

Compliance Plan Anti-Human Trafficking

Purpose – Butler National Corporation and all subsidiaries, hereinafter referred to as BNC, are opposed to human trafficking and forced labor in any form. BNC is committed to working to mitigate the risk of human trafficking and forced labor in all aspects of its business. The United States Government has a zero tolerance policy regarding any Government employees and contractor personnel and their agents engaging in any form of trafficking in persons, defined to mean the recruitment, harboring, transportation, provision or obtaining of a person for labor or services, through the use of force, fraud or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage or slavery and sex trafficking.

In accordance with FAR 52.222-50(h), BNC will implement this general compliance plan, hereinafter called “the Plan”.

The purpose of this Plan is:

- 1) to make all BNC employees, contractors, subcontractors, and agents aware of the conduct prohibited under the anti-trafficking laws and regulations, as well as under the company’s anti-trafficking statement.
- 2) To make all BNC employees, agents, and subcontractors aware of the actions that may be taken against them for violations.
- 3) To set out BNC and each subsidiaries recruitment, wage, and housing practices.

Applicability- This Plan sets out the standards for anti-trafficking compliance and applies to all U.S. Government contracts, subcontracts, cooperative agreements, awards, and sub-awards. The Plan may be appropriately tailored with respect to the size and complexity of the contract and to the nature and scope of activities to be performed for the Government.

Certification of Compliance Plan – When required by FAR 52.222-50(h), BNC or its respective subsidiary will certify that:

- 1) It maintains a combating trafficking in persons compliance plan.
- 2) It monitors for any contractor, subcontractor, or agent who is violating this plan.
- 3) After conducting sufficient due diligence, and to the best of its knowledge and belief, neither BNC (including its respective subsidiaries) nor any of its contractors, subcontractors, or agents are engaged in prohibited activities.
- 4) If there are any violations, remedial action has been taken against the violator.

Awareness Program – Pursuant to the FARs, contractors, contractor employees and their agents are prohibited from:

- a) Engaging in forms (i.e., using force, fraud or coercion) of trafficking in persons during the period of performance of a contract;
- b) Procuring commercial sex acts during the period of performance of a contract;
- c) Using forced labor in the performance of a contract;
- d) Destroying, concealing, confiscating, or otherwise denying access by an employee to the employee’s identity or immigration documents, such as passports or drivers’ licenses, regardless of issuing authority;
- e) Using misleading or fraudulent recruiting practices during the recruitment of employees of offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe

- benefits, the location of work, the living conditions, housing and associate costs (if employer or agent provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
- f) Using recruiters that do not comply with the local labor laws of the country in which the recruiting takes place;
 - g) Charging employees recruitment fees;
 - h) Failing to provide return transportation or pay for the cost of return transportation upon the end of employment, for an employee who was not a national of the country in which the work is taking place and who was brought into that country for the purposes of working on a U.S. Government contract, subcontract or portion(s) of contracts or subcontracts performed outside the United States;
 - i) Failing to provide return transportation or pay for the costs of return transportation upon the end of employment, for an employee who is not a United States national and who was brought in the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee for portions of contracts and subcontracts performed inside the United States;
 - j) Providing or arranging housing that fails to provide an employment contract, recruitment agreement or other required work document in writing in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating.

Employees – According to the employment policies, all employees must comply with the policies, procedures and principles of BNC, including the BNC code of Business Conduct and Ethics and agree to report any violations of which they are aware.

The BNC Standards of Business Ethics and Conduct is publicly posted on its website:
www.butlernational.com

Any violation of the FARs, the DFARS and/or this Plan could result in disciplinary action which may include but is not limited to, an employee's removal from a contract or even termination of employment.

Subcontractors / Agents – Applicable FAR and DFARS clauses are flowed down to subcontractors. Subcontractors/agents are also provided website access to the BNC Standards of Business Ethics and Conduct and asked to certify that they have read and understood this document.

BNC agents and subcontractors must have procedures to prevent trafficking in persons and to monitor, detect and terminate any agents, subcontracts or subcontractor employees that have engaged in such activities.

Failure to comply with the requirements of the FARs and/or this Plan is grounds for BNC to take any and all appropriate actions, up to and including immediate termination of that subcontractor's or agent's contract with BNC.

Suppliers – BNC has undertaken a review of its suppliers that it believes could reasonably fall within the requirements of the FARs, to determine what steps the supply base is taking or has taken to comply with the requirements. All suppliers included in the review were also provided with training and information on combating human trafficking.

Contingent Workers – As part of the onboarding process, BNC and its subsidiaries provide each contingent worker, through their employer, a copy of BNC Standards of Business Ethics and Conduct, and BNC Compliance Plan Combating Trafficking in Persons, and requires certification:

- That they have received all of those documents, that they have read and understood those documents and that they agree to abide by them; and
- That they acknowledge that the principles of legal and ethical business behavior set forth in those documents apply to their conduct as a contingent worker performing work for BNC; and
- That they know they are expected to, and have a responsibility to, report any concerns or possible violations, without fear of retaliation and subject to employee protection.

Recruitment and Wage Plan – To the extent that BNC uses recruitment companies, only recruitment companies with trained employees may be used, no recruitment fees may be charged to the employee and all wages must meet applicable host-country legal requirements or explain any variance.

Housing Plan – Typically, BNC does not provide housing. In the event the BNC is required to provide or arrange housing under a US Government contract, such housing will be provided that meets host-country housing and safety standards.

Reporting Process - Employees should consult Christopher Reedy (913) 780-9595 if they are uncertain whether a specific action would be in violation of the FARs or DFARS or the BNC Standards of Business Ethics and Conduct.

Employees should report, in good faith, and have a responsibility to, without fear of retaliation and subject to the protection under 10 U.S.C. 2409, as implemented in DFARS subpart 203.9, for reprisal for whistleblowing on trafficking in persons violations, and activity that violates the FARs or DFARS to their management, or the law. BNC employees or any third party doing work on behalf of BNC may also report violations by contacting Christopher Reedy (913) 780-9595.

Retaliation against an individual who reports a violation is strictly prohibited.

Notification – BNC shall promptly inform the Contracting Officer upon receipt of credible information alleging a violation of FAR 52.222-50; and any actions taken against a BNC employee, subcontractor, subcontractor employee or their agent pursuant to FAR 52.222-50.

Posting – BNC shall post its Compliance Plan on the BNC Website. BNC shall provide its Compliance Plan to the Contracting Officer upon request.

Certifications – BNC will provide certifications to the Contracting Officer as required by the FAR.