

Key Takeaways from the FCPA Enforcement Action Involving Rolls-Royce plc

Enforcement Actions: DOJ DPA (Rolls-Royce plc) – December 20, 2016 (announced January 17, 2017)

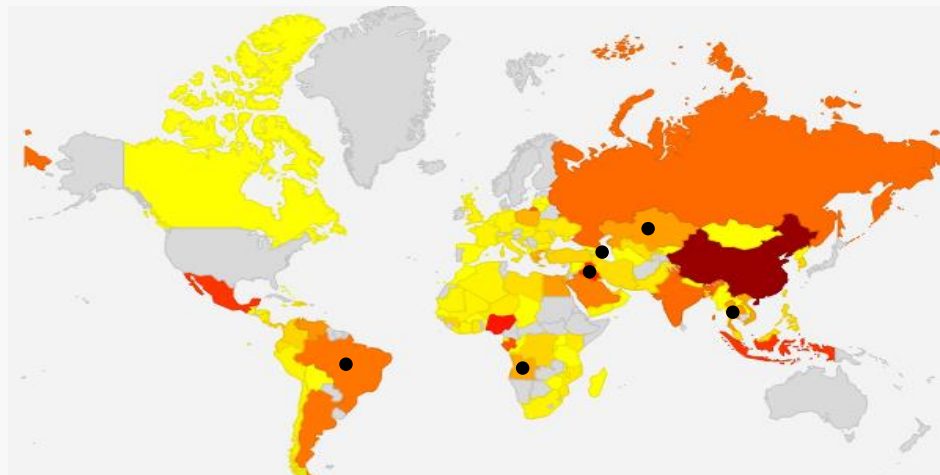
Total Sanctions: \$169,917,710



14th highest monetary sanction (of 187 total monetary sanctions against corporations in FCPA Groups to date)

Type of Bribery: Money

Geography: Angola, Azerbaijan, Brazil, Iraq, Kazakhstan, Thailand



Industry: Aerospace/Defense - the 36th FCPA Group in the Aerospace/Defense industry

Implicated Companies: Rolls-Royce plc (ticker: RR, exchange: London Stock Exchange)
Rolls-Royce Energy Systems, Inc. (subsidiary of Rolls-Royce Holdings)

Individuals Prosecuted: None

Description & Notes on the Resolutions:

From about 2000 to 2013, Rolls-Royce, along with its subsidiary Rolls-Royce Energy Systems and other affiliated entities, engaged in a scheme to make over \$35 million in commission payments to various third-party intermediaries, knowing that those commissions were going to be used to bribe foreign officials in Angola, Azerbaijan, Brazil, Iraq, Kazakhstan, Thailand, and elsewhere. These bribes were used to obtain confidential information and contract awards. The deferred prosecution agreement was announced in conjunction with a separate deferred prosecution agreement with the Serious Fraud Office in the U.K. and a leniency agreement with Brazil's Ministerio Publico Federal. In all, Rolls-Royce agreed to pay fines of approximately \$809 million in the three enforcement actions. Citing the company's full cooperation and significant remediation, the DOJ agreed to a 25% downward departure below the sentencing guidelines range, plus a credit of \$25,579,179 based on the penalty paid in the Brazilian proceeding. Of the \$169.9 million penalty imposed by the DOJ, \$30 million must be paid to the Consumer Financial Fraud Fund.

Mitigating / Aggravating Factors:

Self-Reported	Cooperation	Voluntary Remediation
No	Yes	Yes

Compliance / Reporting:

Compliance Obligation	Monitor Ordered	Length of Reporting
Yes	Self-Reporting	3 years