

CODE OF CONDUCT

MEST



MEST

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1.1. Our values and how we conduct business

Who we are and how we behave matter to our people and the many stakeholders that have an interest in our business. We have a proud heritage, one of the world's most powerful brands and a responsibility to hand on to future generations a business that is strong and successful

Trust – never assume trust, we must earn it, each and every day. Trust is gained from our customers and other stakeholders; it is hard to earn and easy to lose. We cannot build strong relationships amongst ourselves or with our customers without it.

Deliver – we are only as good as our last success. Believing that we are good is not good enough, our customers must share our belief. Customers should benefit from our successes and recognize that what we say, we do.

Excellence – this must be our standard in everything we do and how we do it. Believing that whatever we do today can always be bettered.

This means our customers and other stakeholders trusting us and our behavior and how we conduct business, as much as for the products and services that we deliver.

Each of us has a personal responsibility to live up to our values and build trust with each other, our customers and the many stakeholders that have an interest in our business.

1. 2. Why we have this code

High standards of ethical behavior and compliance with laws and regulations are essential to protecting the reputation and long-term success of our business.

Whether we spend our day building engines, securing contracts, designing components or planning and managing projects, each of us, through our actions and decisions, has a personal responsibility for building our reputation and living up to our values of being 'trusted to deliver excellence'.

This code of conduct provides guidance on how to apply these principles in everything we do.

1. 3. Who this code applies to

All employees of MEST are required to comply this code.

The latest version of this code is available on our business ethics website.



1. 4. Your commitment to this code

We are all required to comply with this code

You must make time to read and understand the principles and rules set out in this code.

If you are a leader, manager or supervisor, you have a particular responsibility to

- Lead by example and promote and display good ethical behavior and business conduct, as well as complying with laws and regulations.
- Make sure all team members have access to and understand this code.
- Make sure your people get training on ethical issues and policies related to this code.
- Create an environment in which members of your team feel confident and able to raise ethical concerns.
- Make sure that any ethical concerns that are raised are taken seriously and followed up.

Breaches of this code are not acceptable and will result in the company taking action which may include disciplinary action up to and including dismissal.

It is not possible for this code to be exhaustive and set out every legal or company requirement. In some situations, you will need to use common sense and good judgement to make ethical decisions based on the principles contained in this code. If you are faced with a dilemma and you are unsure how to solve it, then you should ask for help.

Local laws and customs

As a company we act in socially responsible manner, comply with applicable laws and respect the societies in which we operate. Our respect for human rights is reflected in the policies and standards we have established covering business ethics, health, safety and environment, employees and community investment. We hope that our approach will help to advance the welfare of our employees and societies in which they are based.

This code establishes the minimum standards of conduct that are expected in relation to our business, regardless of our geographical location. If you believe the guidance in the code conflicts with local law and you are unsure how to act our behavior, then you should follow the higher standard.

1. 5. Identifying and solving ethical dilemmas

At work you may be faced with situations where there is no obvious right answer and you are unsure which course of action to take. This section, together with the TRUST model in section 1.7, will help you to identify instances here there may be an ethical dilemma and to find your way through these to make sound decisions.

How to identify unethical behavior or an ethical dilemma.

Ask some of the following questions.

- Are these actions legal, fair and honest?
- How would I feel about myself afterwards?
- How would this issue look if it was reported in the media?
- Would I be comfortable explaining this in court?
- How would I feel if my family and friends knew about my actions?

Listen to the conversations around you. If you find yourself hearing or saying phrases like the ones below, you may will be facing an ethical dilemma.

- “No one will ever know.”
- “It doesn’t matter how it gets done as long as it gets done.”
- “Everyone else does it, so it must be OK.”
- “Don’t worry, it’s the way we do things around here.”
- “I don’t want to know.”

1. 6. Asking questions and raising concerns

We are committed to having an environment where you can ask questions and raise concerns about business ethics without fear of retaliation. If you have experienced or witnessed unethical behavior in the workplace, including something illegal, you must report it. Do not hesitate to seek guidance on these matters. It is better to ask a question or raise a concern at an early stage than to ignore an ethical issue that could have more serious consequences in the longer term.






Questions and concerns.

If you have a question or concern the first point of contact is your manager. After contacting your manager, you or your manager can seek advice from an expert, e.g. Human Resources, Legal, Compliance, Finance or Health, Safety and Environment.

If you feel unable to speak to your manager, or unsure of where to go for help, you can also contact the ethics officer.

1. 7. TRUST Model for ethical decision-making

In most situations, it is not difficult to make the right decision, but occasionally you may be faced with an ethical dilemma that is more difficult to solve and you will have to make a judgement. In these situations, the TRUST model may help you to make ethical decisions that are consistent with our statement of values of being ‘trusted to deliver excellence.’

T	R	U	S	T
				
THINK About the ethical dilemma	READ The relevant policy or procedure	UNDERSTAND The implications of the decision for all concerned	SPEAK To others for guidance	TAKE ACTION To solve the ethical dilemma
<ul style="list-style-type: none"> • What is the dilemma? • Do you know all the relevant facts? • Who does it effect? 	<ul style="list-style-type: none"> • Is there a principle in the code of conduct to guide you? • What are the relevant policies, procedures and/or law? 	<ul style="list-style-type: none"> • What is the potential risk to you, our business or other stakeholders (e.g. Customers, suppliers, community)? • What is the likely impact on the business (e.g. Reputation, cost, quality, delivery)? 	<ul style="list-style-type: none"> • Talk to your manager, colleagues, or an expert (e.g. Human Resources, Legal, Quality, Health, Safety and Environment) as necessary. • Contact ethics officer for additional advice. 	<ul style="list-style-type: none"> • Make an informed decision – this may be a simple choice between a ‘right’ and a ‘wrong’ alternative, or a more difficult judgement between two ‘rights’. • Evaluate the results of your decision. • What was the outcome, and what did you learn from the situation?

2. 1. Diversity and inclusion

MEST's Principles

- We treat each other openly, honestly and courteously.
- We do not tolerate bullying, harassment or unlawful discrimination of any kind and encourage employees to take action about any instance which they experience or observe.
- We value diversity and promote equal opportunities for all employees in a workplace free from unlawful discrimination.
- We recruit, select and develop our people on merit, irrespective of their race, color, religion, gender, age, sexual orientation, marital status, disability or any other characteristic protected by applicable laws.
- We appreciate employees' commitments outside of the workplace and support our employees in achieving a balance between work and home life.

What this means for you

You must

- treat everyone you meet in the course of business with fairness, respect and dignity (e.g. job applicants, employees, customers and suppliers).
- speak up if you witness, or are aware of, any behavior which you believe constitutes bullying, harassment or discrimination.
- not behave in a manner that is disrespectful, bullying, intimidating, offensive or malicious, or make jokes which are discriminatory or inappropriate.
- not engage in sexual harassment including unwelcome physical contact, expressions, gestures, comments or invitations.
- not exclude others from projects, discussions and opportunities due to their race, color, religion, gender, age, sexual orientation, marital status, disability, or any other protected characteristic as required by law; and
- as a manager, make decisions about the recruitment, selection and development of employees based on objective criteria, including qualifications, skills and experience.

2. Performance and reward

MEST's Principles

- We seek to reward our employees fairly and take account of individual contributions to the performance of the business.
- We assess performance objectives in a fair and consistent manner.
- We regularly review the performance of our people and provide constructive feedback.
- We invest in training, education and development to improve the skills of our employees and the capability of the business.

What this means for you

You must

- perform your job to the best of your ability, seeking support and feedback as required.
- participate as required in the Company performance management process.
- as a manager, evaluate the performance of your team fairly and consistently and provide them with regular feedback.
- as a manager, support and promote the development of your staff; and
 - as a manager, actively manage under performance.



2.3. Employee engagement

MEST's Principles

- We encourage openness and honesty in all our relationships.
- We engage and involve our people in improving the business and welcome their feedback.
- We endeavor to share information and discuss business and work issues with our people and their representatives.
- We resolve disputes fairly.
- The decision on whether or not to join a trade union is an individual choice. We respect the relevant processes and laws on collective representation and consultation in the countries where we work.

What this means for you

You must

- ask for, provide and act on feedback.
- accept accountability for delivering the best results for our customers.
- be open with the people you work with.
- as a manager, involve your team, make sure they know what's expected of them and talk regularly to them about the contribution they're making to our success; and
- as a manager, be aware of how your decisions and actions affect your team and make sure they have the help and support they need.

3. 1. Accuracy and integrity in business records

MEST's Principles

- We maintain accurate and complete records of our business dealings, including all transactions between our business and external individuals and organizations, and all expenditure and labor charges.
- We act in line with the law and applicable technical and professional standards.
- We prepare our financial records in a timely manner, representing the facts accurately and completely.
- We maintain a rigorous system of financial, operational and compliance controls and an effective system of risk management.
- We are committed to the prevention and detection of fraud and will investigate any suspicion of fraudulent activity. Fraud is a criminal offence which we will not tolerate.

What this means for you

You must

- record all expenditure, hours worked, transactions or any other aspect of the Company's business, accurately, in a timely manner and in accordance with local procedures.
- preserve documents and records in accordance with applicable legal requirements.
- comply with the Delegated Authority Levels for the approval of financial and other business decisions.
- comply with the Group Tax Policies in relation to all tax matters and dealings with tax authorities.
- report any suspicion of fraud to Corporate Security, Internal Audit or the Rolls-Royce Ethics Line immediately.
- complete product inspection and testing documentation accurately and truthfully.
- not allow yourself to be influenced or influence others to do anything that would compromise the integrity of our business records, reports, products or services; and
- not make a false or deliberately misleading entry in a report, record or expense claim or falsify any corporate records (e.g. financial,

safety, environmental or quality results).

3. 2. Quality and continuous improvement

MEST's Principles

- We recognize that robust quality is an essential building block of safety and we continuously improve the quality and efficiency of our products and services.
- We apply our Quality Management System in all of our operations.
- We are committed to continuous improvement by working together and complying with agreed processes across businesses, functions and geographies.

What this means for you

You must

- take responsibility for your part in delivering a high-quality experience that meets the expectations of our customers.
- follow our global quality management procedures to ensure the integrity of our products and services.
- take action and respond promptly to any concerns about possible quality issues; and
- actively identify ways to continuously improve the way we operate to support our drive for process excellence.

3.3. Safeguarding our assets

MEST's Principles

- Our technologies, intellectual property and commercially sensitive information are vital assets of our business and we protect them from unauthorized use and disclosure.
- We take individual responsibility for the proper use of our business and customer property, including IT systems, materials, facilities and equipment.
- We do not tolerate the use of our business information systems to access, copy, store or transmit any information or data considered to be offensive, obscene or inappropriate.

What this means for you

You must

- only use our assets for business purposes, unless you have authorization for other use, and maintain them with care, guarding against waste and abuse.
- not seek personal gain from the use, sale, transfer or other disposal of our business assets without authorization.
- value the Company's time, and work diligently to fulfil the responsibilities of your role.
- not try to circumvent IT security controls.
- keep all our documents protected and secure.
- not disclose our confidential information to other parties, such as suppliers, customers or joint ventures, without confirming that there is an appropriate agreement in place to protect intellectual property rights; and
- always seek guidance from the Intellectual Property team before giving opinions or views on intellectual property matters.

3.4. Respecting the confidential and proprietary information of others

MEST's Principles

- We will act with integrity and protect information in our possession that is confidential or proprietary to other parties, including customers, suppliers, joint

ventures and other partners.

- We do not obtain competitive intelligence by illegal or unethical means and we do not read or use competitor information that we should not have.
- We do not solicit, acquire, read or use the confidential or proprietary information of other parties that we know to be proprietary or restricted from disclosure.
- When working with customers such as governments and defense companies where projects may raise issues of national security, we will not seek unnecessary or unauthorized access to material and we will handle customer classified or proprietary marked information in accordance with the appropriate legislation, policies and processes

What this means for you

You must

- avoid placing yourself or the Company in the position of receiving other parties' confidential, proprietary or trade secret information (including software) when not authorized to do so. If in doubt you should consult the Legal or the Intellectual Property team.
- not receive or copy documents or material (including software) unless you have specific permission to do so, and after seeking permission from the Legal or the Intellectual Property team if you are in doubt.
- not seek access to classified materials where access is not required for legitimate business purposes or if you are not authorized to do so.
- keep all documents provided to us in confidence by other parties protected and secure. It is especially critical for our people with access to government classified information or protectively marked documents to deal with them in line with business procedures, and the appropriate legislation, policies and processes.
- not disclose commercially sensitive information about a customer, supplier, joint venture or other partner company, either internally or externally, without their permission to do so; and
- if in doubt seek advice from the Legal team.

3.5. Privacy and confidentiality

MEST's Principles

- We respect the personal privacy of our people in line with applicable laws and company policies.
- We collect and process personal information only in line with our company policies in the countries in which we operate in order to meet necessary business needs and legal requirements.
- We all have a responsibility to keep personal information secure and observe the privacy of individuals.
- We may periodically review and monitor messages and call records for security and other business purposes in line with applicable laws.

What this means for you

You must

- respect the rights of individuals whose personal information you process
- only create, save, process, hold, disclose and transfer personal information in line with applicable laws.
- inform your manager if you have any concerns about how personal information is secured, processed or shared in the area of the business in which you work.
- not access or disclose personal information to anyone inside or outside the organization unless the disclosure is in line with applicable laws and our company policies; and
- speak to the Legal team or a member of the Global Data Privacy Function if you're not sure – privacy laws vary between the countries in which we operate

3.6. Media and communications

MEST's Principles

- Our reputation is a key asset and we behave in a manner that maintains and reflects well on our brand at all times.
- We sponsor activities that will meet commercial objectives and have a positive effect on the reputation of our business and its stakeholders.
- We keep all our shareholders well informed by providing information that they can access easily.
- Corporate Affairs is responsible for the management of any company official business presence and comment on social media channels.

What this means for you

You must

- use care and good judgement when speaking about our business or people, even when not in the workplace.
- not speak to the media or members of the investment community about our business without prior authorization.
- not use social media to post or display information about the company and its stakeholders that is vulgar, obscene, threatening, intimidating, harassing, libelous or discriminatory; and.
- not engage in social media forums for business purposes while acting on behalf of the company in an official capacity, without prior written approval from Corporate Affairs.



4. 1. Anti-bribery and corruption

MEST's Principles

- We have a zero-tolerance policy for bribery and corruption.
- We do not offer, give or accept anything of value that can be viewed as, or has the effect of, improperly influencing business decisions.
- It is the Company's position to use its own employees to conduct its business. However, sometimes the Company uses intermediaries such as consultants and distributors to assist in marketing and distributing its products and services. We will only appoint intermediaries of known integrity and require that their conduct meets our standards at all times.
- We do not make facilitation payments, or permit others to make them on our behalf.
- We comply with anti-bribery and corruption laws and Rolls-Royce policies and procedures that prevent bribery and corruption.

What this means for you

You must

- only offer or accept gifts or hospitality allowed under the relevant company policies.
- not make facilitation payments.
- not put yourself at risk if there is a credible threat to your personal wellbeing, health or safety if you do not make a payment to an official. In this situation you should make the payment and report it immediately to the Director of Security and your Compliance Officer.
- make sure all sponsorships and donations are properly approved; and.
- not use corporate funds or assets for political donations.

4. 2. Conflicts of interest

MEST's Principles

- We avoid any relationship, influence or activity that will impair our ability to make fair and objective decisions when performing our jobs.
- If we believe there is, or may be, a conflict of interest, we will report it to the responsible manager.
- We comply with applicable laws and regulations in relation to the employment or engagement of current or former military and civilian government personnel.
- We do not engage in, encourage or facilitate insider dealing. We will not use any non-public information about our business or other companies for buying or selling shares, other securities or financial instruments for personal gain. Nor will we pass on such information to anyone else.

What this means for you

You must

- make sure that conflicts of interest are disclosed, managed and recorded.
- discuss with your manager any personal or professional relationships that could give rise to a conflict of interest.
- not provide any services to a competitor or potential competitor.
- not place business with a firm owned or controlled by an employee of Rolls-Royce or their family, unless authorized in advance.
- not own, or have a substantial interest in, a company which is or has the potential to be a customer, supplier or competitor of Rolls-Royce unless authorized in advance.
- not use non-public information for personal gain, or pass such information to someone else (either inside or outside the company) who does not have a legitimate need for the information: and
- not place yourself in the position of hiring or supervising a family member or close personal friend, including someone with whom you are having a romantic relationship.

4.3. Export controls and importation

obligations

MEST's Principles

- The export of certain Rolls-Royce technologies, goods, services and information from some countries and/or into others is subject to restrictions under law. We will comply with all applicable export control and import laws, regulations and procedures wherever we operate.

What this means for you

You must

- comply with applicable export and import laws and regulations when transferring goods, services, software or technology within your country or across national boundaries
- always consult a member of the Export Controls or Customs and Tax teams if in doubt about the right course of action in any case involving import or export.

4.4. Competition

MEST's Principles

- We believe in open and fair competition.
- We conduct business in an honest and straightforward way.
- We comply with competition and antitrust laws.

What this means for you

You must

- avoid making formal or informal agreements with competitors which result in price fixing, bid rigging, market allocation and arrangements to limit supply as these are almost always illegal.
- be careful before you agree to any restrictions on customers, joint venture partners or suppliers as to who they can sell to or buy from and on what terms.
- not share commercially sensitive information with competitors, which may include information relating to prices, ongoing bids, terms and conditions of sales, market share, costs or profit margins.
- report any suspicions or allegations of anti-competitive behavior to your Legal team; and
- always seek advice from your Legal team if you are unsure how to proceed or need more guidance.



4. 5. Working with our customers,

suppliers and partners

MEST's Principles

- We treat all our customers and suppliers with fairness and integrity and build mutually beneficial relationships, regardless of the value of the transaction or the length of our association.
- We aim to build and maintain high levels of customer satisfaction through our commitment to improving quality, delivery, responsiveness and reliability.
- We respect the confidentiality of commercially sensitive information provided to us and we only use it appropriately for legitimate business purposes.
- We expect our suppliers and partners (including joint ventures where appropriate), their employees and their supply chains to operate to the highest standards of quality and integrity.
- When seeking new suppliers and partners we conduct thorough due diligence. We select suppliers and partners whose core values and commitment to ethical business conduct match our own.
- We are opposed to the use of any form of child labor or practices which inhibit the development of children. We believe that employment should be freely chosen and commit to refrain from using any form of forced or involuntary labor

What this means for you

You must

- communicate clearly and honestly with our customers, suppliers and partners, but take care to protect our intellectual property and not to disclose confidential information unless authorized to do so.
- make sure that all communications in bid preparations and contract negotiations with customers are accurate and truthful.
- comply with supplier selection criteria to make sure that suppliers are chosen on merit.
- contract with customers, suppliers and partners on clear terms and operate in accordance with them, making sure all

communications are accurate.

- follow our global quality and safety management procedures to ensure the integrity of our products and services, deal with any concerns appropriately and work with our suppliers to find mutually beneficial solutions to any problems that arise; and
- take appropriate action if behaviors by suppliers or partners are contrary to the principles in this Code.

5. 1. Health, safety and environment

MEST's Principles

- We expect everyone who works in our business to help fulfil our HS&E goals, which are to create a safe and healthy work environment with no injuries, no work related ill-health, no environmental incidents and prevent or minimize the impacts of our products and services.
- We understand our duty of care to our employees and we provide a range of services to protect and enhance their health and wellbeing.

What this means for you

You must

- set high standards for your HS&E behavior and expect the same of others.
- make sure that you understand the HS&E requirements of your role and seek support from the HS&E team if required
- always work to our HS&E Policy, standards and requirements.
- stop work if you think it is unsafe.
- intervene if you are concerned that an action or decision might result in us not meeting our HS&E Policy, standards and requirements.
- make sure you are up to date on the HS&E competence level required for your role.
- report and actively support learning from HS&E incidents, including near misses and unsafe acts/conditions.
- speak to your manager if you are concerned that actions or decisions may result in us not meeting our HS&E Policy or standards; and
- not put yourself or others at risk from your actions.

5.2. Community investment

MEST's Principles

- We seek to contribute to the economic development and social wellbeing of the communities in which we operate.
- We encourage community investment activities that help us to recruit, retain, engage and develop our people whilst at the same time building our reputation and demonstrating good corporate citizenship in the communities in which we operate.
- We make sure that company charitable contributions are appropriate and proportionate.

What this means for you

You must

- be familiar with the relevant policy in this area and make sure that any request for support meets this, and is made and reported within the defined process; and
- listen carefully to requests or concerns from the community and address them.

5.3. Lobbying and political support

MEST's Principles

- We engage with governments in order to communicate with them on matters relating to our business.
- We do not make corporate contributions or donations to political parties or to any organizations, think-tanks, academic institutions or charities closely associated to a political party or cause.
- Our business has no preference for one political party over another.
- Our people may take part in party politics or make personal political donations, outside the business and in their own time.

What this means for you

You must

- only engage in lobbying on behalf of our business with appropriate registration in your respective country (as required) and with prior authorization from Government Relations in your region
- when authorized to engage in lobbying on behalf of our business, work to all applicable laws and conduct yourself with integrity, honesty and transparency in all dealings with governments, their agencies and representatives; and
- not use our business time or resources to engage in personal political activities, without specific prior authorization.