

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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AEROSPACE

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APPLICATION OF THE POLICY

This Anti-Bribery and Anti-Corruption Policy (this “Policy”) applies to all directors, officers, contractors, consultants and employees (collectively “Personnel”) of KF Aerospace and all of its controlled subsidiaries and related entities (collectively the “Organization”).

This Policy reflects the standards to which the Organization expects any person or entity that performs services on behalf of the Organization to adhere to when acting on then Organization’s behalf. Such persons or entities acting on the Organization’s Behalf could include business associates, partners, agents, intermediaries, representatives, suppliers, contractors, third party service providers and consultants (collectively “Third Parties”).

Please direct any questions and requests for authorization relating to this Policy to internal legal counsel or any Vice President or senior executive within the Organization (Senior Executive”).

STANDARD OF CONDUCT

KF Aerospace employees must conduct business with the highest standards of honesty, transparency, respect, integrity and fairness in accordance with this Policy and in full compliance with applicable anti-bribery or anti-corruption laws, including, but not limited to, those applicable in Canada, the United States and the United Kingdom. In the event that local laws are more restrictive than this policy, the more stringent local requirement will apply.

PROHIBITION

Bribery and corruption are strictly prohibited.

A “Bribe” is anything of value, tangible or intangible, that is offered, promised, given or received by any party to gain or reward an improper or unfair advantage or influence a decision for the benefit of the Organization or any other party. An improper advantage is typically something to which an individual or company is not properly entitled. “Corruption” is the abuse of power or position for private gain. Bribery and corruption can take many forms, including the offering, provision or acceptance of:

- Cash payments;
- Loans or non-arm’s length transactions;
- Phony jobs or “consulting” relationships;
- Kick-backs;
- Political contributions;
- Charitable contributions;
- Employment opportunities or internships;
- Social benefits; or
- Gifts, travel, hospitality and the reimbursement of expenses.

Anything of value offered to induce an omission by an official is a Bribe and contravenes the applicable legislation.

Do not make “facilitation payments”.

Facilitation payments are also a form of bribe and are not permitted. Facilitation payments, also known as “grease payments” are small unofficial payments made to secure or speed up routine actions or otherwise induce public officials to perform routine functions they are otherwise obligated to perform. This does not include legally required administrative fees or legally permitted fees to fast-track services.

An exception to this Policy is tolerated if a facilitation payment is made in the context of an imminent threat to the health safety or welfare of an employee – in which case he or she should immediately capitulate and thereafter inform a Senior Executive and internal legal counsel.

If you have a question about whether a particular payment is permitted under this Policy, please contact a Senior Executive prior to making such payment.

Do not contravene domestic or foreign Corruption of Foreign Public Official legislation or regulation.

Canada, the United States of America and the United Kingdom have all enacted anti-corruption law in addition to many other countries and states globally. The Organization requires that all Personnel conduct themselves in accordance with the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act* (United States) and the *Bribery Act* (United Kingdom) as well as in accordance with similar legislation in every other country or state internationally that the Organization operates in. Violations of anti-corruption laws carry significant civil and criminal penalties, and put the reputation, hard work and business of KF Aerospace and its employees at risk.

Do not turn a blind eye towards potential improper payments or bribes.

This Policy and applicable anti-bribery or anti-corruption laws make it illegal for Personnel to remain willfully ignorant of or turn a blind eye towards potential improper payments or bribes made by others, in particular Third Parties acting on our behalf. All Personnel are responsible for ensuring that this Policy is applied within his or her area of activity. The Organization may be prosecuted for failing to prevent bribery by a person associated with it, this includes Third Parties.

CAREFULLY DEALING WITH GOVERNMENT OFFICIALS**Interactions with government officials requires enhanced scrutiny and sensitivity.**

A “government official” is any person who is employed by or is acting in an official capacity for a government (including regional and local departments, councils and agencies), enterprises owned or controlled by a government, political parties and party officials, public international organizations and state-owned utility or regulatory companies. This includes elected or appointed persons who hold legislative, administrative or judicial positions such as politicians, bureaucrats, civil servants, and judges and public officials employed by the relevant entity.

Interactions with government officials carry special risks under applicable anti-bribery and anti-corruption laws; contracts and payments to government officials should be reviewed carefully to determine what additional safeguards, if any, may be necessary to protect the Organization. Please seek assistance from a Senior Executive prior to entertaining, contracting with, or offering or making payments to government officials.

GIFTS AND ENTERTAINMENT

No cash payments or gifts may be made or accepted.

Subject to the restrictions set out in the prior section relating to government officials, gifts (hard goods, travel, etc.) given to or received from persons who have a business relationship with the Organization are generally acceptable if the gift is modest in value (under \$200), is appropriate to the business relationship, is not given or received to gain an improper advantage and does not create an appearance of impropriety. Accepting gifts from prospective customers and suppliers is inappropriate.

POLITICAL DONATIONS AND LOBBYING

Do not offer contributions to political parties or candidates that might influence, or be perceived as influencing, a business decision.

To ensure that we do not breach the law regarding political donations in any country, all political donations, no matter how small or insignificant, made on behalf of the Organization (directly or indirectly) must be authorized in advance by the President.

Do not engage in lobbying activities on behalf of the Organization without specific authorization.

We encourage Personnel to take an active role in public service. However, any participation in this regard is to be undertaken as an individual and not as a representative of the Organization.

Lobbying activities generally include attempts to influence the passage or defeat of legislation and it may trigger registration and reporting requirements. In many jurisdictions, the definition of lobbying activity is extended to cover efforts to induce rule-making by executive branch agencies or other official actions of agencies, including the decision to enter into a contract or other arrangement.

You may not engage in lobbying activities on behalf of the Organization without the prior authorization a Senior Executive and advising internal legal counsel prior to undertaking the lobbying activity. In addition, you may be required to register as a lobbyist.

CHARITABLE DONATIONS

Unless the solicitation is supported by the Organization, you are prohibited from using the Organization's resources to solicit donations without the written approval of a Senior Executive. Do not solicit or offer donations to suppliers, vendors or public officials in a manner which communicates that a donation is a prerequisite for future business or intended to obtain an unfair advantage.

Typically, donation requests from current (existing or established) customers or suppliers for charitable donations like The Ride to Conquer Cancer or other similar supporting charitable items are acceptable, as the requesting person / organization does not directly benefit. If you are unsure, confirm with your Senior executive.

REPORTING

The Organization's personnel have an obligation to adhere to this Policy. If you witness behavior on the part of the Organization's personnel or any Third Party that you believe may represent a violation of this Policy, you must promptly report it. Internal reporting is important to the Organization and it is both

expected and valued. The confidentiality of reported violations will be maintained where possible, consistent with the need to conduct an adequate review and subject to applicable law.

Reports should in the first instance be made to internal legal counsel or a Senior Executive. If this is not possible because of the nature of the report, reports should be made directly to the President.

No retribution or retaliation will be taken against any person who has made a report based on the reasonable good faith belief that a violation of this Policy has occurred.

ENFORCEMENT AND DISCIPLINARY ACTION

The Organization will impose discipline on individuals found to have breached the Policy. Anyone who violates this Policy may face disciplinary actions up to and including termination of his or her employment for cause and without notice. If the Organization discovers a violation of any applicable legislation, it may refer the matter to the appropriate authorities which could lead to penalties, fines or imprisonment.