

Conflict Minerals – the Dodd-Frank Act

Originator: Kent L Sharp
Job Title: Government Systems Compliance Officer
Business Unit: Supply Management

NTS Number: 382
Issue: 1
Date: 15th January 2016

For the attention of the Managing Director

Dear Sir or Madam,

Scope:

All suppliers who supplied “product” (in accordance with the definition below) to any Rolls-Royce business(es) worldwide in 2015.

Introduction:

In accordance with the Dodd-Frank Act and the Securities and Exchange Commission’s (SEC) ruling on conflict minerals, we are conducting global due diligence to ascertain and report the exact source and chain of custody for the minerals/metals listed in the Act (tantalum, tin, tungsten, and gold).

Action Required:

All suppliers who supplied a “product” to any Rolls-Royce business(es) in 2015 must e-mail a fully completed 2015 survey no later than the close of business on Thursday 31st March 2016 to the following address: ConflictMinerals@Rolls-Royce.com.

Surveys submitted for calendar years 2014 are not applicable for calendar year 2015. Furthermore, all products purchased, recorded, and subsequently provided to Rolls-Royce in 2015 cannot be classified as “unknown” or “undeterminable” per the Organization for Economic Cooperation and Development (OECD) and SEC guidance.

Please return this information using this Conflict Minerals Reporting Template:

<http://www.conflictreesmelter.org/documents/EICCGeSIDDtemplate.xlsx>

Definition of a “product”:

We interpret the good faith meaning of the term “product” as follows:

- a) Any item or items that form(s) part of the product that Rolls-Royce distributes or sells to an external customer.
- b) Any consumable or item used in the production process that also forms part of the final Rolls-Royce product. Examples include spray powders, paints, welding wire, solder, brazing foils etc.

Based on the SEC’s guidance on definitions, the statement “*In this regard, we are modifying our guidance from the proposal such that, for a conflict mineral to be considered ‘necessary to the production’ of a product, the mineral must be both contained in the product and necessary to the product’s production. We do not consider a conflict mineral ‘necessary to the production’ of a product if the conflict mineral is used as a catalyst, or in a similar manner in another process, that is necessary to produce the product but is not contained in that product*” means that we do not consider things such as coolants, abrasive blasting media, gel coats, etching acids etc. to be a “product” because they do not form part of the final product.

Items like cutting tools, broach bars, electrodes, grinding wheels, jigs and fixtures, etc. are considered as “tools” by us and therefore these items are not considered a “product” unless they also fall under the definition of (a) above.

Questions may be submitted in writing, electronically to ConflictMinerals@Rolls-Royce.com

NTS Category: Regulatory/Legislation

Authorised by:

Wendy Stopher

On behalf of the Chief Purchasing Officer