

Title: Compliance with U.S. Government Regulations

NTS Number: 264
Issue: 001
Date: 27 February 2009

Originator: Colin Donahue
Business Purchasing US Export Compliance
Tel: 317-230-6854
Fax: 317-230-3077

For the attention of the Managing Director and Trade Compliance.

Dear Sir or Madam,

Scope:

All suppliers involved in aerospace manufacture or production who import to or export from the U.S.: Country of Origin and all suppliers that export to the U.S.: C-TPAT Certification.

Introduction:

There are numerous regulations enforced by U.S. Customs and Border Protection (CBP, formerly U.S. Customs Service), which require the Country of Origin of items imported into or exported from the United States.

The applicable regulations are as follows:

- 19 CFR 141: Entry of Merchandise
- 15 CFR 30: Foreign Trade Statistics
- 19 CFR 10: Determination of Eligibility for Conditionally Free/Reduced Duty Rates
- 19 CFR 181: NAFTA Country of Origin Certification and Penalties for Non-Compliance
- 19 CFR 163: Recordkeeping
- DFARS 252.225-7014 alt. 1 Berry Amendment

Rolls-Royce must be able to substantiate Country of Origin data provided to the CBP. This is an annual requirement and must be completed by 31 March 2009. Any deviations or exceptions must be approved by the Rolls-Royce North America Customs Compliance office.

The Customs-Trade Partnership Against Terrorism (C-TPAT) is an initiative of the US Department of Homeland Security and is administered by U.S. Customs and Border Protection (CBP). Rolls-Royce as a certified and validated C-TPAT member must ensure that our supply chain partners meet the minimum security criteria as established by CBP. In order to make this assessment Rolls-Royce requires that supply chain partners annually complete a security questionnaire. Additional information on C-TPAT is available at http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/. The minimum security requirements for Non-U.S. Manufacturers are available at http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/security_criteria/sec_criteria_foreign_mfc/.

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Action Required:

The Country of Origin affidavit can be found at <http://www.suppliermanager-online.com/contract/default.html>. The affidavit must reference each Rolls-Royce part number separately. The affidavit must be completed and signed by a company representative with knowledge of the information being provided.

The security questionnaire must be completed and returned to Rolls-Royce by March 31, 2009. The security questionnaire is available at <http://www.suppliermanager-online.com/contract/default.html>. Failure to comply with this requirement will result in a review of the supply chain partner's status as an approved supplier. Please contact the Rolls-Royce North America Customs Compliance Office with any C-TPAT related questions.

Send the completed Country of Origin affidavits or any questions to:

Rolls-Royce North America
Customs Compliance Office - US
Speed Code S36
2001 South Tibbs Avenue
Phone (317) 230-6040
RRUSCOO@Rolls-Royce.com

Send the completed C-TPAT security questionnaires or any questions to:

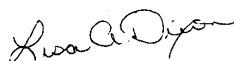
Rolls-Royce North America
Customs Compliance Office - US
Speed Code S36
2001 South Tibbs Avenue
Phone (317) 230-6040
CTPAT@Rolls-Royce.com

Yours faithfully,
For Rolls-Royce North America



Colin P. Donahue
Sr. Export Compliance Specialist - Purchasing
Rolls-Royce North America

Authorised by:



Lisa Dixon
Sr. Manager, RRNA Customs Compliance Office - US
Rolls-Royce North America