

Crown Aviation Holdings Inc.
(the “Company”)

Approach to Environmental, Social and Corporate Governance
(adopted as of October 10, 2024)

Company Focus

The Corporation maintains a long-term focus and ensures the businesses it acquires demonstrate its commitment to good governance, strong community and stakeholder relations and environmental protection, to ensure long-term sustainability.

Integrating environment, social, and governance (ESG) considerations into the Corporation's acquisition process and the ongoing operations of the Corporation's Subsidiaries has a direct influence on creating value and mitigating risk for the Corporation's stakeholders. Developing stronger and more stable companies can have a positive impact on local communities, the Corporation's workforces and customers, and society in general.

Approach to ESG

Environmental, Social and Corporate Governance (“ESG”) refers to three key factors in measuring sustainability and the ethical impact of an investment in a company or business.

The Company has a long history of considering ESG factors in its investments and the conduct of our business more generally. The Company’s management team and the Board of Directors (the “Board”) have been involved in many businesses over the years and appreciate that a proper evaluation of these considerations is more nuanced than on the surface.

We believe consideration of ESG factors to be consistent with our stated purpose of partnering with owners, operators, and entrepreneurs to build strategically significant businesses. Accomplishing this feat involves many efforts and activities such as:

- Creating value for all stakeholders (including employees, customers and others who interact with the Company and our portfolio companies),
- Fostering progress and efficiency,
- Creating employment,
- Contributing to economic growth, and
- Supporting the communities in which we live.

Environmental Considerations

The Company understands the importance and value of environmental sustainability, strives to be environmentally responsible in the conduct of our business and actively seeks out investment partners that do the same. The Company does appropriate environmental due diligence on all its investments which often includes obtaining Phase I and Phase II environmental reports from environmental consultants on leased and owned real property. The outcome of this work is crucial to our overall decision to invest in a company. The Company also reviews the practices of our investment partners to ensure proper procedures are in place to respect the environment (be it air, water or ground) through compliance with regulations and eventually industry best practices. The individual portfolio companies have standalone governance teams (i.e., their own respective board of directors) which include representatives of the Company. These individuals are advised to strongly encourage our portfolio companies to comply with all environmental regulations and, to the extent feasible, to incorporate the best-in-class practices advocated by industry associations when those standards exceed regulations. The Company does consider the environmental impact of its investments but appreciates that this must be done within the context of customer requirements and alternatives.

Social Considerations

The Company cares about its employees, their families, and the communities in which we live and work and strives to do the right thing and act with integrity in its investment decisions and the conduct of our business more generally.

- The Company has created an experienced team, united by a common vision for building value in the companies we support, and the positive spin-off impacts of doing so responsibly.
- The Company employees are hired based on their ability to add value relative to their position. People of all races, religion, gender and sexual orientation are encouraged to apply and are equally welcome.
- The Company's employees are a tight-knit group of individuals who work exceptionally hard and enjoy each other's company. The Company supports its employees through various health and wellness initiatives. The health and wellbeing of our employees is paramount.
- The Company wishes for its employees to succeed and has well-established mentoring, training and feedback programs to help with this. All employees at the Company are part of our team and all are valued. We attempt to foster a culture where input is solicited from each team member. We pride ourselves on having a flat organizational structure, divorced from internal politics, where employees are hired, succeed, and thrive based on merit.
- The Company believes in having an investment team comprised of people with diverse backgrounds and is actively encouraging people with backgrounds different from those currently at the Company to apply.
- The Company complies with or exceeds applicable employment and labor laws and standards, including respecting human rights, offering competitive compensation and hiring in a non-discriminatory fashion.
- The Company has a comprehensive code of conduct, for which we train our employees on an annual basis and for which they certify their compliance. Among other things, the code of conduct include; (i) prohibiting illegal activities such as bribery and facilitation payments; (ii)

Guidance on political contributions and lobbying (iii) Adhering to human rights legislation; (iii) Prohibiting discrimination and harassment in the workplace; and (iv) Complying with occupational, health and safety laws

- The Company employees receive periodic training on matters related to living up to our ideals.
- The Company promotes safe work environments in its businesses and has a “safety first” mindset in its portfolio companies with higher risks of serious injury.
- The Company and its employees have embraced our articulated values which ground how we act; (i) We respect each other’s capabilities, (ii) We treat others the way we want to be treated, (iii) We succeed together, empowering others and sharing credit, (iv) We say what we mean and meet challenges head on, (v) We do what we say, (vi) We do the right thing, (vii) We embrace analytical rigor and objective inquiry, (viii) We are relentless in our pursuits, (ix) We roll up our sleeves searching for the best outcomes, (x) We foster open debate, (xi) We seek continuous improvement and learn from our mistakes, (xii) We bring new ideas, (xiii) approaches and visions, (xiv) We create enduring and trusting relationships, (xv) We guard our reputation as our most important asset, (xvi) We develop our firm and our portfolio companies to stand the test of time.

Community Involvement and Philanthropy

The Company employees are actively involved in their communities as volunteer board members and other volunteer positions. In addition, the Company, its employees and its Board have a significant track record of philanthropy in the community and have been recognized in this regard.

Social Considerations for Investments

Management and the Board pride themselves on the jobs they have created at the Company since its inception. The Company has always considered the societal impact of investment opportunities and has turned away investment opportunities on numerous occasions where such considerations have outweighed financial considerations. In addition to job creation at the Company, the Company prides itself on the establishment of programs and procedures that, among many other things, include the training of staff by adopting educational programs furthering their respective skills and abilities and as a result the reach and capacity of the Company.

Corporate Governance Considerations

The Company is committed to rigorous governance for its business and investments and has zero tolerance for unethical or illegal behavior. The Company has rigorous governance procedures such as:

- A board of directors comprised largely of independent directors,
- An audit committee comprised solely of independent members with appropriate financial expertise,
- Formal board meetings at least four times a year,
- Formal whistle-blower policy, and

- Comprehensive financial controls,

The Company uses meaningful resources to maintain its cyber/network security. Our approach includes: (i) investing in the appropriate hardware and software, (ii) regular training of our employees and (iii) appropriate insurance solutions. The Company has zero tolerance for bribery (including facilitation payments to public officials) and similar unethical or illegal behavior. We are extra vigilant on such matters given our status as a public company and our participation in highly regulated industries such as aviation and defense.

Due Diligence

The Company does extensive background checks on our investment partners before we make an investment. The Company screens investment partners and potential limited partners for political sanctions. The Company screens new limited partners for AML issues. If the Company is considering an investment in a jurisdiction we have not previously invested, we do significant due diligence on country/political risk issues, working with the Canadian Embassy, North American based companies with experience in the jurisdiction, professional advisors such as law firms and accounting firms and consultants.

Governance for Portfolio Companies

The Company is an active investor in its portfolio companies and requires, among other things, (i) board representation, (ii) comprehensive investor approval rights and (iii) detailed monthly and annual reporting on company performance and other matters which are material. The Company typically has at least two members of its investment team on the board of directors of a portfolio company and has comprehensive board meetings at least once a quarter. The boards of portfolio companies are often encouraged to include independent board members to encourage fresh/independent perspectives.

ESG Process

The Company has an industry first approach to investing (we select promising industries, become experts/thought leaders in those industries and then, ideally, make repeated investments). We consider ESG factors when we consider new industries to invest in. Our evaluation of each new investment includes consideration of ESG factors. We discuss with our portfolio companies our approach to ESG and encourage implementation of policies or other initiatives to the extent economically rationale. The Company investment team members are trained in consideration of ESG factors and our ESG policy on a periodic basis.

Crown Aviation Holdings Inc. | A growth by acquisition company