

# Advisers 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 has a zero-tolerance policy to bribery and corruption. This zero-tolerance approach is set out in section 2.5 of the ITP Aero Code of Conduct and is reflected in the anti-bribery and corruption (“ABC”) policies, procedures and guidance which collectively provide a comprehensive set of standards that all of us, without exception, are required to comply with.

High standards of ethical behaviour and compliance with laws and regulations are essential to protecting the reputation and long-term success of our business. Any incidents of bribery and corruption involving, or relating to, ITP Aero will damage our reputation. All employees have a personal responsibility for protecting our reputation and living up to our values. Breaches of the ABC Policies are not acceptable and may result in disciplinary action up to and including dismissal.

Whilst ITP Aero uses its own employees to conduct its business where possible, sometimes ITP Aero must use Advisers, such as promoters, consultants and distributors, to assist in marketing and distributing its products and services or in strategic or political matters. This ITP Aero Advisers Policy (“Policy”) and the ITP Aero Advisers Procedures (“Procedures”) that go with it govern the appointment of Advisers. The basic principles of the policy and procedures are:

- ITP Aero only appoints Advisers of known integrity and requires that their conduct meets ITP Aero’s standards at all times;
- ITP Aero will not appoint, renew or otherwise become associated with Advisers that may expose it to unacceptable reputational and legal risk;
- ITP Aero only appoints Advisers in appropriate circumstances and where there is a genuine business need to do so; and
- ITP Aero will ensure that the risks associated with using Advisers are understood and managed.

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 Policy based on the Rolls-Royce Global Advisers 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 employees are expected to adhere to these equivalent standards.

This Policy and the Procedure are mandatory and apply to all employees of ITP Aero and its wholly owned subsidiaries (“ITP Aero” or “Company” or “employees”). They replace the ITP Aero Promoters Qualification Procedure although it should be noted that the definition of an Adviser is broader than the definition of a Promoter used previously.

This Policy and the other ABC policies set a minimum standard that must be followed, where local laws, regulations or rules impose a higher standard, that higher standard must be followed.

**This Policy:**

- Provide a framework for our approach to Advisers
- Sets out our standard for the appointment of Advisers

**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

### ABC Laws and Regulations

The UK Bribery Act, the US Foreign Corrupt Practices Act, the Spanish Criminal Code operated by 1/2015 Organic Law, the law on prevention of money laundering, any legislation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Proceeds Of Crime Act and other similar laws and regulations in the countries where we do business.

### ABC Policies

The ITP Aero policies, including this Policy, procedures and guidance dealing with ABC issues, which collectively provide a comprehensive set of standards with which ITP Aero and its employees are required to comply. The ABC Policies are listed on the ITP Aero intranet Ethics & Compliance site. For employees without access to the intranet, the Ethics & Compliance Manager can provide this information.

### Adviser

Any person, company or other legal entity (other than an ITP Aero or Rolls-Royce owned or controlled company or its employees) who is engaged to provide Adviser Services.

### Adviser Services

Guiding, influencing, promoting, carrying out, performing, assisting or supporting the sales and marketing efforts, strategic development or

political context of ITP Aero or its business or distributing ITP Aero products or services.

Examples of these types of services include:

- a) Direct or indirect promotion and support of marketing/sales or business development campaigns;
- b) Assistance with understanding and influencing the customer, the customer's organisation, the customer's requirements and the customer's budget allocation;
- c) Assistance with lobbying or otherwise influencing the strategic or political environment or context for our business;
- d) Assistance with setting up meetings with contacts at the customer; and
- e) Assistance with offset, industrial participation and counter-trade arrangements.

Please note this list is not exhaustive and more guidance can be found within the ITP Aero Adviser Procedure P-0258.

### Red flags

Indicators, or warning signs, that something might not be right. Red flags must not be ignored, but what is done when they exist will depend on the circumstances of each case.

## Company

This means any company within the *ITP Aero* group, 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* group or any Company thereof as defined above.

# 1 Advisers Policy

## 1.1. Policy

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1.1.1. We will appoint Advisers of known integrity and require that their conduct meets our standards at all times.

1.1.2. It is an Adviser's work, not its title, which is important. Any firm, organisation or individual performing Adviser Services will be covered by the Policy regardless of any alternative label or description of them. If an employee is unsure whether a party falls within the definition of "Adviser" in this Policy, he or she must contact the Ethics & Compliance Manager.

1.1.3. There is a Procedure for the appointment, management, payment and termination of ITP Aero Advisers compatible with this Policy and mandatory for all employees. This procedure is Advisers Procedure P-0258.

1.1.4. ITP Aero Ethics & Compliance will ensure that training programmes concerning the Policy and the Procedure are made available for employees and Advisers. Such training programmes are mandatory and must be completed on a periodic basis by all Advisers, all employees who work with or are involved in the appointment, payment, termination, monitoring or management of Advisers and all managers of such employees.

## 1.2. All employees

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### You must:

1.2.1. Only manage, pay, renew, amend and/or terminate the terms of appointment of an Adviser in accordance with applicable law and regulations, the principles outlined in this Policy and the steps set out in the Procedures;

1.2.2. Only engage Advisers of known integrity that meet the high ethical and commercial standards of ITP Aero and Rolls-Royce;

1.2.3. Only make payments to Advisers that are approved, proportionate, proper, legal and legitimately due in relation to the services provided and that are accurately described and recorded in ITP Aero's books and records;

1.2.4. Monitor Advisers' performance and require evidence that services have been duly and properly rendered by the Advisers; and

1.2.5. Report as soon as possible if you know or suspect a breach of this, or any ABC Policy by you or by another person. Reports should be made to the Ethics & Compliance Manager or Executive Director of Organization & Resources or the ITP Aero Ethics Line.

### Further:

1.2.6. In addition to complying with the law, this Policy and the Procedures, those wishing to appoint an Adviser or renew or amend a contract with one must clearly demonstrate the following:

1.2.6.1 There is no apparent risk that the Adviser will engage in corrupt or unethical behaviour.

1.2.6.2 there is a clearly demonstrated and documented business case for retaining the Adviser in a particular market for a particular product, service or purpose

1.2.6.3 there is a compelling justification for the remuneration proposed (taking into account remuneration paid to other advisers in the same market or comparable markets); and

1.2.6.4 ITP Aero and Rolls-Royce would not be embarrassed if the fact that the Adviser was retained, its mission and the terms of its engagement were made public.

### **1.3. Executive Director, Heads & Managers (ITP Aero Leaders)**

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**You will ensure that:**

1.3.1. All relevant employees in your business, area or function are aware of this Policy and the Procedures;

1.3.2. All relevant employees in your business, area or function receive regular messages from line management to comply with this Policy e.g. via an agenda item for team meetings or other regular communication methods;

1.3.3. All employees in your business, area or function complete any required ABC training on this Policy and refresher training, as appropriate to their roles;

1.3.4. Sufficient resources and personnel, and appropriate systems and reporting requirements, are in place to properly implement and operate this Policy;

1.3.5. The records required by this Policy and applicable ABC Laws and Regulations are complete, up-to-date and accessible for internal and external review; and

1.3.6. Any non-compliance with this Policy and applicable ABC Laws and Regulations within your business, area or function is dealt with in an appropriate and timely manner, and reported to the Ethics & Compliance Manager or Executive Director of Organization & Resources.

### **1.4. Red flags**

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1.4.1. Red flags are indicators, or warning signs, that something might not be right. If employees become aware of any red flags relating to an Adviser, they must report the red flags immediately to the Ethics & Compliance Manager or Executive Director of Organization & Resources. The existence of a red flag does not automatically mean that ITP Aero must not engage, or must cease dealing with, the Adviser, but any red flags must be investigated and resolved without delay. The exact nature of any resolution will depend on the circumstances surrounding each red flag. Some examples of common red flags may be found in the Advisers Procedure P-0258.

### **1.5. Breaches of this Policy**

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1.5.1. Breaches of this Policy are not acceptable and may result in disciplinary action up to and including dismissal.

## 2 Where to find out more

If you have any questions or need further information, you can contact:

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- The ITP Aero Ethics Line:  
Available at the intranet [ecm.itpaero.com](http://ecm.itpaero.com) and the website [www.itpaero.com](http://www.itpaero.com)

## 3 Other documents you should read

- ITP Aero Advisers Procedure P-0258
- The *ITP Aero* Code of Conduct
- The ABC Policies and guidance documents on the *ITP Aero* intranet Ethics & Compliance site