

■ Factsheet - Advisers

How do you use Advisers?

Advisers are commonly used in many industries to provide external knowledge and expertise. We engage advisers to support our business in a number of ways, including:

- Providing essential knowledge on dealings in particular markets
- Providing direct or indirect promotion and support of marketing, sales or business development campaigns
- Assisting with understanding the customer and/or its organisation, requirements and budget allocation
- Advising on strategic aims and objectives
- Assisting with understanding and influencing the strategic or political environment or the context for our business, including lobbyists
- Assisting with setting up meetings with customer contacts
- Assisting with offset and counter-trade arrangements
- Assisting with assessing a security threat against BAE Systems.

What's the issue with Advisers?

Some stakeholders are concerned that the use of advisers may be associated with corruption. We have a zero tolerance policy towards corruption and our Adviser Policy helps us address this concern by reducing ethical, reputational and legal risks associated with the appointment and use of advisers.

What is your policy on Advisers?

Our Adviser Policy governs the appointment, management and payment of all third parties engaged to guide, influence, promote, assist and support our sales and marketing efforts or advise on the strategic development or the political context of our business or aspects of security.

The policy governs our process for selecting, appointing, managing, paying and terminating advisers. It requires that:

- We must only appoint advisers of known integrity and that advisers must comply with our standards of conduct at all times
- The appointment process for advisers confirms that there is no apparent risk that the adviser will engage in corrupt or unethical behaviour, and that any issues of potential concern are satisfactorily resolved through appropriate due diligence enquiries
- There is a clearly demonstrated business case for retaining the adviser and compelling justification for the remuneration proposed.

How do you make sure the policy is upheld?

Employees involved directly in dealings with advisers must undergo training on the policy. Compliance with the policy is monitored through our Operational Assurance Statement process.

How do you govern the selection of Advisers?

Adviser appointments are reviewed and assessed by our Business Development Adviser Compliance Panel, chaired by independent lawyers. This applies to the appointment of all advisers for business development, security, offset and lobbying activities with the exception of certain domestic lobbyists in the US whose appointment is subject to separate legislative controls.