

Gifts and Hospitality Policy

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ITP Aero is part of the Rolls-Royce group of companies and is subject to the same standards of behaviour as the rest of Rolls-Royce. ITP Aero has adopted this Policy based on the equivalent Rolls-Royce Group Policy. This Policy is mandatory and applies to all employees and workers of ITP Aero, including the parent company and all its subsidiaries. This Policy sets the minimum standard that must be followed. Where local laws, regulations or rules impose a higher standard, that higher standard must be followed.

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Introduction

ITP Aero offers and accepts Gifts and Hospitality as an appropriate business practice. However, improper or excessive Gifts and Hospitality can be a form of bribery or corruption, which is prohibited under ITP Aero policies and by law. Improper offers and acceptance of Gifts and Hospitality can cause serious harm to ITP Aero and Rolls-Royce.

ITP Aero is part of the Rolls-Royce group of companies and so is subject to equivalent standards of behaviour to the rest of Rolls-Royce. ITP Aero has adopted this Gifts and Hospitality Policy (“Policy”) based on the Rolls-Royce Gifts and Hospitality Policy. It contains the same fundamental requirements, but is appropriately amended to reflect the fact that ITP Aero remains a corporate entity and does not have access to all of the Rolls-Royce policies, processes and systems, which rely upon a network connection. In spite of this, ITP Aero administrators, directors, employees are expected to adhere to these equivalent standards.

This Policy is mandatory and applies to Board of Directors, senior management and employees of ITP Aero and its subsidiaries (referred here collectively as “ITP Aero” or “Company”). This Policy sets the minimum standard that must be followed. This Policy sets the minimum standard that must followed. Where laws, regulations or local rules impose a higher standard, that higher standard must be followed. Breaches of the ABC Policies, including this Policy, is considered a failure to comply with work obligation and may result in disciplinary action up to and including dismissal.

This Policy:

- Provide a framework for our approach to Gifts and Hospitality
- Sets out our Gifts and Hospitality standard

Your responsibility

To read, understand and comply with this policy;

Raise any questions or concerns you might have. There is advice on how you can do so in Section 2.

Your manager’s responsibility

To understand this policy and make sure that they do not ask you to work in a way that contravenes it.

Common terms

Gift

Anything of value offered, or given to, or received from, a person or entity outside of ITP Aero or Rolls-Royce, that is not Hospitality.

Hospitality

Any form of travel, food, drink, accommodation, entertainment, cultural or sporting event (participating or watching), offered to or by, or given to, or received from, a person or entity outside of ITP Aero or Rolls-Royce.

Gift + Hospitality (G+H)

Any Gift, Hospitality or Gift and Hospitality combined as a single event. A single event may be for several days, for example a visit as in section 1.9.

G+H Report

Any report detailing the offering, giving or receiving of G+H as specified in this Policy.

First Approver

The ITP Aero leader who approves the expenses of another employee.

Second Approver

The ITP Aero leader who approves the expenses of another employee after the First Approval.

See detailed table in section 1.10 for more information.

State-Owned Company

A company which is more than 49.5% owned or controlled, directly or indirectly, by a government or government body. Any entity owned or controlled in part by more than one government shall be a State-Owned Company if their combined ownership or control exceeds 49.5% even if no single government owns more than 49.5%.

Government Official:

Includes any:

- Officer or employee, or anyone acting on their behalf, of any department, agency or instrument of a government (at any level), including foreign governments. This includes (but is not limited to) employees and members of the military, para-military, security services, police force, customs, border patrol, legislatures and judicial system of any country;
- employee of a company which is more than 49.5% state-owned;
- political party and any officer, employee or other person acting on behalf of a political party
- candidate for public office;
- elected political representative;

- member of a ruling or royal family;
- officer of any body, whether public or private, that has delegated powers to administer public funds;
- officer or employee of a public international organisation (e.g., the United Nations, the World Bank);
- special adviser to governments, or individual government officials, whether paid or unpaid, formal or informal; and
- family member of any of the above.

Company

This means any company within the *ITP Aero*, including the parent company (*Industria de Turbo Propulsores S.A.U.*) and its wholly owned subsidiaries or any other company in which they have a controlling and/or majority shareholding.

ITP Aero

This means, as applicable, either the whole ITP Aero or any Company thereof as defined above.

1 ITP Aero Gifts and Hospitality Policy

1.1. Offering, giving or receiving G+H

The principles of action contained in this Policy are based on the values of ITP Aero's Code of Conduct and should guide the actions of all ITP Aero entities in the area of gifts and hospitality, in accordance with the standards set out in standard ISO 37001, on Anti-Bribery Management Systems.

Any G+H you offer, give or receive in connection with ITP Aero or Rolls-Royce business must:

1.1.1. Be given as a legitimate, justified business courtesy and never in exchange for obtaining an inappropriate advantage or benefit.

1.1.2. Be given in an open manner and not create an expectation that you, ITP Aero, or Rolls-Royce will give or receive something in return.

1.1.3. Be in good faith and reasonable in value and frequency.

1.1.4. Be compliant with any applicable laws, rules and regulations.

1.1.5. Be reported for by the most senior ITP Aero or Rolls-Royce employee involved with the G+H (when giving G+H).

1.1.6. Recorded as expenses in accordance with the appropriate business expense policies and procedures (when giving G+H).

1.1.7. Be approved in writing in advance, (where approval is required by this Policy). If advance approval is not possible then approval must be requested as soon as possible and, in any event, not more than 30 days after the G+H. In addition, when submitting your G+H Report, you must explain why advance approval was not obtained.

1.1.8. Do not influence or appear to influence the independence of the giver or receiver of the G+H.

1.1.9. It must not be cash (or cash equivalents such as vouchers, gift cards, credit cards or credit notes).

1.1.10. Not be lavish, offensive or inappropriate; and

1.1.11. Not to be made per diem or daily payments (unless with the prior, written approval of Ethics & Compliance which will only be provided if there is a legitimate government directive requiring such payments). If any contract requires per diem or daily payments, written approval of Ethics & Compliance is needed before the contract can be signed.

Sponsorships and donations are not covered by this Policy, but are dealt with via separate policies and procedures.

1.2. All employees

You must:

- 1.2.1. Not deliberately structure an arrangement in order to avoid the requirements of this Policy;
- 1.2.2. Not offer, give or accept tickets to, entertainment, cultural or sporting events without both the giver and receiver attending; and
- 1.2.3. Not offer or give to, or accept from, a business contact of ITP Aero or Rolls-Royce any G+H in your personal capacity in order to avoid the requirements of this Policy.

1.3. CEO, Executive Directors, Heads & Managers (ITP Aero Leaders)

You must:

- 1.3.1. Review and authorize G+H in writing in accordance with the requirements of this Policy; and
- 1.3.2. Review G+H Reports created by your team.

1.4. G+H limits, approval and report requirements

You may offer, give or receive G+H (values are per person per event):

- 1.4.1. **Less than €100 or equivalent in the local currency**, without a G+H Report if the G+H is not subject to Sections 1.5 to 1.7.

1.4.2. From 100€ to 200€:

- You must create a G+H Report; and
- Your First Approver must authorize the G+H.

1.4.3. **More than 200€:** in addition to the requirements at Section 1.4.2, your Second Approver must authorize the G+H.

1.5. Government Officials and State-Owned Companies

In most countries it is prohibited to give or offer gifts to public officials or authorities, but in any case, to offer or give G+H (values are per person per event) to a Government Official or an employee or representative of a State-Owned Company.

1.5.1. Up to 200€:

- You must create a G+H Report; and
- Your First Approver must approve the G+H.

1.5.2. More than 200€:

- you must create a G+H Report;
- your First Approver must approve the G+H;
- your Second Approver must approve the G+H; and
- Ethics & Compliance must approve the G+H.

1.5.3. The requirements at Section 1.5.1 do not apply to low value refreshments.

1.6. Spouses

To offer or give G+H (values are per couple per event) to a spouse or partner of a business contact or someone without an obvious business connection:

1.6.1. Up to 200€:

- you must create a G+H Report; and
- your First Approver must approve the G+H.

1.6.2. More than 200€:

- you must create a G+H Report;
- your First Approver must approve the G+H;
- your Second Approver must approve the G+H; and
- Ethics & Compliance must approve the G+H.

1.6.3. The requirements at Section 1.6.1 do not apply to low value refreshments.

1.7. Contracts

On occasions, ITP Aero enters into contracts that require us to provide G+H, in particular travel, accommodation and subsistence (for example, as part of a site or factory visit or training programme). To provide G+H in this contest (values are per person per event):

1.7.1. Up to 200€:

- you must create a G+H Report; and

- your First Approver must approve the G+H; and
- You must attach the contract extract to the G+H Report.

1.7.2. More than 200€:

- you must create a G+H Report;
- your First Approver must approve the G+H;
- your Second Approver must approve the G+H;
- Ethics & Compliance must approve the G+H; and
- You must attach the contract extract to the G+H Report.

1.7.3. The requirements at Section 1.7.1 do not apply to low value refreshments.

1.8. G+H Reports

Where you are required to create a G+H Report through the ITP Aero intranet workflow:

1.8.1. You must create the G+H Report in advance and, if you are not able to do it, within 30 days from the receiving or giving of the G+H

1.8.2. When ITP Aero has given G+H, the G+H Report must be created in the name of the most senior employee involved;

1.8.3. Each employee receiving G+H that requires a G+H Report must create a G+H Report in their own name;

1.8.4. You must not include any government classified or restricted information in a G+H Report; and

1.8.5. If you are not sure if you are permitted to include details of a programme or individual in your G+H Report, contact Information Management Compliance Manager.

1.8.6 Ethics & Compliance is responsible for the maintenance and control of the G+H Registry and must review it periodically.

1.9. Visit Conditions

Where ITP Aero is considering paying for G+H as part of a visit over one or more days, for example a customer visit to an ITP Aero site:

1.9.1. It is necessary to fulfil the following conditions:

- a. ITP Aero or Rolls-Royce personnel must always attend for the visit and any associated hospitality.
- b. the visit must be to an ITP Aero or Rolls-Royce facility, a customer facility or to a location at which an ITP Aero or Rolls-Royce product is located or from which an ITP Aero or Rolls-Royce service is provided.
- c. there must be a clear business purpose and itinerary for the whole visit.
- d. travel and accommodation must not be booked or paid for directly or indirectly by ITP Aero.
- e. payments must not be made directly to the business contact, in any form,

including cash, cash equivalents or to a bank account;

- f. personal expenditure (for example, newspapers, minibar, personal travel or sightseeing) must not be paid for ITP Aero; and
- g. disproportionate free time must not be added to the beginning or end of the visit and, in any event, that free time must not be at the expense of ITP Aero.

1.9.2. In case any of the conditions from section 1.9.1 were not fulfilled, it would be necessary to obtain approval in writing in advance by your Second Approver and Ethics & Compliance.

1.10. Communication of breaches

Any breach of this policy must be reported to the Ethics & Compliance Area, as well as any doubt that may arise from its application or interpretation, through the mechanisms established in the "Speak-up" Policy or through the Ethics Line.

In dealing with these situations, the identity of the reporters will be kept confidential and ITP Aero will not retaliate against them.

1.11. Disciplinary system

Non-compliance with this Policy by any employee of ITP Aero will be considered a misdemeanour and will be sanctioned in accordance with the Sanctioning Regime provided for in the applicable Collective Agreement, or in its absence, in the labour

legislation in force, which may include the dismissal of the offender.

1.12. Policy Summary

Giving or receiving G+H (values are per person per event in euros or equivalent currency)		Requirements
Cash or cash equivalents		Never permitted
G+H that can be considered lavish, offensive or inappropriate		
G+H that is not compliant with applicable laws, rules and regulations		
G+H that is intended to influence, or could be perceived as intended to influence, the giver or receiver		
Per diem or daily payments		Required by a legitimate government directive; and Ethics and Compliance approval
G+H to: <ul style="list-style-type: none"> a Government Official or employee of a State-Owned Company or to a spouse, partner or person without a business connection (financial limit applies to the couple) or required by a contract 	200€ (*) or less	G+H Report; and First Approver approval
	more than 200€ (*)	G+H Report; First Approver approval; Second Approver approval; and Ethics and Compliance approval;
All other G+H	less than 100€ (*)	No specific approvals or G+H Report
	100€ to 200€ (*)	G+H Report; and First Approver approval
	more than 200€ (*)	G+H Report; First Approver approval; and Second Approver approval.

(*) Not applicable to low value refreshments

Authorising person			
	First Approver	Second Approver	Ethics & Compliance
Any employee	ITP Aero leader immediately above (Manager or superior)	ITP Aero leader immediately above of the First Approver	Ethics & Compliance
Any employee who reports to CEO	CEO	-	Ethics & Compliance Head
CEO	Governance and Internal Resources Executive Director	-	Ethics & Compliance Head

2. Where to get more information and some others documents to read

Any communication related to this Policy, either on additional information or non-compliance could be done through the channels established in the Speak up Policy.

Other documents related to this Policy are:

- The ITP Aero Code of Conduct.
- The ABC Policy and the guiding documents of the Ethics & Compliance site of the ITP Aero intranet.
- The Speak Up Policy.

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Approver	ITP Aero Executive Director of Internal Governance and Resources