



GROUP CODE OF ETHICS

CHAIRMAN'S POLICY STATEMENT

Melrose's reputation for acting responsibly plays a critical role in our success as a business and our ability to generate shareholder value.

At Melrose, we maintain high standards of ethical conduct and take a zero-tolerance approach to bribery, corruption and other unethical or illegal practices. We are committed to acting professionally, fairly and with integrity in all business dealings and relationships, within all jurisdictions in which we operate.

The Company's reputation for lawful and ethical business relations is key, and we require all employees and other business associates, whether employed directly or indirectly (including suppliers, agents, distributors, and others working for or on behalf of the Company), to act professionally, safely and with integrity.

Our Code of Ethics reinforces our values and provides guidance for employees and business associates so that they are fully aware of what is expected of them, their responsibilities and the consequences of non-compliance.

To support the Code of Ethics, Melrose has developed a compliance framework with policies covering best practice with respect to Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Slavery and Human Trafficking, Competition, Conflict Minerals, Data Protection, Diversity & Inclusion, Document Retention, Environmental, Human Rights, Joint Venture, Preventing the Facilitation of Tax Evasion, Related Party Transactions, Share Dealing, Trade Compliance, and Whistleblowing.

Any employee who is or becomes aware of a possible violation of any of the above policies should disclose relevant details via their line manager or the Group's whistleblowing reporting line, which is designed to ensure that employees feel comfortable about raising concerns. Further information about the reporting process can be found in our Whistleblowing policy. The Group is committed to ensuring that employees who come forward with a genuine concern are treated with respect and dignity, do not face retaliation and are protected to the fullest extent possible.

Chairman

Melrose Industries PLC

1. INTRODUCTION

- 1.1 Melrose Industries PLC and its Business Lines (comprising the GKN Aerospace Engines and Structures businesses) ("**Melrose**", "**Company**", "**Group**" or "**we**") are committed to conducting business with the highest standards of integrity, honesty and transparency and in compliance with all relevant laws and regulations, wherever we do business.
- 1.2 All Business Line must ensure that this code of ethics (the "**Code**") is communicated and embedded into their business operations. Each Business Line must also ensure there is a mechanism in place for anyone to whom the Code applies to seek guidance on interpreting the Code, where required.
- 1.3 This code of ethics (the "**Code**") tries to capture many of the situations that may be encountered in the course of business but it cannot address every situation. If you are unsure of its application to a particular situation, further information and guidance from the legal team.
- 1.4 This Code has been approved by the board of directors of Melrose Industries PLC (the "**Board**").
- 1.5 We conduct our business operations in line with our four sustainability improvement principles:
- (a) **We respect and protect the environment.** We are committed to driving sustainable production methods and infrastructure and minimising the potential negative impact we may have on the environment over the longer term. We strive for continuous improvement through setting robust and ambitious sustainability targets aligned with our corporate strategies, and monitoring performance against them.
 - (b) **We invest in the development of products and services aligned with a Net Zero future.** We invest in improving the energy efficiency of our manufacturing processes, enabling the development of effective solutions for climate change adaptation and mitigation. We target spend on climate-related research and development to facilitate upgraded technological capabilities helping contribute to the decarbonisation of the aerospace sector through our product and services offerings to our customers, whilst also engaging closely with our supply chain to drive further improvements within the sector.
 - (c) **We prioritise health and safety, promote diversity and nurture the wellbeing and skills development of employees, and support the communities that they are part of.** We implement effective policies, procedures and training to drive health and safety best practice and to promote diversity and inclusion to ensure employees' full and effective participation and equal opportunities at all levels.
 - (d) **We exercise robust governance, risk management, and compliance.** We implement and enforce effective compliance policies and business practices ensuring that our business operates with integrity and in a responsible, ethical and sustainable manner.
- 1.6 In the context of these objectives and principles, and particularly our objective for the exercise of robust governance, risk management and compliance, this Code outlines the standards and behaviours Melrose expects of all people working for the Group. The Code is intended to encourage

appropriate behaviours and protect the reputation of the Group, and to set a positive example to customers, colleagues, suppliers, shareholders and other stakeholders.

- 1.7 We are committed to creating a supporting environment in which employees are able to raise concerns without fear of retaliation. The Whistleblowing policy contains details of mechanisms by which employees can raise any concerns about the conduct of any person.

2. **SCOPE**

- 2.1 This Code applies to all individuals working at all levels throughout the Group, including senior managers, officers, directors, employees (whether permanent, fixed-term, or temporary), contractors, trainees, casual workers/agency staff, volunteers, or any other person working for the Group throughout the world. Everyone to whom the Code applies must take time to read the Code and understand how it applies to them.

- 2.2 If Melrose has an investment in an entity over which it does not exercise effective control, it shall use its influence to encourage the entity to adopt standards that are substantially equivalent to those set out in the Code.

- 2.3 Melrose also expects its suppliers and other business partners to conduct themselves in a manner consistent with the Code and its sustainability policies.

- 2.4 The Code provides guidance on key risk areas that may arise during the course of our business as well as guidance on how to act in certain situations and whom to contact for further information. The key principles described below are reinforced in Melrose policies.

- 2.5 All people working within the Group have a responsibility to protect the Group's reputation in everything they do and say. This includes:

- (a) complying with applicable laws and regulations in all countries in which we operate;
- (b) conducting ourselves in a professional manner with high standards of honesty and integrity;
- (c) following Group and Business Line policies and procedures, as well as upholding the principles set out in the Code;
- (d) working with suppliers and other business partners to ensure our high ethical standards are maintained;
- (e) speaking up if we think the law or the Code, or any policy, has been breached in any way, or may be breached in the future; and
- (f) if in doubt, seeking guidance.

3. **KEY PRINCIPLES COVERED BY THE CODE**

3.1 Bribery and corruption

- (a) We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity, throughout our business, in all our business dealings and relationships, within all jurisdictions in which we operate. This includes a prohibition on "facilitation payments" (i.e. payments that may or actually constitute a small bribe to speed up an otherwise legitimate process) under any circumstances.

- (b) Our Anti-Bribery and Corruption policy sets out the Group's standards and requirements with respect to anti-bribery and corruption. Under the policy, we require all employees and other business associates, whether employed directly or indirectly (including suppliers, agents, distributors, and others working for or on behalf of the Company), to act professionally and with integrity. This includes a prohibition on giving, promising to give, offering, or authorising the giving or offering of, or accepting bribes in any form (including kickbacks). In addition, direct or indirect political donations are prohibited.
- (c) Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act dishonestly, improperly or in a way which they would not have done had they not been paid or promised the bribe. Examples include:
 - (i) Bribing a public official to win a public tender or to secure a licence or permit from a government authority;
 - (ii) Channelling bribes through a consultant to win a public contract;
 - (iii) Paying a "facilitation payment" to speed up an otherwise legitimate process;
 - (iv) Employing a close relation of a public official to influence the award of a contract.
- (d) If you are in any doubt as to whether any conduct could amount to bribery, you should report your concern in accordance with the Whistleblowing policy.

3.2 Gifts and hospitality

- (a) Gifts and hospitality can be a legitimate and important aspect of developing business relationships. You are not prohibited from accepting or offering reasonable and appropriate gifts and hospitality in the normal course of the Group's business, provided it is not made with the intention of influencing the recipient in order to obtain or retain business or a business advantage and would not be perceived as such by the recipient.
- (b) Our requirements relating to gifts and hospitality are set out in the Anti-Bribery and Corruption policy. The policy requires, among other things, that all gifts and hospitality are promptly and accurately recorded in the Company's records.

3.3 Conflicts of interest

- (a) Conflicts of interests arise where the interests of a director, officer or employee of the Group, or one of their family members, conflict with the interests of the Group itself. Examples include:
 - (i) an employee's spouse being a senior employee of a customer/supplier;
 - (ii) an employee also being a shareholder/owner of a privately owned supplier.
- (b) We are committed to identifying potential conflicts of interest situations and minimising them appropriately in line with the principles set out in our Anti-Bribery and Corruption policy. Wherever possible, you should avoid putting yourself in any situation where a conflict of interest may arise. You must declare any positions of responsibility, shareholdings or other interests in any related party entity on an annual basis in accordance with the policy.

3.4 Money laundering

- (a) Money laundering is the process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently, or recycled to fund further crime. The "proceeds of crime" are, broadly speaking, money or other property which results from any criminal conduct, including (for example) bribery and corruption, tax evasion, modern slavery and breaches of competition law.
- (b) Melrose is committed to preventing money laundering and complying with all applicable anti-money laundering laws and regulations wherever we do business. Melrose and its employees can commit offences by dealing in the proceeds of any person's crime, even if there is no intention to "launder" such proceeds. We take seriously the responsibility of ensuring our business is not used for the purposes of money laundering and are committed to best practice in this area, as set out in the Anti-Money Laundering policy.

3.5 Competition

- (a) We promote free and fair competition in our business operations. We do not enter into inappropriate discussions, agreements or other arrangements with competitors concerning pricing, market sharing or other similar activities that might restrict competition. We do not abuse our market power.
- (b) As set out in the Competition policy, you must not engage in illegal or unethical business practices that contravene competition laws. For example, you must not:
 - (i) misappropriate proprietary information;
 - (ii) obtain trade secrets without the owner's consent;
 - (iii) induce the disclosure of proprietary information or trade secrets from another person;
 - (iv) take unfair advantage of any person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any similar unfair practice.

3.6 Trade compliance

- (a) In conducting business across borders, we must comply with our obligations under applicable sanctions, export controls and customs laws and regulations, in accordance with the Trade Compliance policy. Compliance failures can result in fines, criminal penalties, adverse publicity and suspension or revocation of the Group's import or export privileges.
- (b) We conduct appropriate due diligence to determine whether our transactions involve parties or countries subject to sanctions or other trade restrictions, or export-controlled technologies, and we obtain any authorisations necessary to conduct our transactions. We also ensure that we appropriately determine the classification, value and origin of our products for customs purposes, and submit accurate customs documentation.

3.7 Data privacy and confidential information

- (a) Melrose strongly respects privacy and seeks to minimise the amount of personal data that it collects, as well as ensuring the robust and sufficiently segregated storage of any data

that is held. We are committed to handling personal information in line with all applicable data protection laws.

- (b) You must always safeguard personal information and only use it for valid business purposes. The Data Protection policy sets out the rules that you must follow when handling personal information. This applies to all information, whether held in electronic or hard copy form, from which a person could be identifiable. Do not access others' personal data without appropriate authorisation, only use it for legitimate legal or business purposes and only hold information as long as it is necessary to carry out the relevant task.
- (c) Confidential business information about the Group should never be disclosed in advance of being announced to the public. If information gets into the wrong hands it could affect our competitive advantage, cause financial loss, damage our reputation, or breach legal/regulatory requirements.

3.8 Document retention

- (a) You must ensure that all records and documents are adequately protected and maintained in accordance with the Document Retention policy. This includes appropriately protecting and maintaining electronic documents, such as emails and word processed documents.

3.9 Joint ventures (JVs)

- (a) We recognise that conducting business through a JV can involve a range of compliance risks. We must carefully assess these risks through due diligence before entering the JV arrangements. We must also take steps to mitigate these risks by including appropriate contractual provisions in the JV arrangements, and taking an active approach to management of the JV's compliance.
- (b) JVs which are majority-owned should be subject to Melrose's compliance policies. JVs which are not majority-owned should be encouraged to adopt compliance policies which are substantially equivalent to those of Melrose.
- (c) The relevant requirements on due diligence and management of risk are set out in the Joint Venture policy.

3.10 Human Rights, Human Trafficking and Modern Slavery

- (a) Melrose is committed to upholding human rights according to international standards, and to ensuring that the human rights of all its employees are protected.
- (b) Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour, child labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.
- (c) Melrose has a zero tolerance approach to the abuse of human rights and any form of modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to safeguard against adverse human rights impacts and to ensure that modern slavery is not taking place anywhere in our own business or in any of our supply chains. Further details are set out in the Anti-Slavery and Human Trafficking policy and the Human Rights policy.

- (d) If you are in any doubt as to whether any conduct could lead to, or suggest, a breach of the Anti-Slavery and Human Trafficking policy or the Human Rights policy, you should report your concern in accordance with the Whistleblowing policy.

3.11 Ethical Sourcing and Conflict Minerals

- (a) Melrose expects its suppliers to operate their businesses in a way that supports the Group's commitment to acting ethically and responsibly and that is consistent with the Code. This includes complying with any supplier-related policies that our BusinessLines have implemented locally.
- (b) We are committed to conducting business with integrity and in a responsible, ethical and sustainable manner. This includes a commitment not to source products or raw materials containing Tungsten, Tantalum, Tin, and Gold ("**3TG**") from the Democratic Republic of Congo or an adjoining country. Accordingly, we work closely with our suppliers to ensure they respect human rights, promote decent working conditions and improve sustainability across our supply base. We also take steps to ensure that when our Business Lines source products or raw materials containing 3TG minerals we have strict procedures in place to ensure that such 3TG minerals are sourced responsibly and from conflict-free regions of the world, as set out in the Conflict Minerals policy.

3.12 Environmental

- (a) Melrose is committed to improving its businesses for the good of shareholders, the environment and other stakeholders. One of our four overarching sustainability principles is our commitment to respect and protect the environment. We are committed to driving sustainable production methods and infrastructure and minimising the potential negative impact we may have on the environment over the longer term whilst also helping to contribute to the decarbonisation of the aerospace sector through our product and services offerings and engaging closely with our supply chain to drive further improvements. We encourage our Business Lines to deliver on their commercial and environmental goals and help to find effective solutions to assist them in protecting the environment. We strive for continuous improvement through setting robust and ambitious sustainability targets aligned with our corporate strategies and monitoring performance against them.
- (b) We are committed to making continuous, long-term improvements to mitigate the impact that we and our businesses' products have on the environment, including by reducing our energy consumption, our water consumption and the amount of waste we generate, diverting waste from landfill, and protecting biodiversity wherever we operate, as set out in the Environmental, Biodiversity and Water policies.

3.13 Preventing the facilitation of tax evasion

- (a) Melrose is committed to paying taxes that are due, complying with all applicable laws, and engaging with all applicable tax authorities in an open and cooperative manner. We take a zero tolerance approach to acts which enable tax evasion to take place, as set out in the Preventing the Facilitation of Tax Evasion policy.
- (b) Relevant risk factors that should be considered in particular as possibly potentially providing the conditions in which tax evasion may more easily be facilitated include:
 - (i) business relationships conducted in unusual circumstances;

- (ii) legal persons or arrangements that are personal asset holding vehicles;
 - (iii) companies that have nominee shareholders or shares in bearer form;
 - (iv) doing business with businesses that are cash intensive or where the ownership structure of the company appears unusual or excessively complex; and
 - (v) country or geographic risk factors.
- (c) As set out in our Preventing the Facilitation of Tax Evasion policy, people working for the Group must not:
- (i) facilitate, be knowingly concerned in or take steps with a view to tax evasion by another person;
 - (ii) aid, abet, counsel or procure tax evasion;
 - (iii) take part in any other offence which concerns tax evasion;
 - (iv) threaten or retaliate against another worker who has refused to facilitate tax evasion, or has raised a concern under this policy;
 - (v) engage in any activity that might otherwise lead to a breach of this policy; or
 - (vi) fail to report, if they become aware, that Group Associates or External Associates are facilitating the evasion of tax.

3.14 Related party transactions

- (a) Group directors, officers and employees must comply with the Related Party Transaction policy prior to entering any transaction or arrangement with a “Related Party” (as defined in the Related Party Transaction policy).

3.15 Fraud

- (a) Fraud is a serious crime that can harm the Group and can have a significant negative impact on our costs, profits, integrity and reputation. Fraud generally refers to making a gain through dishonesty, deception or abuse of position, including forgery, lying and concealment of material facts, and can happen in many different parts of the Group.
- (b) People working for the Group must not engage in any kind of fraud and have a responsibility to protect the Group from fraudulent activity, whoever commits it. We place significant trust in our colleagues to act honestly at all times, so we will always investigate and take action when we suspect that fraud has been committed against the Group.
- (c) People working for the Group must not engage in business with companies that have a reputation for fraudulent activity and must conduct appropriate due diligence on new business partners before working with them.

3.16 Diversity, Equity and Inclusion

- (a) We recognise the importance of diversity in delivering better business performance and building a high-calibre workforce, as well as good labour relations, employee engagement and people development. We are committed to championing diversity in the broadest

sense, be that along geographical, cultural, personal or market lines, encompassing gender, race, sexual orientation and disability. Whilst remaining a meritocracy, we are actively engaged in finding ways to increase the diversity across the Group, and the sectors in which we operate.

- (b) We are committed to promoting fair employment, providing equal opportunities for all employees within the Group, and respecting their human rights and interests. This includes a commitment to fostering a culture of clear communication and employee consultation and engagement across the Group.
- (c) All people working for the Group must treat everyone fairly and equally, without discrimination on the grounds of race, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, dependants, disability, social class or political views.

3.17 Health and Safety

- (a) We recognise the increasing importance of taking a holistic approach to employee wellness, protecting their physical health and social wellbeing, and fostering a positive workplace culture that attracts and retains a highly skilled workforce. We are committed to ensuring that our employees are safe, and we prioritise the safeguarding of employee health and wellbeing across the Group.
- (b) All people working for the Group must comply with health and safety procedures and instructions relevant to their work and help ensure that those they work with comply with such procedures. Work must never be undertaken under the influence of alcohol or drugs.

3.18 Supply Chain

- (a) We want our businesses and their suppliers to aspire to be sustainable in their operations and supply chain, conducting themselves with environmental and social responsibility, and focusing on innovation and quality excellence in their delivery. All suppliers to the Group are expected to act in accordance with our Supply Chain policy.
- (b) We set ourselves robust and ambitious sustainability targets and commitments. While the targets we set are our own responsibility, we work with our suppliers to reduce environmental impact across our value chain and create positive social impact.
- (c) We recognise the serious threat posed by climate change to our business's operations and its supply chains, and to achieve our Net Zero ambition, our suppliers' need to decarbonise and reduce their emissions, taking proactive action to minimise their impact on climate change considering the entire supply chain in their activities.
- (d) We expect our suppliers to respect and adhere to the principles stipulated in our Supply Chain policy when entering any transaction or arrangement with our business.

3.19 Speaking Up

- (a) If any person working in the business at any level and in any capacity sees any conduct that could represent a breach of the requirements of this Code or any Group or local policies, or which raises a concern for any other reason, they should report the matter as soon as possible in accordance with the Whistleblowing policy.

- (b) No action will be taken against any person who raises a genuine concern under the Whistleblowing policy which is not confirmed by subsequent investigation. All persons raising concerns will be treated with respect and dignity and will receive the relevant protection under applicable law for raising a genuine concern. Victimisation of or retaliation against a person who raises a genuine concern in good faith is a disciplinary offence and may result in termination of employment.
- (c) A multi-lingual online portal is available through which any person can confidentially raise concerns. This is supported by regular online and physical communications and training. Whistleblowing is monitored by the legal team, and by the HR and other functions depending on the nature of each whistleblowing report.
- (d) The Board monitors the nature of issues reported. An annual report is prepared for the Board's Audit Committee, highlighting whistleblowing activity across the business. The Audit Committee reviews this report and works with the Group's senior management team to identify and rectify any adverse trends relating to material matters raised through the whistleblowing platform.