

Global Gifts and Hospitality Policy

Trusted to Deliver Excellence

Introduction

Rolls-Royce 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 Rolls-Royce policies and by law. Improper offers and acceptance of gifts and hospitality can cause serious harm to Rolls-Royce.

This Global Gifts and Hospitality Policy (“Policy”) is mandatory and applies to all employees of Rolls-Royce and its subsidiaries and joint ventures which Rolls-Royce controls (“Rolls-Royce” or “Company” or “employees”). A Rolls-Royce employee who is a director on a Board of a non-controlled joint venture should encourage the joint venture to adopt this Policy as a model or use a similar policy. 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. Breaches of the ABC Policies, including this Policy, are not acceptable and may result in disciplinary action up to and including dismissal.

This Policy:

- provides a framework for our approach to gifts and hospitality
- sets out our gifts and hospitality standard

Common terms

Compliance Online: the gifts and hospitality reporting system of Rolls-Royce. It is available at: www.rolls-royce.com/compliance.

gift: anything of value offered or given to, or received from a person or entity outside of Rolls-Royce, that is not hospitality.

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

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 1.7.

G+H report: any report detailing the offering, giving or receiving of G+H in Compliance Online as specified in this Policy.

Line Manager: the employee who approves the expenses of another employee.

Senior Manager: the employee who approves the expenses of another employee’s Line Manager.

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;
- 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.

1. Global Gifts and Hospitality Policy

1.1. Offering, giving or receiving G+H

Any G+H you offer, give or receive 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 in connection with the explanation, demonstration or promotion of Rolls-Royce products and services (when giving G+H);

1.1.3 be given in an open manner and not create an expectation that you or Rolls-Royce will give or receive something in return;

1.1.4 be in good faith and reasonable in value and frequency;

1.1.5 be compliant with any applicable laws, rules and regulations;

1.1.6 be expensed in accordance with the appropriate business expense policies and procedures (when giving G+H);

1.1.7 where possible be approved in writing in advance as 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;

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

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

1.1.10 not be offensive or inappropriate; and

1.1.11 not be in the form of per diem or daily payments.

1.2. All employees

You must:

- 1.2.1 not deliberately structure an arrangement specifically in order to avoid approval and reporting requirements in this Policy;
- 1.2.2 not offer, give or accept tickets to, entertainment, cultural or sporting events without both the giver and receiver attending;
- 1.2.3 not offer, give or accept any G+H if you are not sure if it complies with this Policy;
- 1.2.4 not offer, give or accept any G+H in your personal capacity from or to a business contact of Rolls-Royce in order to avoid approval and reporting requirements of this Policy;
- 1.2.5 accept any additional scrutiny, audits or restrictions on G+H that ABC Compliance may impose;
- 1.2.6 report to the ABC Compliance team any G+H you are concerned may be lavish, extravagant, in cash or illegal, or that is made with the intent or apparent intent of obtaining an inappropriate advantage or benefit, whether you are involved or not;
- 1.2.7 ask your Line Manager, Senior Manager or a member of the [ABC Compliance team](#) if you are not sure of the Policy requirements; and
- 1.2.8 report as soon as possible if you know or suspect a breach of any ABC Policy by you or another person. Reports should be made to a member of the ABC Compliance team, the Legal Function or the Ethics Line.

1.3. Sector Presidents, Function Heads, Business Leaders, Senior Managers and Line Managers

You must:

- 1.3.1 review and approve G+H in writing according to the requirements of this Policy;
- 1.3.2 review G+H reports created by your team in Compliance Online; and
- 1.3.3 appoint an In-Country Owner for any visits according to Section 1.7.

1.4. G+H limits, approval and report requirements

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

- 1.4.2 **less than £100**, without a G+H report if the G+H is not subject to Section 1.5. If you are not sure, ask your Line Manager.
- 1.4.3 **£100 to £200:**
- your Line Manager must approve the G+H according to Section 1.1.7; and
 - you must create a G+H report; and
 - you must attach the approval to the G+H report.
- 1.4.4 **more than £200:**
- your Line Manager and Senior Manager must approve the G+H according to Section 1.1.7; and
 - you must create a G+H report; and
 - you must attach the approvals to the G+H report.

1.5. Government Officials, spouses and contracts

you may offer or give G+H (values are per person per event):

1.5.1 **£200 or less:**

- a) to a **Government Official**; and or
- b) to a **spouse**, partner or someone without an obvious business connection; and or
- c) to an entity if required by a **contract** (for example site or factory visits, training).
 - your Line Manager must approve the G+H according to Section 1.1.7; and
 - you must create a G+H report; and
 - you must attach the approval to the G+H report; and
 - for (c), you must attach the contract extract to the G+H report.

Low value refreshments do not require a G+H report.

1.6. G+H reports

Where you are required by Section 1.2 to create a G+H report:

1.6.1 you must create the G+H report in Compliance Online within ten business days after the G+H was given or received;

1.6.2 when the Company has given G+H, the G+H report must be created in the name of the most senior employee involved;

1.6.3 each employee receiving G+H that requires a G+H report, must create a G+H report in their own name;

1.6.4 Compliance Online will automatically send confirmation of the G+H report to you and your Line Manager;

1.6.5 you must not include any government classified or restricted information in a G+H report; and

1.6.6 if you are not sure if you are permitted to include details of a programme or individual in your G+H report, contact your in-country Legal Function.

1.7. Visits

Where Rolls-Royce is required to pay for G+H (sometimes specified in a contract) as part of a visit over one or more days:

1.7.1 an In-Country Owner, located in the country of the visit must be appointed.

In-Country Owners must:

- be experienced in meetings with external entities;
- be responsible for the visit schedule, agreed agenda and expenses of the visit;
- ensure that Rolls-Royce only offers or accepts G+H that complies with this Policy, even if something different is contracted;
- ensure that the visit takes place in a suitable location relating to the business;
- obtain the names and job titles of all visitors, who will be selected by the visitor's own organisation or selected based on pre-determined merit based criteria;
- issue an invitation letter to each visitor in advance of the visit, with the visit conditions;
- obtain written confirmation that the proposed G+H is allowed under the visitor's organisation internal policies and local laws;
- ensure that the visit conditions are adhered to; and
- ensure that a G+H report is completed according to this Policy, with the invitation and confirmation letters attached.

1.7.2 Visit conditions:

- Travel is arranged according to the applicable Rolls-Royce Travel Policy:
 - hotel accommodation will be 3 or 4 star;
 - flights and train journeys will be in economy class;
 - meals will be at or less than the relevant value.
- When Rolls-Royce is providing an evening meal:
 - if a Rolls-Royce employee is attending, an employee will pay for the meal;
 - if a Rolls-Royce employee is not attending, payment will be made to the restaurant with an agreed limit.
- Travel and accommodation will be booked and paid for directly to the Rolls-Royce approved provider.

- Payments will not be made directly to the visitor, in any form, including cash, cash equivalents or to a bank account.
- Personal expenditure (for example newspapers, minibar, personal travel or sightseeing) will not be paid for by Rolls-Royce.
- Disproportionate free time will not be added to the beginning or end of the visit, and in any event that free time will not be at the expense of Rolls-Royce.

1.7.3 In some circumstances, changes may be permitted to the visit conditions. To request permission to deviate from the visit conditions, contact a member of the [ABC Compliance team](#) in advance of any commitment being made to the visitors, or contract being signed.

1.8. Policy summary

Giving or receiving G+H per person per event	Requirements
Cash or cash equivalents	<ul style="list-style-type: none"> • Never permitted
G+H that can be considered offensive or inappropriate	
Per diem or daily payments	
G+H more than £200	<ul style="list-style-type: none"> • Senior Manager Approval • Line Manager Approval • G+H report
G+H £100 to £200	<ul style="list-style-type: none"> • Line Manager Approval • G+H report
G+H £200 or less to a Government Official and or to a spouse , partner or person without a business connection and or required by a contract	
G+H less than £100 (unless subject to Section 1.5)	<ul style="list-style-type: none"> • No G+H report

2. Where to find out more

www.infocentre.rolls-royce.com/compliance/pages/compliance_officers_contacts

or specifically the office of the Chief Compliance Counsel – ABC

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- The Rolls-Royce Ethics Line
www.rolls-royce.com/ethicsline

3. Other policies you should read

- The Rolls-Royce Global Code of Conduct
www.rolls-royce.com/global_code_of_conduct
- The ABC Policies and guidance documents on the Rolls-Royce Compliance intranet pages
www.infocentre.rolls-royce.com/compliance

Document control - for internal use only

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SPONSOR	Director of Risk
OWNER	Chief Compliance Counsel
AUTHOR	Chief Compliance Counsel
SUPERSEDES VERSION	Version 2 (15 October 2012)
SCOPE	All employees globally, controlled subsidiaries and JVs

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