 POLICY AND PROCEDURES MANUAL	Effective Date: 7/31/00 Revised: 4/28/16, 10/12/15	Page 1 of 6	Policy Number 2.01.002
	SECTION: HUMAN RESOURCES		
SUBJECT: ANTI-HARASSMENT			

PURPOSE: To state the Company’s continuing intent to provide for a working environment free of harassment along with clarifying definitions and administrative procedures.


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

POLICY: The Company will make all reasonable efforts to maintain a work environment free of harassment. Therefore, harassment will not be tolerated whether it is based on sex, race, color, national origin, religion, age, disability, gender identity, sexual orientation, veteran status or any other discernable reason to the extent applicable under local law.

Retaliation against anyone for making a good-faith complaint of harassment or for cooperating in company investigations of complaints is prohibited. Policy violations may result in discipline, up to and including discharge.

1. DEFINITIONS:

- A. “Harassment” as used in this policy means conduct which creates an intimidating, hostile, or offensive work environment through severe or pervasive excessive or constant acts, examples of which would include: using foul language or gestures, directing demeaning comments or references toward a person or persons, raising ones voice in anger toward a person or persons.
- B. “Sexual harassment” as used in this policy means unwelcome sexual advances, requests for sexual favors, or other unwelcome verbal or physical conduct of a sexual nature. Sexual harassment may be illegal if it: a.) is an explicit or implicit condition of employment; b.) is used as a basis for decisions such as promotions, terminations, transfers, compensation, or benefits; or c.) creates a hostile, intimidating, or offensive environment that unreasonably interferes with an employee’s performance.
- C. “Retaliation”, as used in this policy, refers to adverse employment actions against an employee that are motivated by an employee’s good faith complaint of harassment, or by an employee’s good faith assistance or cooperation in an investigation of a complaint. If the Company determines that a complaint either does or does not constitute harassment or sexual harassment, an employee who has made a good faith complaint shall not be subject to any adverse employment action. Retaliation in violation of this policy is subject to disciplinary action, up to and including discharge.

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2. **THE COMPLAINT PROCESS:**

Any person using this complaint process will be treated courteously. Complaints will be handled as swiftly and as confidentially as feasible in light of the circumstances surrounding the complaint and the possible need to take appropriate corrective action.

Registering a good faith complaint in accordance with this policy will in no way be used against the employee, nor will it have an adverse impact on the individual's employment status. While reporting such incidents may be a difficult personal experience, allowing harassment or retaliation activities to continue may lead to less desirable outcomes. Employees are strongly urged to utilize this process but are reminded that filing false and malicious complaints is an abuse of this policy and is prohibited.

A. **RESPONSIBILITIES**


All Company employees must share the responsibility of understanding and preventing harassment. Ultimately, no satisfactory investigation or resolution can occur without the initiative and continued cooperation of the complainant and those who may have witnessed the behavior.

All Employees

In some instances, harassment by a peer may be handled on an individual basis by confronting the offender. Inform the individual that the conduct is unwelcome and offensive, and demand that the behavior be stopped. If the behavior continues, or if you feel direct confrontation is inappropriate, contact your supervisor, local HR representative, Business Area HR Director/VP, or senior managers in your chain of supervision. You may also contact a member of the AAR CORP. Law Department, or you may submit a report via the AAR Ethics Hotline in accordance with the procedures described in Policy 1.14.001 (the "Hotline"). However, certain countries in Europe restrict the types of matters that may be submitted via the Hotline and you will be notified during the submission process if your report is subject to those restrictions.

If you observe someone being subjected to inappropriate conduct in violation of this policy, report it immediately using any of the reporting options cited in the preceding paragraph. Cooperate with any investigation, whether brought by you or by someone else, by providing factual information.

If other employees tell you they find your behavior or conversation unwelcome and ask you to stop, honor their request, even if you feel they are being oversensitive.

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Supervisors


- Set an example by refraining from any activity of harassment or retaliation;
- Discuss this policy with all employees under your supervision;
- Report any incident of harassment or retaliation that you witness or become aware of to the appropriate HR staff or senior managers in the applicable chain of supervision;
- Intervene to stop harassment, retaliation, or conduct that could be interpreted as such; caution employees who appear to be engaging in such behavior;
- Report all complaints of harassment or retaliation to HR or senior managers in the applicable chain of supervision, regardless of your opinion of whether the complaint is well-founded;
- Cooperate with HR to help assure the problem does not recur or that retaliation does not ensue.

Human Resources

Each Business Area HR Director/VP has primary responsibility for implementing this policy and will respond to inquiries and complaints from management and employees regarding discrimination, all forms of harassment, or retaliation. Together with other management staff, he/she will provide information and education to employees and management on recognizing, understanding and combating unlawful discrimination and harassment.

B. PROCEDURES

1. Once an individual believes that he or she has been subjected to conduct in violation of this policy, such conduct should be immediately reported to the individual's supervisor, manager, or local HR representative, or to the applicable Business Area HR Director/VP. Such report should describe in detail the circumstances giving rise to the complaint identifying information that is sufficiently complete and specific to state a claim of harassment or retaliation, in a written complaint form, as provided for in Exhibit A. The forms are available from your local HR department and Business Area HR Director/VP. You may also contact a member of the AAR CORP. Law Department or submit a report via the Hotline in accordance with the procedures described in Policy 1.14.001.
2. Confidentiality of the information contained in the complaint, and privacy of individuals involved, will be protected to as great a degree as is practicable under the circumstances, considering the company's obligation to thoroughly

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and effectively investigate the complaint and the legal rights of the complainant and the charged party to obtain information.

3. HR will conduct a thorough investigation, including interviews with the complainant, respondent, and any witnesses, to determine whether the alleged conduct occurred and whether it rises to the level of a breach of this policy. A final determination will be prepared and reviewed with the VP of HR and Legal.
4. HR will meet separately with complainant and respondent to review the results of the investigation.
5. If the complainant or respondent is not satisfied with the outcome, a written appeal (Exhibit B) may be submitted to the Vice President of Human Resources, who will provide the employee with a response.
6. Employees are encouraged to use the above procedure to report and resolve their complaints of harassment or retaliation.

C. CONSEQUENCES

1. If an employee has engaged in conduct that violates this policy, penalties will depend on the nature of the offense. All breaches of this policy are serious. Appropriate discipline will be imposed, even for a first offense, ranging from a verbal warning up to and including discharge.
2. Supervisors and managers who bear responsibility for allowing violations of this policy to occur may also face discipline where their action/inaction contributed to the environment which led to the offending conduct. Disciplinary action will range from a verbal warning through discharge, and may also impact present or future assignments, promotability, or compensation.
3. Filing a malicious or false complaint is considered misconduct and will be subject to disciplinary action.


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Exhibit A

Employee Complaint Form

Employee Name _____ **Department** _____

Position _____ **Business Unit** _____

Location _____ **Date of Incident** _____

Brief Statement of Complaint:

Witness(es) to Incident: _____

Employee Signature and Date

Signature of Management Representative/Date Received

Distribution:
Employee
Human Resources


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Exhibit B

Employee Appeal Form

TO: Vice President, Human Resources

FROM: _____

DATE: _____

Explain reasons why outcome should be reconsidered:

Employee Signature and Date

Vice President, Human Resources /Date Received

Distribution:
 Employee
 Human Resources