

Global Compliance Policy of ITP Aero

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ITP Aero is part of the Rolls-Royce group of companies and is subject to the same standards of behavior as the rest of Rolls-Royce. This Policy is binding and applies to all employees and persons working for 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 is committed to the highest standards of quality, safety and business ethics. Faced with a changing environment, in which the demand for integrity and transparency on the part of the companies is growing, the Board of Directors of the parent company of the ITP Aero (ITPSA) promotes the creation of a Compliance System that applies globally across ITP Aero to meet these demands.

This Global Compliance Policy defines the scope of the Compliance System (including Criminal Compliance and Anti-Corruption requirements) and establishes the basic principles of the Ethics & Compliance function, showing the involvement of the administrators and senior management in matters of Business Ethics & Compliance.

The ITP Aero Code of Conduct establishes the main responsibilities and rights that should guide the behaviour of all people who work in the Company and in its environment, including on the other hand its shareholders, partners, customers, suppliers, etc. The Code includes the basic principles that should serve as a guide in the daily performance of the activity of ITP Aero employees and is an essential part of the Compliance Program. In addition, the ITP Aero Code of Conduct principles must also be specifically and bindingly transferred to the suppliers with which ITP Aero works, through a Code of Conduct for Suppliers, as well as the expectations for our partners in Ethics and Compliance, both documents available on the ITP Aero website.

This Policy has been enacted and enforced by the Board of Directors of parent company of Industria de Turbo Propulsores S.A. (hereinafter ITP, S.A.). It is strategic for all ITP Aero and is mandatory, and applies to all employees and workers contractually linked to ITP Aero, administrators, representatives, collaborators and agents of ITP Aero, including ITP S.A. and all other companies of ITP Aero (hereinafter jointly referred to as "ITP Aero" or "the Company"). Failure to comply with the provisions of this policy will result in appropriate corrective action, including labour discipline and even dismissal, or in any other case the immediate termination of other possible contractual relationships, depending on the seriousness and circumstances of the action, whether by action or omission.

This Policy sets a minimum standard to be followed in each case. However, where applicable local laws or regulations impose more stringent standards or requirements, these should be followed.

This Policy:

- Provides a general framework on the basic principles, rules of conduct and culture of compliance at ITP Aero;
- Defines the scope of the Compliance System and establishes the basic principles of the Ethics & Compliance function.

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

Compliance

Concept related to the function in charge of establishing and managing in the company the adequate processes and procedures to ensure the compliance with external, internal or self-imposed rules, in all the fields of action of the company as a whole, including its business and commercial activities, as well as in relation to the individual behaviour of its employees, workers and administrators.

Code of Conduct

Compilation of the rules and regulations that are required of ITP Aero employees and their behavior in relation to Ethics & Compliance. ITP Aero has developed a code of conduct that establishes the ethical and compliance principles that should guide the performance of the daily activities of the people that work for ITP Aero and is an essential part of the *Compliance Program*.

Report channels

ITP Aero has a report channel called "Ethics Line" which allows any person, whether or not they are personnel of ITP Aero, to report anonymously or not, possible breaches or irregularities that are contrary to the ethics and the law, especially those that are contrary to Criminal Law and the Code of Conduct, with the maximum guarantees of confidentiality and without any reprisals.

Criminal Compliance Management System

A set of organizational elements that are interrelated or that act to specify and measure the level of achievement of objectives in the area of criminal compliance, as well as the policies, processes and procedures to achieve these objectives. The *Criminal Compliance Management System* covers the entire organization and allows the company to demonstrate its commitment to comply with criminal compliance regulations. ITP Aero's *Criminal Compliance Management System* is in accordance with the provisions of the UNE 19601.

Anti-Corruption & Bribery Management System

A set of organizational elements that are interrelated or that act to specify and measure the level of achievement of objectives in the area of anti-corruption and bribery, as well as the policies, processes and procedures to achieve these objectives. The *Anti-Corruption and Bribery Management System* covers the entire organisation and enables the company to demonstrate its commitment to anti-corruption compliance. ITP Aero's *Anti-Corruption & Bribery Management System* is in accordance with ISO 37001.

Compliance Program

An element of the Management System that covers the entire organization and allows the company to materialize its commitment to

comply with regulations, especially those related to criminal and anti-corruption compliance, but not only. The Compliance Program contemplates the legal requirements, the contractual requirements with our clients, the industry codes, the organization's standards, as well as the standards of good corporate governance, best practices, ethics and the expectations of the community in general.

Ethical Dilemma

An ethical dilemma occurs when a person, or group of people, is forced to choose between alternatives that may somehow cause a moral failure. Such dilemmas are linked to the acceptance, or not, of an ethically questionable means to an altruistic or benevolent end. At ITP Aero, ethical principles are respected and all employees understand that the achievement of their objectives does not justify the use of any means.

Disciplinary system

Adequate sanctions in accordance with the Penalty Procedure provided for in the applicable Collective Bargaining Agreement and the respective labour legislation, in the event of non-compliance with the Compliance Program.

Company

It refers, depending on the context, to the whole of ITP Aero or individually to any company in the ITP Aero group, including the parent company (Industria de Turbo Propulsores S.A.) and the companies controlled by ITPSA, as well as any other entity over which they have control or a majority shareholding.

ITP Aero

This means, as appropriate, all the companies and centres that form ITP Aero or any company thereof as defined above.

1. Global Compliance Policy of ITP Aero

1.1 Policy objectives

This Global *Compliance* Policy of ITP Aero is intended to strengthen the culture of ethical behaviour and to convey the Company's firm commitment to compliance.

This Policy establishes the framework for action of the Compliance function at a global level and specifically of the Ethics & Compliance (E&C) function, which has been

entrusted within the organization by the Board of Directors, and constitutes, together with the regulations that develop it, the company's Compliance Program.

ITP Aero encourages the development of good practices and appropriate behaviour by administrators, managers, employees, other workers and collaborators, and underlines the commitment of the Board of Directors of ITP, S.A. to the approval of this Global *Compliance* Policy and to specific training for the group of

people responsible for managing or supervising the established controls.

1.2 Scope of Application

The Global Compliance Policy applies to all the employees, workers and collaborators, managers and directors of ITP Aero, including the societies that are integrated in the company.

ITP Aero is a leading global company (with societies in Spain, Mexico, Great Britain, India and Malta) in designing, development, manufacture and maintenance of aeronautical engines and components that operates autonomously as a “corporate entity” within the Rolls-Royce group. ITP Aero carries out a wide range of activities including research, design, development, production and assembly with a focus on six product lines: low-pressure turbines, radial structures, compressors, external connection systems (externals), nozzles and castings.

This Policy applies internally to ITP Aero without prejudice to the additional criminal regulations in force in each of the jurisdictions in which the Company operates.

This Policy is also mandatory for the interested parties and business partners of ITP Aero, due to its business activities with the public administration and private organizations. It is the responsibility of ITP Aero to transmit the values, principles, and obligations that support the Criminal Compliance and Anti-Corruption Management System, as well as the *Compliance Program*.

1.3 Compliance Program

ITP Aero includes in its business strategy a series of general principles of compliance management, to ensure that all the initiatives and projects in which it participates are carried out under appropriate ethical standards within the company's culture of compliance:

- People in ITP Aero are inexcusably committed to complying with and respecting the legislation in force, the regulatory standards that the company demands of itself, and its internal regulations (including the Code of Conduct, the Criminal Compliance Policy, the Anti-Bribery and Corruption Policy, and other applicable regulations) in each of the regulatory areas and in all of the jurisdictions in which ITP Aero operates.
- People at ITP Aero are equally responsible for identifying and properly managing the risks of non-compliance in their work areas. When this imperative requires advice or coordination with other areas or functions, it will be up to each person in charge to request and promote the necessary advice and coordination.
- The specific guidelines and principles that the people of ITP Aero must follow have been set out in a Code of Conduct and developed into specific policies accessible to all members of ITP Aero. These guidelines and principles should guide their daily performance and management and their relations with

other people and entities, both internal and external to ITP Aero.

- The Board of Directors of ITPSA and all the people in ITP Aero, must promote an Ethics and Compliance culture in line with the corporate values and principles set out in the Code of Conduct, the Criminal Compliance Policy, the Anti-Bribery and Corruption Policy and the other applicable rules and regulations, placing special emphasis on integrity, responsibility and honesty, and rejecting all forms of crime.

The Company has decided to set up a Compliance Program, as an orderly set of measures aimed at preventing, detecting and reacting to breaches (criminal, regulatory, ethical, etc.), of which this Policy is an essential part.

The Company has established specific policies, processes and procedures that complement this Policy and that strengthen the Compliance Program in preventing non-compliance and resolving ethical dilemmas related to daily activities.

Any breach shall be subject to the appropriate penalty and disciplinary rules laid down for fundamental breaches of the various contracts applicable, including the disciplinary measures applicable under the employment contract. Misconduct or conduct contrary to the Company's ethical and compliance principles will be sanctioned, including the dismissal or immediate termination of other possible contractual relationships.

The Board of Directors of ITPSA establishes in this Policy the principle of "zero tolerance" for non-compliance. This means that the risks of non-compliance in the Company will be managed and mitigation plans will be carried out for the most significant risks.

Specific Program for Criminal Compliance

The elements of the Compliance Program focused specifically on managing criminal and crime prevention aspects result in the Criminal Compliance Program.

Within the Criminal Compliance Program, the Crime Prevention Committee has been created as a body dedicated to developing and reviewing the Criminal Compliance and Antibribery and Corruption Management System of ITP Aero. It has autonomous powers of initiative and control within each entity, and is entrusted by the Board of Directors with the function of supervising the effectiveness of the Criminal Compliance Programme and the Crime Prevention Model. In this case, and in order to optimize the efficiency of its functions, the Crime Prevention Committee delegates part of its management, monitoring and control tasks to the Ethics & Compliance function.

The responsibilities, functions and tasks delegated to the Crime Prevention Committee, the Ethics & Compliance function and other administration and management bodies of ITP Aero are defined and regulated in documents of the Criminal Compliance and Anti-Corruption Management System, such as the Criminal Compliance Manual and other documents relating to the Governance of ITP Aero.

Other areas of the Compliance Program

The Ethics & Compliance area and function in ITP Aero must have the independence and autonomy and sufficient resources to be able to respond adequately and independently to the needs of ITP Aero in the most effective way, both at a consolidated level and at a specific company level.

The Company will make available to all ITP Aero workers various mechanisms to promote control, to detect incidents related to compliance and also to report breaches of the Code of Conduct, this Policy, the Criminal Compliance Policy, the Anti-Bribery and Corruption Policy and the other Policies and applicable regulations, guaranteeing, when necessary, the confidentiality of complaints received and files processed and neutrality and independence of its managers.

The "Speak-Up" Policy includes all communication channels available to all employees to address ethics and compliance issues. Specifically, ITP Aero has implemented a communication channel called the Ethics Line, which is available to all employees, interested parties, and business partners, so that they can report or communicate, anonymously or otherwise, any suspicious event or behaviour of which they are aware. Any kind of retaliation against an informant who acts in good faith is prohibited and measures must be taken to protect him/her, both members of the organization and third parties. Any action contrary to the above will be sanctioned.

It is therefore a right and a duty of people at ITP Aero to make proper use of these communication channels in the event of suspected non-compliance.

The Company ensures the existence and correct and fair functioning of a disciplinary system applicable in particular to employees under employment contracts, or other sanctioning measures and remedies applicable under other types of contracts, that sanctions improper conduct or conduct that is contrary to the company's ethical and compliance principles.

1.4 Compliance Function at ITP Aero

ITP Aero has various functions and management areas with compliance responsibilities within the organization, based on its specialisation in matters relating to compliance risks arising from the company's activities. It is everyone's obligation to ensure proper coordination and alignment of objectives among them.

These functions are, each one of them, responsible for knowing what requirements apply to ITP Aero in each of the regulatory areas and establishing and implementing the appropriate controls to ensure compliance with these requirements. All of them must be supported and coordinated with the Ethics and Compliance area in the tasks delegated to it, especially in the definition and supervision of the Compliance Program.

The detailed definition of the Compliance function at ITP Aero is summarised in the following matrix, where each row includes a regulatory area, area of specialisation or function responsible for managing it, and the columns reflect those areas that include, among their responsibilities, transversal functions applicable to all areas of compliance.

1. Ethics & Compliance	1. Ethics & Compliance 19. Quality assurance 20. Legal 21. Risks
2. Corporate Governance	
3. Finances (Administration, treasury and performance management)	
4. Taxes	
5. Intellectual Property	
6. Antitrust	
7. IT Infrastructure	
8. Supply chain (services, direct and indirect material)	
9. Data Protection & Data Privacy	
10. Security	
11. Human resources	
12. Sector regulation (Airworthiness, Safety, REACH,...)	
13. Institutional Relations	
14. Foreign trade	
15. Health and Safety	
16. Group Property	
17. Environment	
18. Communication & Marketing	
19. Quality Assurance	
20. Legal	

regulatory change occurs that implies its updating or modification.

This review should also ensure:

- That the policy is available as documented information.
- That it is written in simple language so that employees can easily understand the principles and their intention.
- That it is translated into other languages.
- That it is clearly communicated within the organization and readily available to all employees.
- That it is available to the stakeholders.

The Compliance Manual will regulate the coordination of Ethics & Compliance with the Compliance Responsible in each of the regulatory areas to ensure that the Compliance Program is effective and responds to the nature of the risks derived from the operations and activities of ITP Aero

1.5 Commitment to continuous improvement of the Compliance Program

ITP Aero expresses its commitment to update and improve the Compliance Program by implementing specific management mechanisms that allow for the periodic review of the system, the evaluation of performance and the deployment of actions that promote continuous improvement.

The Global Compliance Policy will be reviewed by the Ethics & Compliance area, having been delegated this function by the Board of Directors. The review will be carried out periodically and, in any case, when a

2 Where to get more information and other documents to read

Any communication related to this Policy, either on additional information or non-compliance can 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 Policies and guidance documents on the E&C site of ITP Aero's intranet
- Criminal Compliance Policy and Speak-Up Policy.

Versions control:

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