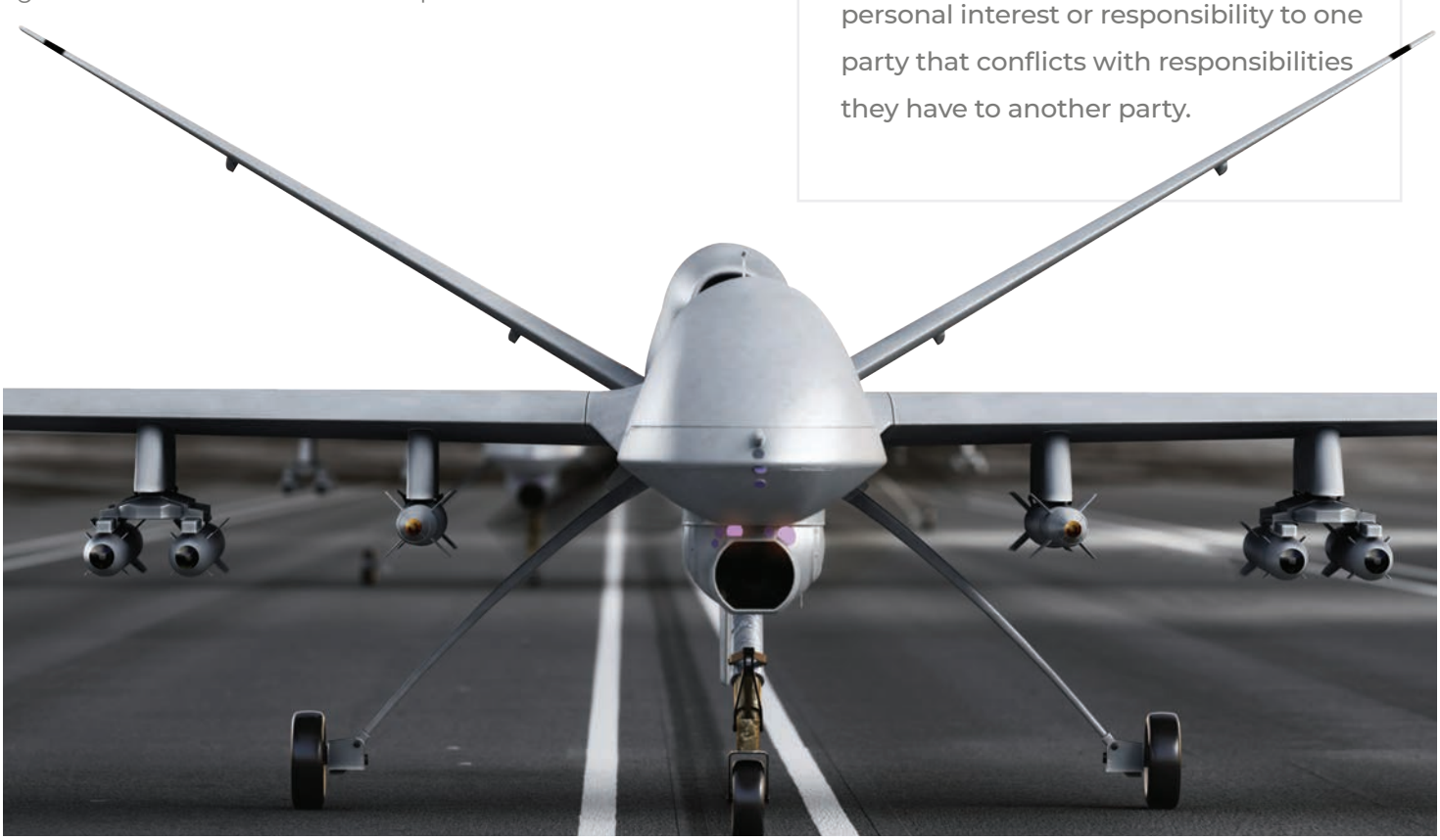
Conflicts of Interest

A conflict of interest arises when an employee or director's personal relationships, financial interests, outside employment or personal business opportunities conflict with Tenax's interests or when Tenax's interests conflict with a customer or business partner's interests. Tenax's policy is that we, our employees and directors, should avoid real conflicts of interest as well as the appearance of conflicts of interest whenever possible. Tenax acknowledges that some conflicts of interest are unavoidable and/or acceptable. In those instances, Tenax requires that the person with the conflict fully disclose the conflict to the other party and obtain their agreement that the conflict is acceptable.

Paying undisclosed fees and commissions to brokers and other third parties for sourcing work can create a conflict of interest with our customers and/or be illegal. Tenax will not pay fees or commissions to brokers or third parties for bringing work to Tenax unless those fees or commissions are reasonable and fully disclosed to the customer.

Key Term

Conflict of Interest - A conflict of interest arises when a person has a personal interest or responsibility to one party that conflicts with responsibilities they have to another party.



Type of Conflict	Example	Harm Done to Tenax
Personal Relationship	Hiring a relative even though he or she may not be the most qualified candidate for the job.	Poorer organizational performance and employee morale.
Financial Interest	Choosing a supplier because of a personal financial interest in the supplier.	Higher costs and possibly inferior supplier products or services.
Outside Employment	Working as a freelance consultant outside of Tenax.	Less employee dedication and poorer performance at Tenax.
Business Opportunity	Directing a sales lead from Tenax to your own or a friend's company that provides a similar service.	Loss of business to Tenax

Customer Gifts, Travel and Entertainment

Gifts, travel and entertainment provided to customers and others outside Tenax are an important part of business and are an effective way to strengthen business relationships. However, under some circumstances, gifts, travel and entertainment given or received could violate the law, create or give the appearance of a conflict of interest or inappropriately influence the duties of an official or fiduciary.

Tenax relies on its employees to know the rules and apply good judgment in making decisions consistent with applicable laws and regulations and our ethical and business conduct standards. However, as a safeguard, Tenax requires that gifts over $100 and travel and entertainment over $250 provided to customers or officials be documented and pre-approved by Tenax's Director of Contract Administration or Chief Financial Officer.

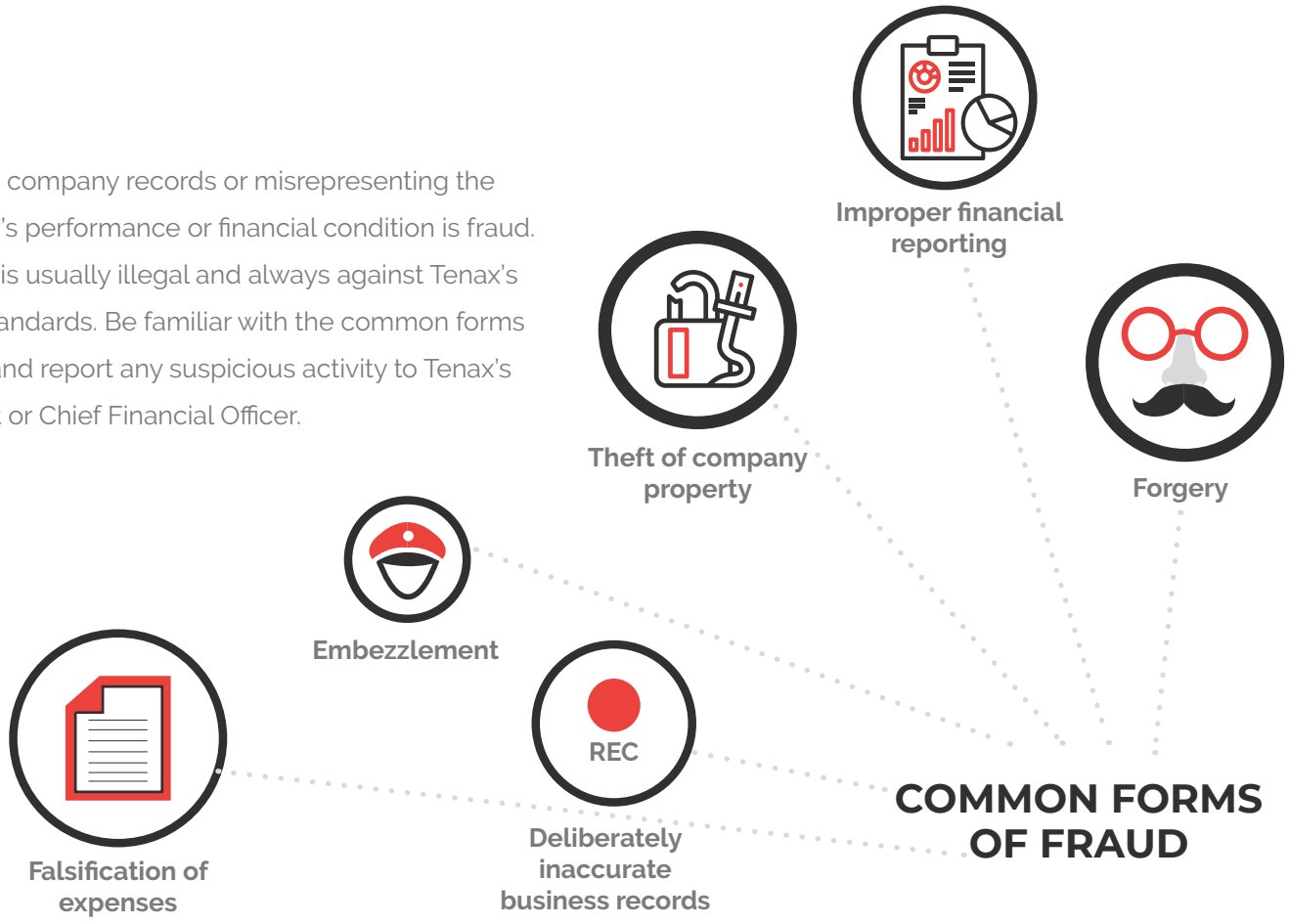
Government employees are subject to very strict rules on gifts, travel and entertainment. Be sure you know and obey the rules before providing a gift or offering entertainment to a government employee.



Type of Gratuity	Example	Appropriateness	
		Private Sector Employee	Government Employee
Gift	Engraved commemorative plaque	Ok	Probably Ok
	A nice bottle of wine	Probably Ok	Not Ok
	A vintage Rolex watch	Not Ok	Not Ok
Travel	Sending a car service to pick up your business contact from the airport	Ok	Maybe Ok
	Providing accommodation to your business contact during a 2-day offsite at a business hotel	Probably Ok	Not Ok
	Paying for an all-expense-paid luxury trip to an exotic tropical island for a meeting	Maybe Ok	Not Ok
Entertainment	Providing lunch during an all-day meeting	Ok	Maybe Ok
	Taking your business contact to a local sports game	Ok	Not Ok
	Chartering a private yacht for a day's outing for your business contact and her family	Probably Not Ok	Not Ok

Fraud

Falsifying company records or misrepresenting the company's performance or financial condition is fraud. Doing so is usually illegal and always against Tenax's ethical standards. Be familiar with the common forms of fraud and report any suspicious activity to Tenax's President or Chief Financial Officer.



Confidential and Sensitive Information

Tenax often obtains information that is confidential or sensitive. Confidential or sensitive information includes information that is: 1) classified; 2) proprietary to Tenax, our customers, competitors, suppliers, or other business partners; 3) covered by a non-disclosure or confidentiality agreement, or; 4) employee information, including personally identifiable information, that is required to be, or can reasonably be expected to be, kept confidential.

Tenax and its employees have a legal, contractual and ethical obligation to safeguard confidential, proprietary and classified information. This means protecting the information by using proper security practices and disclosing the information only to those who are authorized to receive it.

It is against Tenax's standards and may be illegal to improperly acquire, use or divulge confidential information of the company, a competitor, customer or any other party. If you are unsure about whether information is confidential or with whom it can be shared, consult your supervisor, the Director of Contract Administration, Facility Security Officer, or legal counsel.

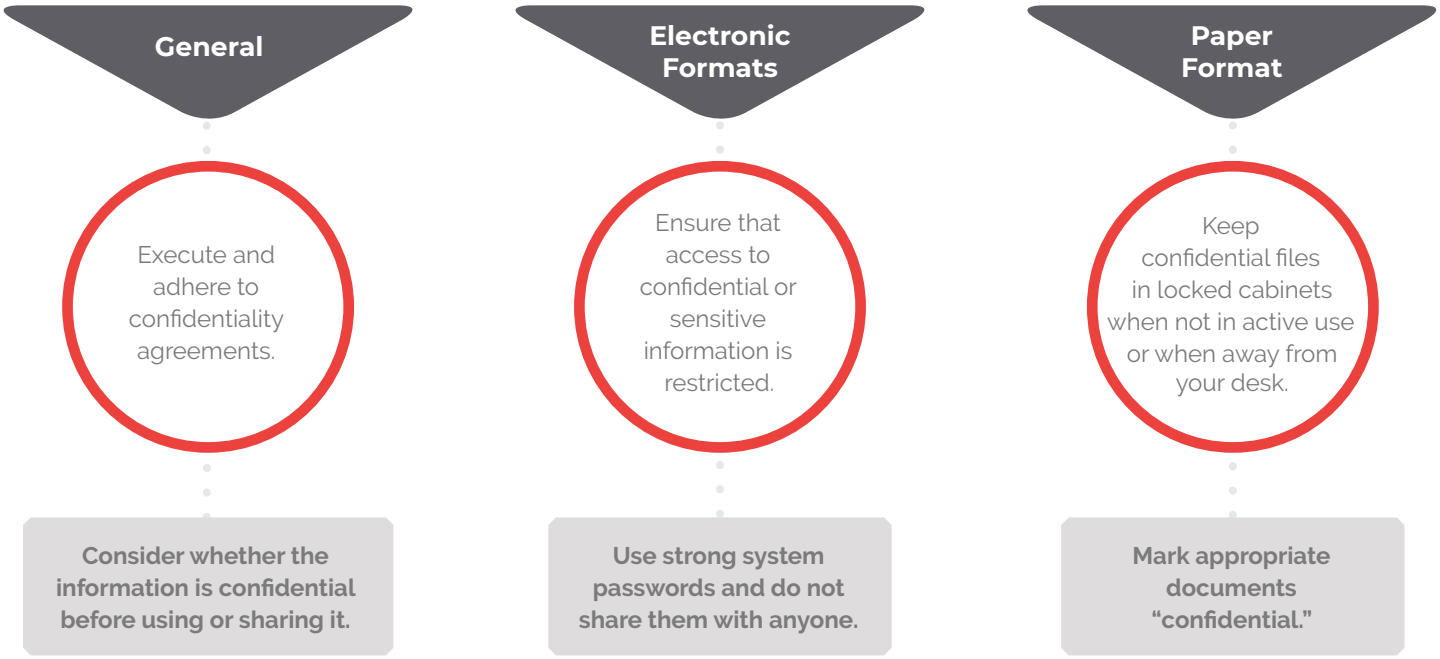
Proper handling of classified information is extremely important and requires special training and a clearance. The rules governing classified information are not covered in this document. If you do not have the required training and clearance, you are not allowed to possess classified information. If you come into the possession of classified information or have an opportunity to do so and you are not trained for its handling or do not have a clearance, report it immediately to Tenax's Facility Security Officer.

Key Term

Personally Identifiable Information - Information that can be used to identify a single individual, such as the social security number, driver's license number, or birthdate when combined with a person's name.



Examples of Information Security Best Practices



Use of Company and Customer Property

Tenax trusts its employees to use company property responsibly to further our business goals. Company property includes tangible property such as office space, cars and other equipment and intangible property such as Tenax's website, software, internet access, and phone systems. While personal use of company property is permitted under certain circumstances, it is never permitted for personal gain or illegal purposes. Personal use of customer property is never permitted. Tenax applies an exceptionally high standard to the care and protection of customer property and has a zero-tolerance policy if the rules are violated.

Key Term

Intellectual Property - Intangible assets including confidential information, trade secrets, copyrights, patents and trademarks.

Intellectual Property

Tenax's intellectual property, including assets such as the Tenax brand and logo, market intelligence, supplier relationships, and business development and competitive strategies is very valuable. Employees are expected to carefully protect Tenax's intellectual property. Violating the intellectual property rights of other companies or individuals is unethical and usually illegal. Tenax forbids its employees from violating another company or person's intellectual property rights.



Careful Communication and Social Media

When communicating with each other, our customers, suppliers, and other third parties – whether by letter, e-mail, text, social media, phone, or in person – Tenax expects its employees and representatives to be civil, honest and respectful. Tenax employees are not permitted to use any company form of communication to inappropriately share confidential information, harass or disparage another party, or otherwise violate the law or the company's ethics and business conduct policy. When using personal social media, be sure your posts do not claim or appear to represent Tenax's point of view unless expressly authorized to do so in writing by Tenax's Director of Human Resources.

Some forms of communication are better than others depending on the message you are conveying. Non-interactive communication such as e-mail and texting is not as effective as an in-person meeting or phone call for complex or emotionally sensitive communication. E-mail and texting of negative news may seem dismissive, insensitive or rude to the receiver of the information. In your capacity at Tenax, use the phone or an in-person meeting when delivering bad or emotionally sensitive news to a customer, vendor or colleague.

Media Requests and Legal or Regulatory Inquiry

If you receive a request for information, comment or an interview from the media or from a judicial process or a regulator, promptly refer the request to Tenax's President. Do not provide any information to the requestor until you receive specific guidance to ensure that the response is compliant and accurate.

Record Retention

Tenax must keep and dispose of business records as required by law. Different records have different retention and disposal requirements. For example, regulations may require financial statements to be retained for a certain numbers of years while an employee's personally identifiable information may need to be disposed of as soon as there is no longer a business need to retain it.

During litigation, an investigation or an audit you may be required to retain relevant records longer than the applicable retention period or despite a regulatory disposal requirement. If you are unsure about the rules that apply to document retention and disposal, seek guidance from Tenax's President.



03

Complying with Government Contracting Requirements



Complying with Government Contracting Requirements

Doing business with the government demands exacting contract and regulatory compliance. Failure to meet the government's requirements could damage Tenax's reputation, result in penalties and/or losing an important part of our business. To be compliant, Tenax employees who are involved with government business must be familiar with the laws and regulations that apply to government contracting.

Accurate Records

Accurate financial and other business records and documentation are essential to government contracting compliance. It is illegal to knowingly submit false statements or claims to the government. Doing so could subject Tenax and the individual employee to fines and criminal penalties including suspension or debarment from government contracting.

Employment of Current and Former Government Personnel

Tenax will not hire or retain current or former government employees, including military personnel, except as permitted by law and only if doing so does not create an actual or perceived conflict of interest for the company or for them. Generally, it is against the law to gain a competitive advantage by obtaining information from a government employee which isn't also available to competitors.

Use of Suspended/Debarred Contractors

Tenax will not work with a suspended or debarred individual, supplier or other party on government business. Be sure to work with Tenax's Director of Contract Administration to conduct proper due diligence before hiring an individual or engaging in a business relationship to ensure they are not suspended or debarred.

Responding to Government Investigations and Inquiries

Tenax's government contracting work may require us from time to time to respond to government inquiries, investigations or audits. Tenax employees are required to fully cooperate with the government and provide honest and truthful responses to government requests for information. Seek guidance from your supervisor or the Director of Contract Administration to ensure comprehensive and compliant responses to inquiries, investigations and audits.

Government Contracting Laws and Regulations

When doing business with the government, be sure you are familiar with the following government contracting laws and regulations:



Law/Regulation	Description
Federal Acquisition Regulation (FAR)	The set of policies and procedures that governs how the federal government acquires products and services. The purpose is to obtain the best value, quality and timeliness of delivery from the contractor in a process that is fair, open and honest. Choosing a supplier because of a personal financial interest in the supplier.
Truthful Cost or Pricing Data (TCPD) Formerly "Truth in Negotiations Act" (TINA)	Part of the FAR, TCPD is intended to protect the government when supplier cost is a significant factor in negotiating a contract price. The statute requires government contractors to submit accurate, complete, and current cost or pricing data for bids that exceed a certain amount.
Procurement Integrity Act	This act prohibits the solicitation or disclosure during the bidding process of information that is confidential and prohibits the hiring of former government procurement officials as an employee or consultant within a year of awarding a contract.
Byrd Amendment	Prohibits the use of government-provided funds to pay anyone (e.g. lobbyist) to influence Congress or any agency with regard to award or modification of a contract.
Anti-Kickback Laws	Makes illegal the giving of anything of value in exchange for the award or modification of a government contract.



04

Observing Our Workplace Rules



Observing Our Workplace Rules

Tenax's commitment to act fairly and responsibly applies equally to our employees, customers, suppliers and other business partners. As part of this commitment we strive to adhere to the highest ethical, legal and regulatory standards in the workplace while always treating people with respect.

Workplace Safety

Tenax will maintain safe work environments in our offices and other facilities by adhering to applicable health and safety regulations and taking reasonable additional steps to assure our workplaces are safe. Tenax expects its employees to be aware of emergency evacuation instructions and wear personally protective equipment whenever required or prudent to do so. Promptly report safety concerns to your supervisor or the Director of Human Resources.

Drug-free Workplace

Employees are not allowed to consume alcohol in the workplace except at company sanctioned gatherings where alcohol is expressly permitted. The use outside the workplace of drugs or alcohol that affects workplace performance is prohibited under company policy and many government regulations that apply to us. Violations of the company policy and regulations relating to drugs or alcohol will likely result in disciplinary action, including termination.

Violence-free Environment

Threatening or intimidating behavior, bullying or purposely coercive behavior is forbidden at Tenax. Unless specifically authorized or provided by law, Tenax prohibits firearms, explosives, ammunition, and weapons of any kind from being brought into the workplace.

Diversity and Discrimination

Tenax is an equal opportunity employer. Tenax hires, promotes and pays its employees solely on the basis of merit. It is not permitted at Tenax to hire, promote or pay an employee on any basis other than merit, including race, religion, disability, marital status, gender or sexual orientation.

Key Term

Harassment

Behaviors – verbal, physical or visual – that diminish the dignity of an individual, create an offensive or hostile environment or interfere with work performance.

Sexual Harassment

Harassment that is sexual in nature, including inappropriate touching, remarks, images, or requests for sexual favors.

Harassment

Harassment of employees, customers, suppliers or business partners is prohibited at Tenax. If you become aware of an incident or pattern of harassment at Tenax immediately report it to the President or Director of Human Resources.





05

Being a Good Corporate Citizen

Being a Good Corporate Citizen

Tenax strives to be an exceptional corporate citizen in our industry and our communities. Tenax encourages its employees to do the same.

Political Participation, Activities and Lobbying

Tenax encourages its employees to engage in the political process. However, personal political engagement should not be represented as Tenax engagement, affect an employee's work performance or create conflicts of interest.

As a government contractor, Tenax may at times engage in political activities to further the interests of the company or the industry. Such activities are permitted as long as they do not create a conflict of interest or violate election or government contracting laws and regulations.

Raising Concerns

If you have a concern about a potential violation of this policy, discuss it with someone in Human Resources or a senior officer of the company for guidance. You do not need to have all the facts before bringing a matter to the company's attention. Your reporting of a violation of this policy will be kept confidential and Tenax will aggressively protect from retaliation an employee who, in good faith, reports a violation of this policy.

Tenax is required by the Federal Acquisition Regulations (FAR) to report suspected fraud, overcharging, kickback, conflict of interest, or other wrongdoing related government contracting. If you suspect a violation of the FAR, immediately report it to the Director of Contract Administration or Tenax's President.



Contacting Resources

President

Legal Counsel

Chief Financial Officer

Director of Human Resources

Director of Contract Administration

Facility Security Officer



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