



Gift and Entertainment Policy

Purpose

Exchanging gifts, hosting, or attending entertainment events and providing or accepting travel are normal parts of building and maintaining business relationships. In certain circumstances, however, these activities can create actual or perceived conflicts of interest. They also can constitute or be perceived as bribes. Therefore, employees should use caution and good judgment when engaging in these activities. This policy outlines Virtue Aerospace's requirements with respect to gifts, entertainment, and travel between Virtue Aerospace Ltd and third parties.

Scope

This policy applies to all employees, managers, and directors of Virtue Aerospace Ltd. In addition, where specified by contract, this policy applies directly to Virtue Aerospace's third-party representatives and other business partners.

Policy

When deciding whether to give or accept a gift, host, or attend an entertainment event or pay for or accept travel, Virtue Aerospace employees should consider whether the item or activity is consistent with Virtue Aerospace's values, ethics, and policies. Virtue Aerospace employees should be comfortable with their actions being disclosed to Virtue Aerospace senior management, co-workers or the public. If an employee has any doubt about whether a gift or offer of entertainment or travel is appropriate, the employee should ask for help from the senior management team.

General Rules

Gifts, entertainment, and travel:

- 1) Must be legal under local law.
- 2) Must have a legitimate business purpose.
- 3) May not be given by Virtue Aerospace employees when prohibited by the receiver's organisation.
- 4) May not be solicited by Virtue Aerospace employees.
- 5) May not be excessive or lavish.
- 6) May not be offered as a bribe or corrupt payment.
- 7) May not be offered to influence, or be perceived as influencing, a business decision or result in preferential treatment for the giver.
- 8) Should be avoided when a decision related to the individual or company giving or receiving the gift is pending or will be pending in the near future, especially if the individual giving or receiving the gift is a contractor, supplier, or customer.
- 9) May not involve "adult" entertainment, prostitution, pornography, sexual favours, drugs, or gambling.

Gifts

The exchange of gifts of nominal value may be appropriate on occasion. The following specific rules apply to gifts, in addition to the general rules outlined elsewhere in this policy:

- 1) When giving gifts, Virtue Aerospace employees should consider giving Virtue Aerospace promotional items bearing the Virtue Aerospace logo, as such gifts are typically of nominal value, promote the Virtue Aerospace brand and reduce the risk that the gift may be perceived as inappropriate.
- 2) Where multiple gifts are received by a single group, or team at the same time, the value of such gifts should be considered collectively for purposes of disclosure under this policy.
- 3) Employees should use common sense and good judgment in determining the value of any gift received. If the value of a gift is unclear, consider contacting a store or checking online for similar items.
- 4) Gifts of cash or cash equivalents are not allowed. Cash equivalents include gift cards, prepaid debit cards, gift certificates and loans.



- 5) Gifts given in the form of services or other non-cash benefits, such as the promise of employment or personal services, are not permitted.
- 6) Gifts to relatives of third parties are not permitted.
- 7) There may be occasions in which a Virtue Aerospace employee receives an unsolicited gift that is not permitted under this policy or otherwise not appropriate to accept. The best course of action is typically to return the gift to the giver rather than donate or discard it. Returning a gift provides the opportunity to clarify Virtue Aerospace's policy to the giver while documenting that the gift was not accepted.

Entertainment

On occasion, Virtue Aerospace or third parties may provide entertainment to build or strengthen a business relationship. The following specific rules apply to entertainment, in addition to the general rules outlined elsewhere in this policy:

- 1) Entertainment, whether provided or accepted must be in good taste and occur at a business appropriate venue and must be reasonable and appropriate in the context of the business occasion.
- 2) Sporting and cultural events are common venues for business entertainment. However, when the provider of the tickets to such events is not present as a "host," the tickets are considered "gifts" and not "entertainment." The rules pertaining to gifts are applicable in such situations.
- 3) As noted elsewhere in this policy, "adult" entertainment or entertainment that involves prostitution, pornography, sexual favours, drugs, or gambling is not permitted.

Travel

On occasion Virtue Aerospace may pay the business travel-related expenses of customers, suppliers, or other business partners, such as for plant tours, visits to product experience centres and training. Similarly, third parties may, on occasion, offer to pay the business travel-related expenses of Virtue Aerospace employees. Employees typically should not have a need to accept a third party's offer to pay such expenses, as Virtue Aerospace provides for the payment and reimbursement of employees' appropriate business travel expenses. Therefore, the occasions on which a third party pays the travel-related expenses of Virtue Aerospace employees should be infrequent, as accepting travel can create the appearance of influence and a conflict of interest. Avoiding costs is typically not an appropriate reason for a Virtue Aerospace employee to accept travel from a third party.

When considering whether to pay for or accept travel, the following specific rules apply, in addition to the general rules outlined elsewhere in this policy:

- 1) The class of travel must be appropriate in the business context.
- 2) The travel must be business-related, should not cover expenses for non-business-related side trips and the itinerary should avoid tourist or vacation destinations.
- 3) Virtue Aerospace typically will not approve travel-related expenses for family members or other third parties.



Definitions

“Bribe” or “corrupt payment” is any payment, kickback, or anything of value promised, offered to, or received from any person or organization as an inducement to:

- (a) improperly obtain, retain or direct business.
- (b) gain any undue or improper business or personal advantage; or
- (c) influence the judgment or conduct of a person or organization to obtain a desired outcome or action.

A bribe or corrupt payment includes anything of value given to an individual, or a family member or an associate of that individual, with corrupt intent to influence, directly or indirectly, an act or decision by the individual. Examples include cash, cash equivalents such as gift cards, gifts, entertainment, travel, loans, preferential treatment, contributions, donations, rewards, favours, and offers of employment or internships, regardless of how minimal in value.

“Nominal” in this policy refers to a value that is minimal or insignificant.

“Third party representatives” are parties engaged to do business for, or otherwise act on behalf of, Virtue Aerospace. Examples of third-party representatives can include agents, distributors, consultants, brokers, contractors, suppliers, and other types of third parties doing business for, or otherwise acting on behalf of, Virtue Aerospace.

Document Revision History				
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