

# RTC AEROSPACE ANTI-BRIBERY POLICY

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JANUARY 1, 2016

TO: EMPLOYEES, SUBCONTRACTORS, AND AGENTS

FROM: JASON DARLEY, CEO

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## Policy Statement:

RTC Aerospace maintains an Anti-Bribery Policy prohibiting any improper or unethical payment to government officials or a party to a private commercial transaction anywhere in the world by any RTC employee or agent of RTC. This Anti-Bribery Policy is designed to comply with the requirements of the anti-bribery laws of those jurisdictions in which we do business. These laws generally prohibit bribes, kickbacks, or illegal payments to influence business transactions and require us to maintain accurate books and records and a system of internal controls. This policy is intended to assist in complying with FAR - 52.203-7 Anti-Kickback Procedures and to establish procedures and provide information necessary to educate employees in the recognition and prevention of Bribery.

## Policy Scope:

The Anti-Bribery Policy extends to RTC's operations anywhere in the world, including all subsidiaries, divisions, agents, consultants or other representatives, as well as to any joint venture or other business enterprise in which RTC is a participant. The Anti-Bribery Policy is applicable to activities of individual RTC associates, as well as corporate and business unit programs, events, campaigns and other initiatives.

## A. Penalties

Violations by any RTC associate of the anti-bribery laws or this Policy will result in progressive discipline, up to and including possible termination of such associate's employment with RTC. Violations by any RTC associate or agent can also result in severe penalties for both RTC and such individuals.

For example, individuals can receive five years of imprisonment and a \$100,000 fine for each violation of the anti-bribery provisions of the FCPA, and 20 years imprisonment and a \$5 million fine for each violation of the record keeping provisions of the FCPA. Under the U.K. Bribery Act, bribery and corruption is punishable for individuals by up to ten years imprisonment and companies could face an unlimited fine.

The FCPA specifically prohibits a company from reimbursing an officer, director, stockholder, employee, or agent for fines imposed for violations of the FCPA, so any fines for violations for which you are responsible will be paid from your personal assets. In addition, and in accordance with RTC's general legal compliance policy, RTC will cooperate fully with law enforcement authorities in the investigation and prosecution of alleged violations of anti-bribery laws.

## B. Gifts, Travel, Entertainment and Other Expenses

RTC permits reasonable expenditures for travel, meals, and entertainment. RTC also permits logo items to be given to government officials as modest gifts in ordinary course of business, provided that:

- such gifts do not exceed U.S. \$25 in value;
- only one such item per calendar year be given to any single government official;
- presenting any such gift will be in conformity with the written laws of the country in which the gift has been made; and
- the associate presenting such gift makes an immediate written report to such associate's business unit CFO

The U.S. Department of Justice and the U.S. Securities and Exchange Commission have adopted a very broad interpretation of what constitutes an instrumentality of a foreign government. For purposes of this Policy, any entity with significant governmental ownership or influence shall be viewed as an instrumentality of a foreign government.

For additional details on Gifts and Travel expense please see Employee Handbook for policy

## C. Third Parties' Compliance with RTC's Anti-Bribery Policy

RTC's obligation of ethical and legal behavior includes and encompasses the activities of RTC's agents, representatives, consultants and business partners (including joint venture partners). RTC will be held accountable for the actions of third

parties doing business in any market on behalf of RTC, so every associate and agent must remain vigilant to ensure such third party's actions are consistent with this Policy. Willful ignorance of facts or circumstances which make it likely that bribery could be occurring will be a violation of this Policy and anti-bribery laws.

Before establishing a relationship with any third party to represent RTC in any marketplace, sufficient due diligence must be performed to determine that the third party's commitment to ethical business practices is consistent with RTC's high standards, this Policy and the RTC Vendor Code of Conduct. Any arrangement with such third party should include proper contractual provisions and monitoring procedures to ensure compliance with anti-bribery laws and consistency with RTC's Anti-Bribery Policy. Particular care should be taken in any instance where the third party has interactions with government officials in the performance of its services on behalf of RTC. Areas of due diligence inquiry, as well as appropriate contractual provisions to include in any agreement with these third parties, are available by contacting our HR department.

#### D. Red Flags

Among many other situations, the following situations, whether or not involving a government official, could expose RTC and the individuals involved to a risk of a violation, and in most cases need to be reported as set forth below:

Requests or demands for a bribe.

Requests from a third party for RTC to make payments (or portion of a payment) on behalf of the third party to someone else.

- Requests or suggestions that RTC make a charitable donation to a particular charity.
- Requests for employment either on his or her own behalf or on behalf of another.
- A person with whom RTC is dealing has a reputation for receiving questionable payments.
- A demand or strong suggestion that a particular local representative should be retained for any purpose.
- A non-governmental person with whom RTC is dealing has a known family or other significant relationship with government officials.
- A request for an unusual or excessive payment, such as a request for over-invoicing, unusual up-front payments, or a request for payments to be made to a third party (or to a third country), to a foreign bank account, in cash or otherwise untraceable funds.
- A proposed agent or representative has little or no expertise or experience in the area (whether geographic, professional or otherwise) in which it will represent RTC.
- A proposed agent or representative refuses to provide written assurances that he or she will not make any improper payments.
- A proposed agent or representative requests an unusually high commission.
- A proposed agent or representative fails to provide standard invoices.
- A potential governmental customer requests an unusual credit or rebate with or from RTC in return for its business.
- Unusual bonuses or other amounts paid to agents or representatives of RTC.

#### E. Reporting Violations

Your conduct can reinforce an ethical atmosphere and positively influence the conduct of fellow associates. If you are aware of or suspect misconduct, you should report it to the appropriate level of management.

If you are still concerned after speaking with your local management or feel uncomfortable speaking with them, you should (anonymously, if you wish, if allowed by local law):

Send a detailed note, with relevant documents, to:

Mail: 7215 45th St Ct E, Fife, WA 98424

Email: HR-Fife@RTCAerospace.com

Any reports that involve the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer will be immediately communicated to the Board.

Your calls, detailed notes and/or emails will be dealt with confidentially, unless it is necessary to share such information in order to address the matter appropriately. Regardless, you have the commitment of RTC and HR Department that you will be protected from retaliation.

Nothing in this or any other RTC policy prohibits you from providing information to the U.S. Securities and Exchange Commission or any government agency in a manner contemplated by relevant law or regulation.

*A failure to report known or suspected wrongdoing in connection with RTC's business of which an RTC associate or agent has knowledge may, by itself, subject that individual to disciplinary action.*

*The HR Department is responsible for the interpretation and administration of this policy. Any printed versions of this document should be used for immediate reference only. Please refer to the latest electronically approved version.*