

## AIR T, INC.

### CODE OF BUSINESS CONDUCT & ETHICS

This Code of Business Conduct and Ethics (Code) embodies the commitment of Air T, Inc. and its subsidiaries (Company) to conduct our business in accordance with all applicable laws, rules and regulations and the highest ethical standards. All employees, including executive officers, and members of our Board of Directors are expected to adhere to those principles and procedures set forth in this Code that apply to them. We also expect the consultants we retain generally to abide by this Code.

The Code is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company.
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting to an appropriate person or persons identified in the Code of violations of the Code; and
- Accountability for adherence to the Code.

In my role as an employee, officer or member of the Board of Directors of the Company, I certify to you that I adhere to and advocate the following principles and responsibilities governing my conduct:

#### **1. *Compliance and Reporting***

Employees and directors should strive to identify and raise potential issues before they lead to problems, and should ask about the application of this Code whenever in doubt. Any employee or director who becomes aware of any existing or potential violation of this Code has an obligation to promptly notify an executive officer. Such communications will be kept confidential to the extent feasible. The Company will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. If the employee or director is not satisfied with the Company's response, or if there is reason to believe that notification to an executive officer is inappropriate in a particular case, the employee or director should contact the Audit Committee of the Board of Directors.

Any questions relating to how these policies should be interpreted or applied should be addressed to Chief Executive Officer or Chief Financial Officer.

The Company prohibits retaliation of any kind against an individual who has made a good faith report of a violation or potential violation of this Code.

#### **2. *Public Disclosure***

It is the Company's policy that the information in its public communications, including SEC filings, be full, fair, accurate, timely and understandable. All employees and directors who are involved in our disclosure process, including the Senior Financial Officers, are responsible for acting in furtherance of this policy. In particular, these individuals are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. In addition, any employee or director who has a supervisory role in the Company's disclosure process has an obligation to discharge his or her responsibilities diligently.

### **3. *Financial Statement and Other Records***

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls.

The Audit Committee of the Board of Directors establishes procedures for its receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters. These procedures provide for the confidential anonymous submission by employees of concerns regarding accounting or auditing matters. The details of these procedures have been made available to employees.

Employees and directors should always retain or destroy records according to the Company's record retention policies. In the event of litigation or governmental investigation, the Company's Chief Financial Officer should be consulted immediately and the Chief Financial Officer shall immediately consult with appropriate legal counsel to the Company.

### **4. *Compliance with Laws, Rules and Regulations***

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee and director to determine which laws, rules and regulations apply to his or her position with the Company and to adhere to the standards and restrictions imposed by those laws, rules and regulations.

Generally, it is both illegal and against Company policy for any employee or director who is aware of material nonpublic information relating to the Company, any of the Company's clients or any other private or governmental issuer of securities to buy or sell any securities of those issuers, or recommend that another person buy, sell or hold the securities of those issuers.

More detailed rules governing the trading of securities by the Company's employees and directors are set forth in the Company's insider trading policy. Any employee or director who is uncertain about the legal rules involving his or her purchase or sale of any Company securities or any securities in issuers that he or she is familiar with by virtue of his or her work for the Company should consult with the Company's Chief Financial Officer before making any such purchase or sale.

### **5. *Personal Conflicts of Interest***

A "personal conflict of interest" occurs when an individual's private interest improperly interferes with the interests of the Company. Personal conflicts of interest are prohibited as a matter of Company policy, unless the Company has approved them. In particular, an employee or director must never use or attempt to use his or her position at the Company to obtain any improper personal benefit for himself or herself, for his or her family members, or for any other person, including loans or guarantees of obligations, from any person or entity.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, to the extent possible, be avoided.

Employees and directors certify that:

1. He or she has not solicited or received from any customer or supplier any tangible or intangible item of value to influence the making or terms of any sale to a customer or the placement or terms of any order from a supplier.
2. He or she, nor a family member has any interest in a customer or supplier as an officer, material stockholder, employee or owner.

3. In any purchase or sale transaction undertaken by employee or director on behalf of the Company, he or she has acted in the best interest of the Company and not for his or her personal gain or profit.

Any employee or director who is aware of a material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should discuss the matter promptly with Chief Financial Officer.

#### **6. *Corporate Opportunities***

Employees and directors owe a duty to the Company to advance the Company's legitimate business interests when the opportunity to do so arises. Employees and directors are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees and directors are prohibited from using corporate property, information or position for personal gain or competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes both personal and Company benefits may be derived from certain activities. The only prudent course of conduct for our employees and directors is to make sure that any use of firm property or services that is not solely for the benefit of the Company is approved beforehand through the Chief Executive Officer.

#### **7. *Confidentiality***

In carrying out the Company's business, employees and directors often learn confidential or proprietary information about the Company, its clients/customers, prospective clients/customers or other third parties. Employees and directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Company, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party (including a client/customer) with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed.

#### **8. *Fair Dealing***

We have a history of succeeding through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. Each employee and director should endeavor to deal fairly with the Company's clients/customers, service providers, suppliers, competitors and employees. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

#### **9. *Equal Employment Opportunity and Harassment***

Our focus in personnel decisions is on merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves. The Company affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment.

**10. *Protection and Proper Use of Firm Assets***

All employees should protect the Company's assets and ensure their efficient use. All Company assets should be used for legitimate business purposes only.

**11. *Waivers of This Code***

From time to time, the Company may waive certain provisions of this Code. Any employee or director who believes that a waiver may be called for should discuss the matter with the Chief Financial Officer. Only the Board of Directors or a committee of the Board may grant waivers for executive officers or directors of the Company.

**12. *Violations of This Code***

Violations of this Code by employees shall lead to appropriate discipline by the Company, which may include termination of employment and reporting any activities of violation of law to appropriate regulatory or enforcement authorities.