

KENTON COUNTY AIRPORT BOARD

Code of



Business Conduct

CINCINNATI/NORTHERN KENTUCKY
INTERNATIONAL AIRPORT

KENTON COUNTY AIRPORT BOARD

CODE OF BUSINESS CONDUCT

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**KENTON COUNTY AIRPORT BOARD CODE OF CONDUCT
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KENTON COUNTY AIRPORT BOARD CODE OF BUSINESS CONDUCT

1.0 STATEMENT CONCERNING BUSINESS CONDUCT, INTEGRITY, AND ETHICS

This Code of Business Conduct represents a policy intended to define the high standards of business conduct, integrity and ethics expected of all employees of the Kenton County Airport Board (KCAB or Board). The Code of Business Conduct provides guidance to help recognize and deal with ethical issues, provides mechanisms to report unethical conduct and aims to foster a culture of honesty and accountability, deter wrongdoing, and promote accurate disclosure and reporting.

Effective corporate governance begins with a strong Board of Directors able to make decisions on behalf of all stakeholders. KCAB management staff takes all appropriate steps to support such a Board. The KCAB Chief Executive Officer is responsible for the development and implementation of this Code of Business Conduct and has designated a Compliance Team to conduct training and communication on the Code. The Board of Directors has also created an Audit Committee to oversee the implementation and monitoring of compliance with the Code of Business Conduct and the establishment of appropriate internal controls.

No policy can anticipate every situation that may arise. Accordingly, this policy is intended to serve as a source of guiding principles. Employees are encouraged to bring questions about particular circumstances that may involve one or more of the provisions of this policy to the attention of their respective supervisor, any KCAB Company Officer, the KCAB Compliance Team, or to the Chairman of the Kenton County Airport Board of Directors. Refer to section 20.0 of this document for ways in which issues can be reported.

The success of the organization depends on the way it conducts business and the way the public perceives that conduct. Unethical actions, or the appearance of unethical actions, are not acceptable. All KCAB employees are expected to be guided by the following principles in carrying out their responsibilities:

- **Loyalty.** Employees should commit their full and undivided loyalty to the duties assigned to them by the Board and should not be, or appear to be, subject to influences, interests, or relationships that conflict with the best interests of the Board.
- **Compliance with Applicable Laws.** All employees are expected to comply with all laws, rules and regulations of all applicable jurisdictions, and other applicable public regulatory agencies.
- **Observance of Ethical Standards.** Our employees must adhere to high ethical standards in the conduct of their duties. These include honesty and fairness and treating others with the utmost respect.
- **Conflict of Interest.** Each employee must, at all times, act with integrity and must avoid any actual or apparent conflicts of interest between themselves and the Board and in personal and professional relationships.
- **Communication.** We encourage employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, and regulations to appropriate personnel. The Board does not tolerate retaliation for reports made in good faith.

All employees must understand this policy concerning business conduct, integrity and ethics, and must certify once a year that they have received and read this Policy, understand it, and will follow its provisions. Failure to comply with this policy is cause for disciplinary action.

2.0 DEFINITIONS

As used in this policy, unless the context clearly requires a different meaning:

1. "Business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, professional service corporation, or any legal entity through which business is conducted for profit.
2. "Employee" means any person, whether full-time or part-time, who is employed by the Kenton County Airport Board. The term "employee" shall not include any contractor or subcontractor or any of their employees.
3. "Family member" means a spouse, parent, child, brother, sister, mother-in-law, father-in law, son-in law, daughter-in-law, grandparent, or grandchild.
4. "Company Officer" means the Kenton County Airport Board Chief Executive Officer, Chief Administrative Officer, Chief Operating Officer or Chief Financial Officer.

3.0 INTERNAL CONTROLS

The KCAB Board of Directors has adopted an Internal Control Policy in recognition of the need for and the value of having a strong system of internal control. The internal control system is designed to provide reasonable assurance regarding the following key organization objectives:

- Protection of assets.
- Validity of records and reports.
- Compliance with policies or procedures, provisions of contractual arrangements, regulations and laws, and
- Prevention of fraud, waste and abuse.

All employees must promote proper internal controls and adhere to the letter and spirit of the policies and procedures established as part of the internal control system, cooperate fully with any audit or investigation and promptly report any suspected violations of or weakness in the internal control system. All employees must comply with pertinent laws, policies and procedures relating to the accurate and complete maintenance of financial books and records. In addition, no KCAB funds or property can be used for unlawful, improper or unethical purposes.

It is the responsibility of all management to establish, adhere to and maintain the system of internal controls as it relates to his/her area of responsibility. It is also the responsibility of all management to ensure that department employees understand and respect the importance of proper internal controls.

4.0 POLICY CONCERNING GENERAL BUSINESS CONDUCT

4.1 OBSERVANCE OF MORAL AND ETHICAL STANDARDS AND FAIR DEALING

What follows are the principles of business conduct to which each employee of the Board is expected to adhere in order to assure that the Board conducts its affairs in a manner consistent with its obligations and the expectations of the communities it serves.

In addition to the requirements of loyalty to the Board and compliance with law, each employee is expected to use good judgment and to adhere to and comply with high moral and ethical standards in the conduct of business. Employees must endeavor to deal fairly with the Board's customers, suppliers, competitors and other employees.

4.2 LOYALTY TO THE BOARD AND CONFIDENTIALITY

Board employees are expected to devote their best efforts and attention to the full-time performance of their jobs and duties. No employee should be subject, or even seem to be subject, to influences, interests or relationships which conflict with the best interest of the Board. This means avoiding any activity that might compromise or seem to compromise the Board or the employee. This requirement is explained in more detail in Section 4.4 below. Employees should maintain the confidentiality of information entrusted to them by the Board that comes to them, from whatever source, in their respective capacities as employees, except when disclosure is authorized or legally mandated.

4.3 COMPLIANCE WITH APPLICABLE LAWS

All activities related to the Board must be undertaken in strict compliance with all laws and regulations applicable to those activities. No employee should at any time take any action on behalf of the Board which violates any applicable law or regulation. It should be understood that this policy includes all applicable laws and regulations as well as Board policies, and the applicable policies of agencies and entities with which Board staff conduct business or which have governmental jurisdiction over the Board or the Airport.

4.4 CONFLICT OF INTEREST POLICY

A conflict of interest exists when an employee's duty to give undivided commercial loyalty to the Board is prejudiced by actual or potential personal benefit from another source and where the employee's loyalties or actions are divided between the Board's interests and those of another, such as a competitor, supplier, customer, or tenant.

Each employee is expected to avoid any investment, interest, or association that interferes or might appear to interfere with the independent exercise of judgment in the Board's best interests. Accept no cash or merchandise of significant value from anyone having a business relationship with the Board. Refrain from lending money to, borrowing money from, or having loans guaranteed by anyone doing business with the Board. The exception is that any employee may borrow from a financial institution with which the Board does business.

Disclosures of personal interests or other circumstances that might constitute conflicts of interest are to be reported promptly by the employee to Human Resources, who will arrange for resolution in a manner best suited to the interest of the Board and the individual. It is essential that when an employee confronts a possible conflict of interest, prompt and full disclosure is the correct step.

4.4.1 SPECIFIC SOURCES OF CONFLICT

Individual conflicts of interest should be assessed based on the guiding principles in paragraph 4.4 above. However, every employee shall comply with the following standards of conduct in relation to the specific conflicts outlined below:

1. No employee, or any family member of any employee, shall have an interest in a business or engage in any business, transaction, or activity, which is in conflict with the proper discharge of the employee's duties.

2. No employee shall use or attempt to use his/her official position to secure personal privilege or advantages for himself/herself or others.
3. No employee shall take or refrain from taking any discretionary action, or induce or attempt to induce any other employee to take or refrain from taking any discretionary action, on any matter before or involving KCAB, in order to obtain any financial benefit or preferential treatment for any of the following:
 - a. The employee;
 - b. A family member;
 - c. An outside employer;
 - d. Any business in which the employee or any family member has a financial interest; or
 - e. Any business with which the employee or any family member is negotiating or seeking prospective employment or other business or professional relationship.

4.4.2 DISCLOSURE

Every employee who shall have any private financial interest, directly or indirectly, in any matter pending before KCAB, which is not prohibited by this section or other provisions of law, shall disclose the precise nature of the interest, in writing, to the KCAB Chief Executive Officer. The employee shall disqualify themselves from any action with respect to the matter that is the subject of the disclosure.

Each employee will be required annually to complete a Conflict of Interest Disclosure Certificate. The purpose of the Certificate is to confirm that you have read the Board's Conflict of Interest Policy and to disclose any necessary items. The certificate is attached and should be returned to Human Resources for review and evaluation.

The following definitions are intended to provide guidance regarding the types of activities which should be disclosed, both for your protection and for the protection of the Board.

1. Interests

- a. Holding by you or a family member, directly or indirectly, of a position with, or material financial interest in, any outside concern:
 - (1) Which provides or is negotiating or seeking to provide goods or services (including the buying and selling of stocks, bonds, securities and other investments) to the Board;
 - (2) Which acquires goods or is negotiating or seeking to acquire services from the Board; or
 - (3) Which provides services competitive with the Board.

Material financial interests include actual and potential ownership in, investment in, and/or employment by and compensation arrangements with any such outside concern. A material financial interest is having an interest of more than five percent (5%). In addition, the term "position" should be broadly interpreted to include employment, governance, consultant or other contractual relationship.

- b. Competition with the Board, directly or indirectly, in the purchase or sale of property, property rights, or other business interests.

2. Gifts, Gratuities and Entertainment

Acceptance, by you or a member of your family, of gifts, entertainment, or other favors from an outside concern which does, or is seeking to do business with the Board, or which is a competitor of the Board, under circumstances which might suggest that such action was intended to influence you in the performance of your responsibilities as an employee. This does not include the acceptance of items of minor value, which are merely tokens of esteem or friendship and are not related to any particular transaction or activity of the Board. Refer to Section 9.0 of the Code of Business Conduct for further information.

3. Inside Information

Disclosure or use of information relating to the business of the Board, to the disadvantage of the Board, or for the personal advantage of you or anyone else.

4. Indirect Conflicts

Actions by a family member or an outside concern in which you or any family member of yours have a material financial interest, which would be prohibited if taken by you.

4.4.3 CONFLICTS OF INTEREST IN CONTRACTS

No employee, or any family member of any employee, shall directly or through others, undertake, execute, hold, or enjoy, in whole or in part, any contract made, entered into, awarded, or granted by KCAB except as follows:

1. The prohibition in subsection 1 of this section shall not apply to contracts entered into before a Company Officer was appointed or before an employee was hired. However, if any contract entered into before the individual was appointed to office or was hired as an employee is renewable after he/she assumes the appointed office or is hired as an employee, then the prohibition in subsection 1 of this section shall apply to the renewal of the contract.
2. The prohibition in subsection 1 of this section shall apply if the employee is authorized to participate in establishing the contract specifications, awarding the contract, or managing performance after the contract is awarded.

5.0 OUTSIDE EMPLOYMENT

Any outside employment must not interfere with the efficient performance of your regular Board duties, and is not to occur during regular or assigned working hours unless accumulated leave is used to cover the absence.

The Disclosure of Outside Employment Form must be completed by all employees having outside employment, regardless of the nature of the work or the employer. The Board expects that its business will be conducted free from any actual or potential conflict that might arise when one's loyalty is split between personal interests and those of the Board. Judgment can be affected in any transaction or relationship where an employee might find that the Board's interest competes with his or her own. The Board's reputation in the community can be affected by even the appearance of a conflict of interest. A real or perceived conflict of interest could occur when an employee or close family member of an employee works for a contractor, consultant, or organization that supplies goods or services to the Board or that is actively seeking to do so. The Board will work with the employee to try to resolve disclosed conflicts in a mutually satisfactory manner.

In certain circumstances, outside employment that creates a potential or perceived conflict of interest may be permitted if the potential conflict of interest can be avoided by implementing adequate controls. These would include, at a minimum, full disclosure of the employment through the disclosure process, and a requirement that you not participate in any decision-making relating to the potential conflict.

There may be circumstances where an activity is approved and later circumstances change to make a conflict of interest more likely. As an example, if the company for which you are doing consulting work becomes a supplier to the Board, this could rise to a conflict of interest. Where changed circumstances make a conflict more likely, you are obligated to bring the matter to the attention of Human Resources and seek renewed approval through the disclosure process.

6.0 NEPOTISM

Nepotism is prohibited within KCAB. As used in this section, the term "relative" shall mean and include an employee's spouse, child, parents, siblings, grandparents, grandchildren, sisters/brothers-in-law, mothers/fathers-in-law, step-relationships, and others living in the same household.

No employee shall advocate, recommend, or cause the employment, appointment, promotion, transfer or advancement of his or her own relative to an office or position of employment with KCAB.

No employee shall supervise or manage the work of a relative.

No employee shall participate in any action relating to the employment or discipline of a relative.

The prohibitions in this section shall not apply to any relationship or situation created by marriage after the effective date of this section, provided, however, that such relationships shall be reported to Human Resources, who may recommend lateral transfer, substitute supervision, or other personal action to eliminate or ameliorate any possible adverse effects of the relationship.

7.0 INCLUSION

KCAB encourages diversity in all of its hiring, staff development, and promotion process. For further information regarding this topic, please consult the Employee Handbook.

KCAB forbids discrimination or harassment of any kind on the basis of age, culture, disability, education, gender, regional or national origin, sexual orientation, physical appearance, race, religion, marital or veteran status. The Board is committed to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and disciplinary action.

Unlawful discrimination can expose KCAB to substantial damages and unfavorable publicity. Accordingly, it is particularly important that you maintain close communication with Human Resources, who has the primary responsibility to keep abreast of current legal developments and Board policies in this area.

All employees are provided with a work environment free of intimidation and harassment, either verbal or physical and free from unsolicited and unwelcome sexual overtures or comments. Sexual harassment may occur in a number of circumstances, which may appear to be innocent in nature to one, while at the same time being deemed offensive to another. Accordingly, it is imperative that supervisors ensure that this policy is strictly adhered to, and that employees are not exposed to incidents of sexual harassment by supervisory personnel, fellow workers, or others who may be on the premises. Complaints from employees concerning possible incidents of sexual harassment should be forwarded to Human Resources.

All applicants for employment are recruited and hired on the basis of merit and qualifications and without regard for age. Age discrimination in assignment, transfer, promotion, upgrading, or compensation is not tolerated.

We do not tolerate and strictly prohibit any form of violence, including intimidation and harassment. Any threatening or aggressive behavior will be assumed to be made with the intent to follow through on the threats. Harassment and aggressive behavior includes any conduct that creates an uncomfortable or hostile work environment, ranging from demeaning comments, the display of inappropriate printed material, jokes and language to intimidation, bullying or requests for sexual favors. Employees must refrain from such behavior and report incidents before they become severe or widespread.

8.0 POLITICAL CONTRIBUTIONS

Political contributions on behalf of the Board by employees are not allowed.

9.0 PROCUREMENT INTEGRITY

The Board respects the integrity of the procurement process. It is our policy to comply with all applicable federal and state laws. Our actions should adhere to our Code of Business Conduct. If at any time you have a concern that an action would compromise either our policy or that of a supplier, customer, or tenant, you should contact the pertinent Company Officer or seek guidance from the Compliance Team before proceeding.

9.1 RECEIPT OF GIFTS

No employee or family member of an employee shall knowingly accept any valuable gift, whether in the form of service, loan, thing, or promise, from any person, firm or corporation which to his knowledge is interested directly or indirectly in any manner whatsoever in business dealings with the Board under circumstances in which it could be inferred that the gift was intended to influence, or could be expected to influence, the employee in the performance of his public duties. A valuable gift does not include ordinary social hospitality; a gift, bequest, favor, or loan from a relative; a loan from a lending institution in its regular course of business on the same terms generally available to other persons; a scholarship or fellowship awarded on the same terms applied to other applicants; or items of a similar nature. As a guideline, business entertainment is a more appropriate way to build relationships than an exchange of gifts. When we do give or accept gifts they should be modest. T-shirts, mugs and pins that carry our logo are examples of gifts we would normally give or receive.

How you choose to entertain or be entertained will depend on a number of factors such as the purpose and the business context. In all cases, entertainment is to be reasonable under the circumstances and suitable to the occasion. Business entertainment that is reasonable in nature, frequency and cost can be offered or accepted but you should receive prior approval from your supervisor unless the entertainment is of a nominal value. Business entertainment includes an occasional lunch, dinner, or local athletic or cultural event. It should not be of a type that would be potentially embarrassing or offensive. Contractors or suppliers should never pay for air travel or accommodations related to entertainment events. Never accept gifts, travel or entertainment if they compromise, or could reasonably appear to compromise, your judgment in any business decision. Never solicit gifts, favors, travel or entertainment, except for causes authorized by KCAB. Whether it is gifts or entertainment there must always be a business benefit or purpose, and it should not influence or appear to influence any business decision.

9.2 ORGANIZATION EXPENDITURES AND PAYMENTS

Employees are expected to act responsibly and in the Board's best interest when incurring expenses. Each individual is responsible for pursuing the best value and return on investment for expenditures and must never seek reimbursement for personal expenses. Transactions with vendors and suppliers must be carried out on an arms-length basis. This means conditions should exist for competitive, willing buyer and willing seller transactions. All bidding should be in compliance with applicable state and federal laws. All vendors and suppliers should be dealt with fairly, honestly and openly. This policy extends to all services provided to the Board as well as goods used by the organization.

No employee or representative acting on behalf of the Board is permitted to make any payment in violation of the law or to knowingly misrepresent the facts regarding the receipt and disposition of Board funds. Our Code of Business Conduct specifically prohibits the offering, giving, soliciting or receiving of any form of bribe or kickback. No employee shall give, offer or promise anything of value to a government employee or public official that is in violation of the law. Employees must understand that practices acceptable in dealing with non-government entities may not be acceptable when dealing with government officials and employees. No employee should at any time take any action on behalf of the Board that he or she knows or has reason to suspect is a violation of applicable laws, rules or regulations.

10.0 HONORARIA

No employee shall accept any compensation or honorarium in consideration of an appearance, speech or article related to the employee's employment with the Board. An honorarium that is donated to a charity on behalf of the Board may be accepted.

Nothing in this section shall prohibit an employee from accepting commemorative gifts of nominal value such as plaques, mugs, posters or photographs, provided that such commemorative gifts are given in consideration for an appearance, speech or article which is related to the employee's service with the Board.

Nothing in this section shall prohibit an employee from receiving and retaining from any unit of government or from any nongovernmental unit, actual and reasonable out-of-pocket expenses incurred by the employee in connection with an appearance, speech or article, provided that the employee can show by clear and convincing evidence that the expenses were incurred or received in consideration of his official duties and not primarily for the benefit of the employee or any other person. However, out-of-pocket expenses recoverable from any governmental or non-governmental unit shall be limited to:

1. Actual and reasonable transportation costs;
2. Actual and reasonable lodging expenses; and
3. Actual and reasonable costs of meals and incidentals.

11.0 USE OF PROPERTY, EQUIPMENT, AND PERSONNEL

No employee shall use or permit the use of any Board time, funds, personnel, equipment, or other personal or real property for the private use of any person, unless the use is specifically authorized by a stated policy of the Board, and the use is subject to prior authorization from the appropriate level of management.

No employee shall apply Board funds for the purchase of any item or service unless specifically authorized in conformance with the Board's delegated purchasing authority.

Employees are expected to exhibit good judgment and discretion when utilizing Board computers, telephones, Internet access, electronic mail, tools, voice mail, reproduction equipment, fax systems, supplies, vehicles, tools and other equipment. All employees must protect Board assets from loss, damage, misuse or theft. This includes our time when compensated by the Board.

If separated from the organization, you must return to KCAB all Board property at the time of separation, including laptops, cell phones, PDA devices, and any other Board property.

Outdated, excess, or otherwise unneeded assets of KCAB (e.g., supplies, scrap, fixtures, equipment, etc.) are the property of KCAB. Authorized disposal procedures are defined in the KCAB General Policies.

12.0 POLITICAL INVOLVEMENT

KCAB respects an employee's right to their own political viewpoint and involvement in the political process. When engaging in personal civic and political affairs, however, employees must be clear that they are acting on their own viewpoint, not in furtherance of the Board's position. Employees are prohibited from using the Board's resources to support political campaigns or causes.

Unless you are specifically requested to represent the Board before legislative bodies, communities, government agencies or the general public, be sure to clearly identify any personal communication with the above as your own. If you are contacted regarding a Board position on an issue, refer the individual to the Chief Executive Officer.

The federal law known as the Hatch Act, 5 U.S.C. Section 1501 et seq., prohibits Board employees from certain political activities. Employees may not be a candidate for any partisan political office. Likewise, you may not use your position as a Board employee to interfere with or affect the results of an election or a nomination for office, or coerce an employee to contribute to a political committee or party.

Lobbying laws at both federal and state levels impose further restrictions on communicating with legislators and other public officials. These restrictions include an obligation to register as a lobbyist with a particular government office and/or report all lobbying-related activities to that office. If you are required to register as a lobbyist because of your job responsibilities and/or your role with a professional association, the Chief Executive Officer's approval must be obtained prior to the registration.

13.0 PROTECTING THE ENVIRONMENT

KCAB is committed to being environmentally responsible and promoting a safe and healthful environment for the traveling public, airline partners, airport neighbors and the community as a whole. KCAB devotes significant resources to complying with environmental laws and addressing the concerns of the public. The Board will work to help others using our facility, such as contractors, vendors and suppliers, to understand and comply with their environmental responsibilities. Our environmental commitment is a responsibility shared by every employee. No one can assume it is the job of someone else. Promptly report accidents or suspected violations of safety and environmental laws and regulations to your supervisor who will notify the Board Safety/Environmental Manager.

14.0 GOVERNMENT INVESTIGATIONS

The Board responds to and interacts with laws, regulations, rules, ordinances and restrictions on many subjects imposed on it by different levels of government. Normally, these are handled in a timely manner in the ordinary course of business without implications of serious governmental repercussions, but it must be remembered that there are sanctions, penalties, and fines, administrative and legal actions, sometimes serious and sometimes nominal, which can be imposed by these same government bodies for inaction, delays, incorrect information and failure to respond. On the following subjects, it is necessary that you immediately bring any problem to the attention of the Chief Administrative Officer, who will in turn, communicate with the Board's legal counsel:

1. Request or subpoena to appear before a Grand Jury or similar indicting authority.
2. Notification or information of an investigation by authorities responsible for enforcing laws.
3. Inspections, visits, interview requests, and requests for Board documents by the FBI, Justice Department, Postal Inspector, SEC, and other similar U.S., state, local and foreign government bodies.
4. Subpoenas and requests to testify before agencies, commissions, bodies, and other legislative and administrative bodies.
5. Communications or notices received from government bodies or agencies imposing or threatening substantial fines, penalties, or injunctive action.

It is the policy of the Board to fully cooperate with any appropriate governmental investigation. A condition of such cooperation, however, is that the Board be adequately represented in such investigations by its own legal counsel. Accordingly, in any case when an employee obtains any knowledge that would lead one to reasonably believe that a government investigation or inquiry is underway, this information must be communicated immediately to the Chief Administrative Officer, who will, in turn, communicate with the Board's legal counsel.

No employee should ever, under any circumstances, do any of the following:

1. Destroy any Board documents in anticipation of a request for those documents from any government agency or a court;
2. Alter any Board documents or records;

3. Lie or make any misleading statements to any governmental investigator in any investigation (there is a separate federal statute making such false statements to investigators a crime); or
4. Attempt to cause any other Board employee, or any other person, to fail to provide information to any government investigator or to provide any false or misleading information.

15.0 RECORD KEEPING

As a government agency, high standards of record keeping are necessary for the creation and implementation of policies, the provision of historical facts and data, and the demonstration of accountability both within the organization and to the public. Appropriate and accurate record keeping promotes honesty, demonstrates integrity, and builds confidence in the public's trust.

As an airport enterprise, the Board will maintain organized, complete, and thorough records or provide such information to a repository that retains such information. In the event that our records are later needed, the Board will always ensure that we have provided such information completely and accurately and have referenced our data in a manner in which any other employee or person requesting such information will be able to identify and use the information with minimal effort.

The Board will be complete and accurate in entering and maintaining accounting and financial records in accordance with the requirements of the airline use agreements, pertinent bond resolutions, and where appropriate, principles of the Generally Accepted Accounting Principles (GAAP) and the rulings of the Governmental Accounting Standards Board (GASB). In this endeavor, the Board will ask appropriate questions and document information to the best of our ability.

All pertinent KCAB employees must maintain full, complete and accurate records of the Board activities. In support of this objective, the books and records must accurately reflect all transactions and include all relevant information necessary to appropriately record and report information and transactions in accordance with all applicable laws, regulations or provisions of contractual arrangements as well as to prepare the Board's internal and external financial statements. If you are uncertain of the validity of an entry or report, raise your concern to the appropriate member of KCAB management. Never allow yourself to be a part of a chain of incorrect information.

16.0 EMPLOYEE COMMUNICATION

Whenever an employee writes a memo, leaves a voice mail or sends an e-mail using KCAB equipment, a record is created. These records are not private. Business records and communications often become public. Therefore, employees must avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies that can be misunderstood. This policy applies equally to e-mail, internal memos and formal reports.

17.0 LOGO USAGE

Our logo is a distinctive symbol that distinguishes our organization. Employees must use the logo for authorized business only and never in conjunction with personal activities. Confer with the Chief Executive Officer to ensure consistent and appropriate usage of the KCAB logo.

18.0 MEDIA RELATIONS

To ensure consistent, accurate delivery of KCAB information, employees are not authorized to answer questions from the news media. When approached for information, you should refer all questions to KCAB's Chief Executive Officer.

19.0 CONFIDENTIAL AND PRIVATE INFORMATION

As a government agency, the methods and products of our services are open to the public. However, there are specific conditions whereby information is considered confidential. Confidential information includes any information that is not generally known to the public and/or would be harmful to the organization, airlines, tenants and/or government agencies if made public. Some of the functional areas that invoke confidentiality claims are security issues, legal documents, lease negotiations, system access passwords, personnel and medical files, ethics investigations, contract proposals relative to the awarding of contracts, marketing plans, real estate appraisals relative to the acquisition of property, and certain information technology data, among others.

The most common conditions for confidentiality stem from an individual's right to privacy and the Board's need to perform its assigned functions in a reasonably efficient manner. In addition, where disclosure of information would negatively affect the public health, safety, and welfare of the community, confidentiality is allowed.

Disclosure of confidential information may only be made to authorized persons, and only for the purpose of Board operations, never for personal gain or interest. Unauthorized recording of information is never allowable. Board managers should understand and disseminate clear instructions including the legal authorization for any disclosure of confidential information, the laws pertaining to the right of public access to government documents, and right to privacy regulations. Refer all external requests for records to the Secretary/Treasurer for guidance on the proper response to the request.

Employees are not to misuse private personal information regarding current or former employees, nor disclose such information to those inside or outside the organization that have no need to know. Sharing information with each other is important, but we must be trustworthy and responsible in how we use the information. Always refer questions and/or references about current or former employees to the Human Resources Department.

20.0 REPORTING AND RESOLVING SUSPECTED IRREGULARITIES

Employees and representatives of the Board are expected to practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. The Board encourages its employees who have concerns about illegal or dishonest activity to come forward and report these concerns without fear of retaliation or unfair treatment.

20.1 WHO TO CALL

The best starting point for resolving concerns, reporting suspected violations or obtaining advice on the Code of Business Conduct is usually your Supervisor, assisted by the Company Officer having responsibility for your department. If you are not comfortable in discussing an issue with your direct Supervisor and/or Company Officer, you may seek advice and counsel from other departments within the Board such as Human Resources, Finance, Internal Audit or the Chief Executive Officer or our outside legal counsel, Ziegler and Schneider, P.S.C.

Many employee concerns relate to issues that the Human Resources Department is trained and experienced in handling, and those concerns should be directed to them. These would include, but not be limited to, issues involving affirmative action, accommodation of employees with disabilities, concerns over potentially discriminatory employment practices of any type, employee harassment, concerns over equal pay issues, minimum wage issues, issues involving FMLA, or any other pay, employment or benefit issues you may have as a KCAB employee. Employee concerns in these areas should first be directed to the Human Resources Department.

Examples of illegal or dishonest activities include violations of federal, state or local laws, theft of Board property, billing for services not performed, submitting false or inflated invoices for reimbursement, producing fraudulent financial reports or improper maintenance of Board financial records, or timesheets, deficiencies or non-compliance with Board internal controls, unauthorized deviations from contract

specifications, supplier or tenant kickbacks, violating Board policies concerning business conduct, integrity and ethics, and/or travel, entertainment and reimbursement or other improper or dishonest activity affecting the Board financial or business affairs. These types of issues, if unresolved to your satisfaction, should be communicated as discussed below.

KCAB has provided the following ways to communicate possible irregularities:

- Report directly to a Supervisor or to the Company Officer responsible for your department.
- Communicate directly with the Compliance Team member personally, by telephone or email. The Compliance Team members are:

John C. Mok	Chief Executive Officer	859-767-3153	jcmok@cvgairport.com
Candace McGraw	Chief Administrative Officer	859-767-3152	cmcgraw@cvgairport.com
Sheila Hammons	Chief Financial Officer	859-767-3176	shammons@cvgairport.com
- Communicate directly with the Chief Executive Officer and/or Chairman of the Audit Committee of the Board by mail (your communication may be anonymous). Address your correspondence to:
Audit Committee or the Chief Executive Officer
Kenton County Airport Board
P.O. Box 752000
Cincinnati, Ohio 45275-2000
- If you determine that none of the above methods are appropriate, telephone the Board's reporting hotline, referred to as the "Advice Line" at 859-426-7040. Calls to the "Advice Line" can be made 24 hours a day, 7 days a week. After your message is recorded, it will be listened to by a representative from the law offices of Ziegler & Schneider, P.S.C., attorneys for the Board. The matter will then be subject to prompt investigation by appropriate independent individuals. The Caller ID is disconnected from this line to protect your anonymity. If you call the Advice Line and choose to remain anonymous, your right to do so will be respected. You should know that it is normally easier to investigate concerns if you identify yourself and the others involved. This number is also posted on the KCAB website so that vendors and tenants also have the opportunity to report potential violations.

No matter how you choose to communicate your question, concern or suspected or actual violation, the matter will be handled promptly, discreetly and professionally. The matter will be treated confidentially and your anonymity will be preserved if you so request, except to the extent that disclosure is required under applicable law, or the rules of any regulatory or investigative body necessary to conduct a thorough investigation of the matter. You should know that it is normally easier to investigate matters if you identify yourself and the others involved. If you are reporting a concern, complaint, or potential violation of the Code of Business Conduct, you will be informed as much as possible about the steps taken or to be taken to address the issue you have raised.

At least semiannually, the Compliance Team will report to the Audit Committee the nature of all reported Code of Business Conduct violations, the nature of all investigation steps taken and the ultimate disposition of all of these items.

20.2 PROHIBITING RETALIATION

If you raise a concern or report suspected wrongdoing, the Board will not take action against you even if, after an investigation, there is no finding of wrongdoing. No employee shall be subject to reprisal or retaliation, directly or indirectly, or otherwise discriminated against whom in good faith reports, discloses, divulges or otherwise brings to the attention of the matter or concern required to be reported. We do not tolerate retaliation or allow employees to be victimized for bringing forth questions or reporting violations of the Code. However, no employee shall be exempt from disciplinary or punitive action if such employee discloses information, which he or she knows to be false or which he or she discloses with reckless disregard as to its truth.

20.3 RESPONSIBILITIES OF INDIVIDUALS RECEIVING A REPORT OF CONCERN/VIOLATION

Any KCAB supervisor, manager or Company Officer receiving a report of a concern or violation is required to report it immediately to the Compliance Team and/or the Company Officer of the employee's department, or the KCAB Chief Executive Officer. Failure to pass on a concern or allegation will result in disciplinary action. Any concern or allegation needs to be considered as legitimate until investigated. It is imperative that individuals receiving a report of a concern/violation not conduct their own preliminary investigations. Investigations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Board.

20.4 INVESTIGATIONS OF REPORTS

All reported concerns/violations will be investigated and, if needed, appropriate action taken. Employees under an investigation for a violation of the Code of Business Conduct or Board policies and procedures will be treated with dignity and respect and will be given the opportunity to explain their action before the taking of any disciplinary action.

21.0 ADMINISTRATIVE MATTERS

21.1 ADMINISTRATION AND ENFORCEMENT

The KCAB Chief Executive Officer is responsible for interpreting and applying all Board policies to specific situations in which questions may arise. Any questions relating to how any Board policy should be interpreted or applied should be addressed to the Chief Executive Officer or to the designated Company Officer having responsibility for the policy.

21.2 AUDITS

Compliance with all Board policies is monitored by periodic audits. These may be conducted by the Board's Internal Audit Department, the Board's lawyers or external auditors, or by others designated by the Board. All Board employees are required to cooperate fully with any such audits and to provide truthful and accurate information.

21.3 REQUESTS FOR EXCEPTION

While some Board policies must be strictly adhered to and no exceptions can be allowed, in other cases, exceptions may be possible. For example, a minor conflict of interest situation can sometimes be resolved simply by disclosure of the possible conflict to all interested parties. Any employee who believes that an exception to any of our policies is appropriate in his or her case should contact his or her immediate supervisor first. If the immediate supervisor agrees that an exception is appropriate, the approval of the Chief Executive Officer or to the designated Company Officer having responsibility for the policy shall then be requested. Any exception to any Board policy for a Company Officer may be made only by the Board and must be documented in writing.

21.4 DISTRIBUTION

Every new employee will be given a copy of the Code of Business Conduct and asked to acknowledge receipt of it and having read it either at or within one week of hiring. Employees are also required to reaffirm annually that they have recently re-read the Code of Conduct, understand it and are not aware of any violations except as specifically noted in their reaffirmation.

21.5 CLAIMS AND LITIGATION

It is important that indiscriminate writing and distribution of memoranda or reports relating to matters involving possible future litigation be avoided. Although personnel will wish to make reports on these matters to their superiors, written memoranda relating to the prosecution or defense of such litigation may not be privileged unless prepared solely for the Board's General Counsel or another lawyer retained by the Board. Any written reports involving these matters that you consider necessary or advisable should first be discussed with the Chief Administrative Officer, who in turn will contact the Board's legal counsel.

21.6 SERVICE OF LEGAL PROCESS

Summons or complaints served on the Board or its employees are frequently our first knowledge of a lawsuit. It is important that we have sufficient time to prepare and file responsive pleadings. If someone attempts to serve you with a summons or complaint, you should disclaim any authority to receive the service and contact the Chief Administrative Officer. Should you receive any summons or complaint whether by mail, delivery or otherwise, it must be immediately forwarded to the Chief Administrative Officer.

21.7 SUBPOENAS AND REQUESTS FOR TESTIMONY

Testimony of employees and information in files requested or subpoenaed by other parties must be cleared with the Chief Administrative Officer, in consultation with the Board's legal counsel, if it involves government investigative or law enforcement bodies, such as the Federal Bureau of Investigation, Federal Department of Justice, or a Grand Jury or other indicting authority.

Receipt of subpoenas and requests for information in files or testimony in civil litigation is not unusual. The Board may or may not be a party to such litigation. All such subpoenas and requests should be forwarded to the Chief Administrative Officer, who in turn, will contact the Board's legal counsel, immediately after receipt.

22.0 NONEXCLUSIVITY

No representation is expressed or implied that the policies stated in this Policy include either all the relevant policies or that they are a comprehensive, full, or complete explanation of the laws that are applicable to the Board and its employees. All employees have a continuing obligation to familiarize themselves with applicable law and all Board policies.

Adopted by the Kenton County Airport Board Audit Committee on the 15th of February, 2010.



Chairman, Kenton County Airport Board Audit Committee



Chief Executive Officer

ACKNOWLEDGMENT AND RECEIPT

I hereby acknowledge receipt of the Code of Business Conduct. I have read the content of the policies explained within this document. I agree to abide by the policies therein as a condition of my employment with the Kenton County Airport Board.

Date

Signature

Printed Name

CONFLICT OF INTEREST DISCLOSURE CERTIFICATE

Pursuant to the purposes and intent of the Board's Code of Business Conduct and its Conflict of Interest Policy, the undersigned does hereby certify the following:

1. I have received a copy of the Code of Business Conduct, including the Conflict of Interest Policy, and have read and understand it.
2. I agree to comply with the Board's Conflict of Interest Policy and assume responsibility for updating this disclosure form as necessary. I understand the Code of Business Conduct provides various methods by which potential conflicts can be resolved.
3. I hereby state that I may have the following affiliations or interests, or have participated in the following transactions, which may be considered a dual interest or potential conflict of interest regarding the Board.

- a. With regard to you, a member of your family or a business associate, list all business relationships with which the Board has a relationship or transactions or which might be considered a possible conflict of interest.

() None

- b. Identify all organizations or businesses with which you or a member of your family may directly or indirectly hold a position with, or material financial interest in:

Which provides or is negotiating or seeking to provide goods or services (including the buying and selling of stocks, bonds, securities and other investments) to the Board;

Which acquires or is negotiating or seeking to acquire goods or services from the Board; or

Which provides services competitive with the Board or

() None

- c. List any gifts, gratuities, or entertainment as described in the Conflict of Interest Policy definitions and in the "Policy Concerning General Business Conduct" and "Procurement Integrity" sections of the Code received by you or any member of your family from any outside concern as described therein

() None

- d. List and describe all investments held by you and your family which may be construed as a possible conflict of interest with the Board.

() None

CONFLICT OF INTEREST DISCLOSURE CERTIFICATE

- e. If I am serving on a zoning commission or a similar board or committee and at any time a matter comes before me in such a way as to give rise to such a conflict of interest or potential conflict, whether previously disclosed by the written statement or not, I agree to disclose this prior to action, to abstain from any voting and, if determined by the remainder of my committee, to withdraw from the meeting.

I understand that I must immediately update the above information at any time when circumstances arise which would change this continuing certification.

Signature Date: _____

Printed

Make No Entries Below This Line

Determination

I have reviewed the information provided and advised the employee on how to proceed.

Signature: _____ Date: _____

Title: _____

AND

I have reviewed the information provided and have forwarded the information to the Compliance Team for further review.

Signature: _____ Date: _____

Title: _____

DISCLOSURE OF OUTSIDE EMPLOYMENT FORM

The Code of Business Conduct requires disclosure of all outside employment.

Employee Disclosure	
Employee Name:	
Department:	
Position:	
Name of Outside Employer:	
Time Commitment Required by Outside Employment:	
Describe the outside employment:	
Indicate any potential conflicts of interest arising from this employment:	
<input type="checkbox"/> The outside employer has provided goods or services to KCAB within the past year, currently providing goods or services to KCAB, or is actively seeking to do so.	
<input type="checkbox"/> The outside employment would result in my receiving compensation to assist in the passage or defeat of legislation.	
<input type="checkbox"/> The outside employer has substantial economic interests that may be materially affected by the way in which I perform my duties and responsibilities as a KCAB employee.	
<input type="checkbox"/> Other (please specify):	
<p>I will explain to the proposed outside employer that: (1) I do not represent the outside employer as an employee of KCAB in any manner; (2) any views I express on behalf of an outside employer do not necessarily reflect the views of KCAB; and (3) in no way may the name of KCAB nor my official KCAB capacity be used in support of any position I may take on behalf of said outside employer.</p>	
Employee Name:	Date:
Employee Signature:	
Supervisor Signature:	Date:
Company Officer Signature:	Date: