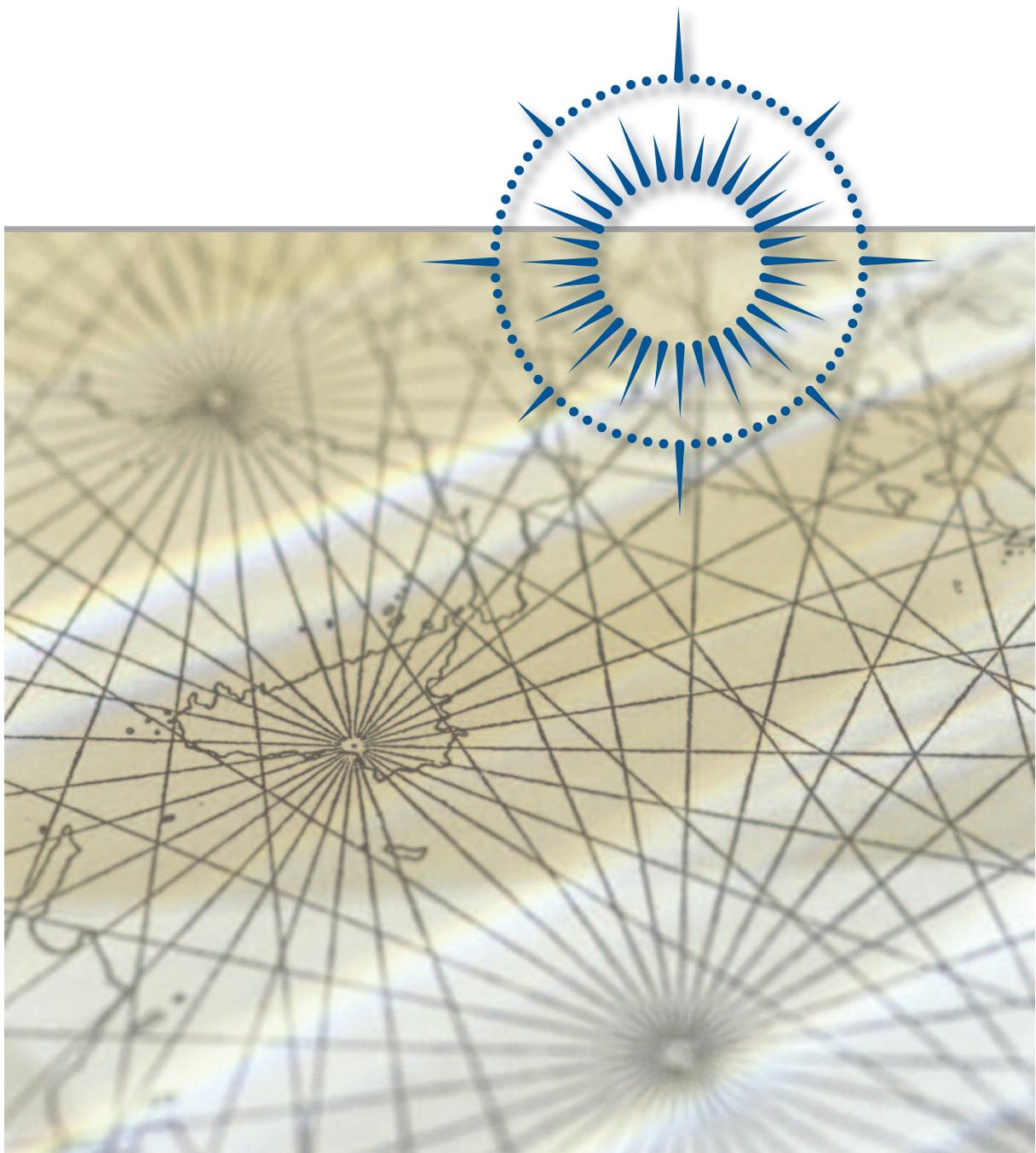




## Business Conduct Guidelines

**INTEGRITY | RESPECT | TRUST | PURSUIT OF EXCELLENCE**

CUSTOMERS | EMPLOYEES | BUSINESS PARTNERS | SUPPLIERS | SHAREHOLDERS | COMMUNITY | ENVIRONMENT



# Textron Business Conduct Guidelines

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Textron provides the *Business Conduct Guidelines* to its employees worldwide for their guidance in recognizing and resolving business conduct issues. The *Guidelines* are not an employment contract and do not create contractual rights.

**OUR GOALS:**

- Living Our Values Every Day
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**OUR VALUES:**

At Textron we are committed to the values of **INTEGRITY, RESPECT, TRUST** and **PURSUIT OF EXCELLENCE** in all relationships with **CUSTOMERS, EMPLOYEES, BUSINESS PARTNERS, SUPPLIERS, SHAREHOLDERS, the COMMUNITY** and the **ENVIRONMENT**.

### OUR GOALS:

- Adopting Premier Behaviors
- 

### OUR BEHAVIORS:

- **Be Accountable**  
Hold ourselves and others accountable for execution. Deliver on our commitments.
- **Enable Change**  
Challenge the status quo by always looking for opportunities to improve.
- **Make Others Successful**  
Approach our work with a keen focus on how we can help our customers, investors and each other be more successful.
- **Think Textron Enterprise**  
Apply an enterprise perspective and mindset in decisions and actions. Think about how what we're doing can be helped by, or help strengthen, the Company as a whole.
- **Debate and Support Decisions**  
Demonstrate the courage to debate, and then get behind the decision, supporting it in both word and deed.
- **Listen and Communicate**  
Take the time to engage in two-way communication, which is more about active listening than it is speaking.
- **Put the Customer First**  
Relentlessly focus on understanding and addressing our customers' needs. This applies to all of us, regardless of the role we play in the organization.
- **Understand How I Add Value**  
Each of us needs to have a clear picture of how what we're doing, every day, adds value to the business. If we aren't sure, then it's time to re-evaluate what we're doing.
- **Think Globally**  
Understand the world around us, and view our opportunities, challenges and resource needs within a global context, not just within the confines of our local geography. This applies to growth, cost, and talent — our competitiveness across every dimension.
- **Living Our Values and Behaviors**  
It is essential to the future success of Textron that each of us take personal responsibility for leadership regarding these principles and that we are always dedicated to continuous improvement. In return we will have a culture that fosters a safe workplace, values diversity, encourages communication and respects innovation.

## Textron's Commitment to Integrity

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**A MESSAGE FROM OUR CHAIRMAN, PRESIDENT AND  
CHIEF EXECUTIVE OFFICER, LEWIS B. CAMPBELL**

**G**reatness starts with each of us — individually and as team members — to make Textron the best it can be for our customers, our suppliers, our shareholders, and for ourselves as employees.

Our values and our behaviors provide the foundation for everything we do. Our values inspire us to improve continuously. They are the underpinning of our culture — how we do business. Our behaviors, in turn, reflect our values and help accelerate our progress toward becoming the premier multi-industry company. To reach this goal, our customers, suppliers and shareholders must know that we always conduct business ethically.

Our Ethics & Compliance Program has been in place for over 30 years. The cornerstone of this program is our *Business Conduct Guidelines*. The *Guidelines* apply to every employee around the world and provide a compass that points the way for all of us.

It's critical that every employee across the enterprise understands the importance of ethics and compliance and the serious repercussions we face if we fail to conduct business according to the highest standards. Ethical lapses can damage our businesses, our brands and our credibility with customers, suppliers, employees, and shareholders and cause serious and even irreparable damage to our reputation in the marketplace.

I ask each of you to read and personally commit to our *Business Conduct Guidelines*. By doing so, you reaffirm our values and our culture of compliant and responsible business behavior.

Regards,



Lewis B. Campbell  
Chairman, President and Chief Executive Officer



## Standards of Business Conduct

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**A**s Textron employees, we are expected to carry out the Company's business with fairness, honesty, integrity and high ethical standards, and in compliance with the laws and regulations of the countries in which we conduct business. These standards must govern our conduct when making decisions which affect Textron.

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**QUESTION**

**Does management really expect employees to adhere to the *Textron Business Conduct Guidelines* if that could mean losing business or reducing profitability?**

**ANSWER**

Yes. Our reputation and our ethics outweigh financial considerations. Conducting Textron's business with honesty, integrity and high ethical standards, and in compliance with applicable laws, is essential to our business and profitability in the long term. Textron pays close attention not only to financial performance, but also to how each employee makes business decisions and executes the daily tasks of his or her job.

## Conflicts of Interest

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**T**extron respects the right of all employees to engage in personal activities outside of work. However, each of us has the responsibility to avoid activities which conflict or appear to conflict with our job responsibilities or the interests of Textron. Any employee activity which may involve a conflict of interest or even the appearance of a conflict of interest must first be approved by the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel.

**THE FOLLOWING ARE EXAMPLES OF CONFLICTS OF INTEREST:**

- Engaging in employment or any other activity that interferes with our ability to devote the required time and attention to our job responsibilities at Textron.
- Holding a significant financial interest in a current or prospective customer, supplier or competitor of Textron, or serving as an employee, consultant or director of that business.
- Directing Textron business to a supplier owned or managed by a relative.
- Supervising the job performance or compensation of a relative.
- Using confidential Company information or improperly using Company assets for personal benefit or the benefit of others.

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**QUESTION**

**Your spouse/partner has a financial interest in a small, privately-owned supplier of the Business Unit you work for. Are you required to report this matter?**

**ANSWER**

Yes. All employees are required to report any conflict or appearance of a conflict. Even though you may not deal directly with this supplier and the value of the interest may not create an actual conflict, there could be the appearance of an impropriety. However, with appropriate disclosure and safeguards, it may be possible for the relationship to continue.

**QUESTION**

**You are a tool designer and have been approached by another company to moonlight on tool design work for them at a very attractive hourly rate. You could use the extra money. Since the work you will be doing is similar to what you do for Textron, is there a conflict of interest?**

**ANSWER**

There may be. Even if this work is not for a Textron supplier, customer or competitor, outside work could be a conflict of interest and requires a prior conflict of interest determination by your supervisor with the assistance of your Ethics & Compliance Officer or Company legal counsel. The work might also lead to improper disclosure of proprietary Textron information.

### Conflicts of Interest — CONTINUED

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#### QUESTION

**There is a manager level job opening at your Business Unit, and you are asked to identify qualified candidates for the position. A member of the management team at the Business Unit recommends his/her relative for the position. What should you do?**

#### ANSWER

This could be a sensitive issue. You may consider the relative along with all of the other candidates identified, provided (i) the relative is otherwise qualified for the position; (ii) hiring the relative would not constitute a breach of a contract with a third party or a violation of applicable law or regulations or of a policy in effect at your Business Unit; (iii) the person reviewing the candidates is made aware of the relationship to the management team member; (iv) the management team member is not involved in the hiring decision; (v) the hiring decision is not made by a person who reports directly or indirectly to the management team member; and (vi) if the relative is hired, the management team member must not, directly or indirectly, supervise the job performance or compensation of the relative.

#### QUESTION

**Would it be a conflict of interest for a Textron employee to invest in another company with which Textron does business?**

#### ANSWER

An investment in the stock of a widely-held, public corporation listed on a national stock exchange, where Textron's transactions with that corporation would not affect the value of such stock, would not be in violation of this *Guideline*. But an investment or interest in a smaller supplier, customer, contractor or other firm dealing, or seeking to deal, with Textron, where Textron business might be significant to that company, could be in violation of this *Guideline*. Prior disclosure to your Ethics & Compliance Officer of the proposed investment is required under this *Guideline*.

#### QUESTION

**You are a buyer of special materials at a Textron Business Unit. One of the Business Unit's suppliers has offered you a part-time job. Would accepting the job create a conflict of interest?**

#### ANSWER

Yes. We are obligated to avoid even the appearance of a conflict of interest. No matter how the offer of part-time work might be made or accepted, others might see it as a kickback paid to you in return for Company business, or a factor which could influence your business judgment regarding that supplier.

## Protection of Assets and Information

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**W**e must properly use, protect, and safeguard Company property, both tangible and intangible, as well as the property of our customers, suppliers and business partners that is in our possession.

### **PROTECTION OF BUSINESS INFORMATION, INTELLECTUAL PROPERTY AND OTHER NON-TANGIBLE ASSETS**

Textron's policy is to safeguard the intellectual property assets and proprietary information of the Company as well that of third parties, including that of our customers, suppliers and business partners. Our employees are expected to properly use, respect and protect such information and assets, whether in paper or electronic form, including proprietary business information and other intellectual property such as patents, trade secrets, copyrights, trademarks, information technology (such as software and data) and all Company records created or maintained in both paper and electronic form.

All documents, inventions, writings, records, software codes or applications or other intellectual property created by Textron employees in the course of their duties or with Textron resources are considered works for hire and as such are deemed Company property, must be appropriately protected, and may be Company confidential information.

Protection of non-public Company information is especially important. Unauthorized use or release of information regarding plans, strategies, costs or prices, pending contracts or unannounced products could jeopardize the Company's competitive position or result in violations of securities laws, and is prohibited. In order to better protect non-public information, all proprietary Company business information and information of our customers, suppliers and business partners, should be disseminated internally only on a "need-to-know" basis.

For more information regarding the recommended process for protecting the Company's intangible assets, please see the [\*Textron Intellectual Property Management Guide\*](#).

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#### **QUESTION**

**You get a call from the accounting manager at a customer who wants information on some of Textron's financial control procedures for a benchmark analysis the customer is preparing. Is it all right to let the customer's accounting manager see that kind of information?**

#### **ANSWER**

Requests for release of any kind of Company records, even control procedures, need to be reviewed on a case-by-case basis. Discuss the situation with your supervisor and Company legal counsel before releasing records or information about Company procedures.

### Protection of Assets and Information — CONTINUED

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#### PROTECTION OF PHYSICAL PROPERTY AND ASSETS

We must properly protect the security of our employees and our workplaces. This includes properly using and securing the physical property of the Company and of our customers, including the government, suppliers, and business partners which is in our care or possession. This applies to the physical assets of all kinds, including Textron's facilities and the assets of employees and third parties who work at or visit Textron's facilities. It also applies to documents, materials, equipment, supplies, inventory, facilities, and communication equipment such as computers, cell phones and personal digital devices.

For more information regarding processes for protecting the Company's information technology assets, please see the [Textron Employee Policy on Information Technology](#).

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#### QUESTION

**Does this *Guideline* include ensuring that there are security measures in place for the protection of our employees and other personnel?**

#### ANSWER

Yes. Our employees are our most valuable asset and this *Guideline* includes security measures, such as badges, gates, security guards and other appropriate and prudent security measures that are in place to protect both our employees and visitors, and our facilities.

#### QUESTION

**You are in the process of purchasing a new home and the mortgage company just called to say that they need a copy of your latest pay stubs by the close of business today. You cannot leave work early in order to get it to them in time, but you could fax it. Are you permitted to use the Company fax machine?**

#### ANSWER

Occasional, limited personal use of Company telephones, fax machines, copiers, personal computers and voice mail is permissible, but you should not abuse the privilege. Abuse of this privilege can lead to disciplinary action.

### Protection of Assets and Information — CONTINUED

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#### RECORDS MANAGEMENT

Textron creates and receives millions of records in the course of its business. A record should be retained only for as long as there is either a business need for the record or a legal requirement to preserve the record. As Textron employees we should review both our paper and electronic files on a regular basis and discard or delete those records for which there is no continuing business or legal reason to retain. Records will be disposed of in a manner consistent with the degree of confidentiality and sensitivity required by the information within the record. We will comply with all requirements established by law that require the preservation of specific records, including legal holds that may be imposed by Company legal counsel in connection with anticipated or actual litigation or investigations. Finally, each employee should become familiar with and follow all applicable Company policies and procedures that pertain to records management and careful communications.

For more information regarding records management, please see the [Corporate Office Records Management Guide](#) and records management policies for each Business Unit.

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#### QUESTION

**What is a business record?**

#### ANSWER

Typically we think of business records as simply paper or electronic documents, such as letters, e-mail, and the like. In fact, business records are: (i) anything on which sound, visual images, and/or words are recorded, including databases, e-mail, drawings, photographs, web pages and voicemail; (ii) used by Textron personnel in the course of performing their jobs, including records serving a dual business and “personal” function (such as calendars and diaries); and (iii) whether prepared internally or received from external sources.

### Protection of Assets and Information — CONTINUED

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#### ACCURACY OF BUSINESS RECORDS AND DISCLOSURES

##### BUSINESS RECORDS

Government agencies, customers and suppliers rely upon the integrity of our business records. All business records (for example, timecards, purchase orders, quality reports, certifications and financial records) must accurately reflect the transactions of the Company in accordance with all applicable requirements. We will not create or permit false or misleading entries to be made in the records of the Company under any circumstances.

##### PUBLIC DISCLOSURES

Textron requires full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the U.S. Securities and Exchange Commission and in other public filings and communications. All employees who are involved in the preparation, review and dissemination of such information are subject to this requirement.

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##### QUESTION

**Your Business Unit is in a rush to get an order out for a customer. In order to meet the customer's delivery date, you have been told to sign off on an inspection report prior to completion of all the required checking and paperwork. What should you do?**

##### ANSWER

You should refuse to sign the report prior to all inspections and paperwork being complete. Otherwise, you might be falsifying information and Company records, as well as failing to complete the necessary steps to confirm the integrity of the product. Discuss the matter with your supervisor and if the situation cannot be resolved, contact your Ethics & Compliance Officer or the Business Unit or Textron Ethics & Compliance *HelpLine*.

##### QUESTION

**You work in the accounts payable department and it is just prior to the accounting month-end. You have received an invoice from one of your suppliers for materials that have already been received and processed through your receiving inspection department. Your supervisor sees the invoice in your in-box and tells you to wait to date-stamp and record the invoice until the next accounting month. You do not think this is right? What should you do?**

##### ANSWER

First, discuss your concerns with your supervisor. You have the responsibility to maintain Textron's books and records accurately and in accordance with approved accounting procedures. By talking with him or her, your concerns may be resolved. If you are not satisfied with your supervisor's response, it is your responsibility to report your concerns in accordance with the [Reporting Violations/Raising Questions](#) section of these *Business Conduct Guidelines*.

### Protection of Assets and Information — CONTINUED

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#### QUESTION

**You take an occasional look at an Internet message board on Textron. One day you see comments posted about your Business Unit that you know are untrue. Should you respond by posting the facts?**

#### ANSWER

No. It is the responsibility of the Textron Corporate Communications Department to make public statements about the Company, however, you should contact the Textron Corporate Communications Department about the incorrect comments.

### Protection of Assets and Information — CONTINUED

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#### INSIDER TRADING

As Textron employees we are prohibited from buying or selling Textron securities while we are aware of “material” information about Textron that has not been disclosed to the public. Information is considered material if it would affect a reasonable investor’s decision to purchase or sell a security, including stock, bonds or options. Sharing such information with unauthorized persons is also prohibited. Trading in the securities of a company doing business with Textron is subject to the same restrictions described above.

Insider trading is a crime, and violations of these laws are treated very seriously. Both the Company and the individual who trades on inside information may be subject to tremendous liability, including civil penalties, multi-million dollar criminal fines and, for individuals, prison sentences. Questions or concerns regarding the applicability of the insider trading rules to any proposed transaction in securities of Textron or any company with which Textron does business should be referred to Company legal counsel.

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#### QUESTION

**You own a few hundred shares of Textron stock and are thinking about selling some of them. If the amount being sold is too small to affect the stock price, would you still be prohibited from selling the stock while you possess material non-public information?**

#### ANSWER

Yes. Neither the U.S. securities laws nor Textron policy has an exemption for trades involving only a small amount of stock.

#### QUESTION

**You are not a U.S. citizen and you live and work outside the U.S. Are you still subject to this *Guideline*?**

#### ANSWER

Yes. The laws of many other countries restrict trading while in possession of material non-public information, and even where such trading is not illegal, it would violate Textron policy.

## Our Employees

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**W**e are committed to fair employment practices and to following applicable employment laws wherever we have operations. This includes complying with laws that prohibit improper employment discrimination and child or forced labor.

Each of us is responsible for acting in a manner that will help Textron achieve the following:

### **EQUAL OPPORTUNITY**

It is our policy to employ, train, promote and compensate individuals based on merit, job-related qualifications and abilities. Textron is committed to providing equal opportunity in employment regardless of race, color, religion, national origin, sex, age, sexual orientation, marital status, handicap, disability or status as a veteran of military service.

### **DIVERSITY**

We value the differences among our employees. Individual differences enrich the workplace and improve our ability to attract employees and work with customers in today's global marketplace. A work environment which values individual differences and encourages the full contribution of every employee creates a stronger Company.

### **NO HARASSMENT**

Any kind of harassment by or against our employees is prohibited. Sexual harassment is of special concern. Prohibited conduct includes the making of unwelcome sexual advances or engaging in any other conduct with sexual overtones which interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

### **DRUG FREE WORKPLACE**

Possession, use, sale or distribution of an illegal drug or illegal controlled substance in the workplace or while conducting Company business off premises is strictly prohibited. Illegal drugs and controlled substances have an adverse effect on employee performance, jeopardize the safety of co-workers and constitute a risk to the business and interests of the Company. Alcohol use may have an adverse effect on performance and safety and poses a risk to the business and interests of the Company. An employee who reports to work under the influence of, or is unfit to work because of, the effects of alcohol or drugs is subject to disciplinary action, up to and including termination from employment consistent with the requirements of local law. Textron reserves the right to search items on Company property, including but not limited to offices, desks, computers, cars and lockers at any time, to the full extent permitted by local law.

For more information, please see [Guideline A-5 Drug Abuse and Controlled Substances](#).

### Our Employees — CONTINUED

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#### QUESTION

**How should you respond when someone makes an offensive comment about another person or group of people?**

#### ANSWER

This is not an easy matter. Based on the specific circumstances and relationships of those involved, you should reinforce Textron's policy by setting an example. Do not participate or respond positively to the offensive comment. If possible, take the individual making the offensive comment aside and in private indicate the inappropriateness of that kind of comment. If a supervisor hears an offensive comment, he or she has an obligation to specifically address the issue with the offending employee. If the event takes place in a group of employees, the supervisor should indicate that the comment is inappropriate and change the nature of the conversation; afterwards, the supervisor should discuss the matter with the offending employee in private.

#### QUESTION

**A fellow employee keeps making embarrassingly personal remarks to you about your appearance and repeatedly asks you to social events outside of work. You consistently refuse these invitations and have made it clear that these attentions are not welcome. The fellow employee persists. Is this sexual harassment? What should you do about it?**

#### ANSWER

Yes. This may well constitute sexual harassment. You should report the matter directly to your supervisor, manager, Human Resources Department and/or Ethics & Compliance Officer.

## Personal Data Protection

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It is Textron policy that we must take appropriate steps to protect information relating to individuals, whether they are employees, customers, investors or suppliers. We are responsible for collecting, processing and transferring personal data only for lawful and legitimate business purposes. Care must be used to safeguard the confidentiality and security of personal data and to respect individual privacy.

For more information, please see the [Textron Personal Data Protection Policy](#).

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### QUESTION

You work in the Human Resources department and get a call from your former boss who retired a number of years ago. She asks you to get her the addresses of some of her former work associates so that she can send holiday cards to them. What should you do?

### ANSWER

Textron policy precludes providing such a list. As an alternative, you could offer to inform these people that she is interested in exchanging holiday greetings and provide them with her contact information.

## Environmental Protection, Health and Safety

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**W**e are committed to being an environmentally responsible company and to providing a safe and healthful workplace for our employees.

We will comply with all applicable environmental, health and safety (EHS) laws and regulations in every country in which Textron does business as well as all Textron EHS policies and standards. Environmental, health and safety managers and Company legal counsel are available to provide information on applicable laws and regulations.

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### QUESTION

**You are a plant engineer and you are aware that a new chemical is being used at your plant that requires special protective equipment for employees and modification of the plant's air permit. You have informed your supervisor and the plant EHS coordinator, but no action is taking place to comply with the requirements. Have you fulfilled your obligations by informing your supervisor?**

### ANSWER

No. As an employee, your responsibility for compliance with EHS regulations requires you to take further action. You should discuss your concerns further with your supervisor. By talking with him or her, your concerns may be resolved; if you are not satisfied with your supervisor's response, you can (i) suggest that you both discuss the matter with the supervisor's manager, or (ii) contact your Ethics & Compliance Officer or Company legal counsel.

### QUESTION

**You are building a plant in a country that does not have legal requirements to treat plant wastewater. You know from experience that in other countries Textron would be legally required to treat similar plant wastewater. Since there is no legal requirement in this situation, should you install treatment equipment or not?**

### ANSWER

As a matter of policy, Textron has adopted global EHS standards that apply to all our operations. Consult the appropriate EHS manager and/or Company legal counsel for guidance.

### QUESTION

**If an employee is injured and requires medical treatment, is there a requirement to report such information internally if there is no requirement to report it to a local government agency?**

### ANSWER

Under Textron's injury and illness reporting requirements, there is a need to provide accurate information internally regarding injuries to employees that require certain medical treatment even where there is no obligation to report to a government agency. Consult the appropriate Company health and safety manager for guidance.

For more information, please see [EHS Policy 4, Evaluation Criteria and EHS Periodic Reporting](#).

### Environmental Protection, Health and Safety – CONTINUED

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#### QUESTION

Textron acquires a business in a country outside the U.S. which has environmental laws that are rarely enforced. Prior to the acquisition, the acquired business did not fully comply with those laws. After the acquisition, will full compliance be required by Textron?

#### ANSWER

Yes. The new Textron operation and its employees are responsible for compliance with the local environmental laws. Under this *Guideline*, Textron will implement systems and controls necessary to comply with local laws even if those laws are not regularly enforced.

#### QUESTION

Local occupational safety laws require that point-of-operation guarding be put on all the presses in your plant. This is fairly expensive, and you know that the local authorities are not about to visit your plant any time soon, if at all. Can you wait until next year to install the guards when financial results should improve and the costs can be more readily absorbed?

#### ANSWER

No. Compliance with the law is mandatory, even if it is costly to do so and enforcement is lax. This is not to suggest that temporary alternative safety measures may not be appropriate, but the Business Unit's EHS coordinator and Company legal counsel should be consulted for guidance on how to proceed.

For more information, please see [\*EHS Policy 2 Global Environmental, Health & Safety Standards, EHS Standard 16 Machinery Safety.\*](#)

#### REPORTING EHS ISSUES:

Reporting of Significant EHS Events (amputations, overnight hospital stays, fatalities, etc.) can be made via the *EHS Reporting Hotline 800-790-5067* or *011-401-457-2686*. E-mail may also be sent to [significantevents@textron.com](mailto:significantevents@textron.com).

Government agency inquiries must also be similarly reported.

Reporting of spills, releases, property losses, or business interruption due to fire, explosion or other property casualty must also be completed via any of the above methods.

For more information, please see [\*EHS Policy 5 Reporting of Urgent & Immediate Issues.\*](#)

## Political Contributions and Activities

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**C**ontributions of Company funds or the use of Company assets or facilities for the benefit of political parties or candidates anywhere in the world is prohibited unless approved in advance by the Textron Government Affairs Department in Washington, D.C. and Company legal counsel.

Textron encourages all employees to participate personally in the political process and to support political parties and candidates of their choice.

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### **QUESTION**

**Is it permissible for the Company to contribute goods or services to a political party or candidate or their election committees in connection with a political campaign, so long as no cash is involved?**

### **ANSWER**

The contribution of any goods or services (such as free use of office space, aircraft transportation, secretarial assistance, stationery or postal machines) for the benefit of political parties or candidates or their election committees is prohibited unless approved in advance by the Textron Government Affairs Department and Company legal counsel.

### **QUESTION**

**A candidate for political office in your region wishes to make a plant visit and address your business unit's employees. Is this allowable?**

### **ANSWER**

Yes, if approved in advance by the Textron Government Affairs Department and Company legal counsel.

# Gifts and Entertainment

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## GIFTS

**U**nless properly approved, Textron employees should not give (or receive) business gifts of more than nominal value to or from people or entities with whom the Company does business, since such gifts can affect or might appear intended to affect the judgment of the person receiving the gift.

Where laws or Business Unit policy do not provide otherwise, gifts having a value of U.S. \$75 or less are permitted. The giving or receiving of gifts of a value in excess of U.S. \$75 requires the approval of the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel. Any gifts, which are not permitted or have not been approved should be declined or turned over to the Company.

Gifts to Government Officials in the United States and abroad are governed by law and regulation and should not be made without first understanding what is legally permissible. Consultation with Company legal counsel will ensure that you do not violate these laws and regulations.

For more information, please see the [Textron Global Anti-Corruption Compliance Policy](#).

## CASH GIFTS

A gift or receipt of cash (or cash equivalent, such as a Visa card) to an employee of a business partner or family member of such an employee, in connection with a Textron business transaction, is strictly prohibited.

Questions about gifts or entertainment should be resolved by the employee's direct supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel.

Please see the *Guideline* sections on [Improper Payments](#) and [Business Partners](#), and the [Textron Global Anti-Corruption Compliance Policy](#), for further information.

## GIVING OF GIFTS OF A CEREMONIAL OR COMMEMORATIVE NATURE

Gifts of a ceremonial or commemorative nature in excess of the US \$75 limit may be appropriate under certain circumstances. Factors to consider are whether the item is reasonable and customary, is in accordance with local laws, and is either to be given at a delivery of the product or service, or commemorates the conclusion of a sale, or other ceremony, where there is little risk that such item will create an expectation of something in return and/or has limited resale value (e.g. inscribed with customer's name or date of ceremony). As always, gifts of this nature should not be given for the purposes of affecting the judgment of the receiving party.

## RELATIONSHIPS WITH OTHER PARTIES

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### Gifts and Entertainment — CONTINUED

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#### QUESTION

**You receive a fruit basket and a bottle of wine from a supplier as a holiday present. The value of the gift exceeds U.S. \$75. You have a long-standing business relationship with the supplier, and are afraid she would be offended if you refuse. What should you do?**

#### ANSWER

The handling of the gift should be approved by your supervisor with the assistance of your Ethics & Compliance Officer or Company legal counsel. Many Textron Business Units have their own policies which would apply in these situations. Some Textron Business Units solve this issue by sending out letters to suppliers at holiday times, asking suppliers not to offer gifts, and explaining why. Others contribute the items to a charitable organization where practicable. Alternatively in this situation, it may be appropriate for the gift to be shared with co-workers; this handling of the gift should be approved by the employee's supervisor with the assistance of the employee's Ethics & Compliance Officer or Company legal counsel. In any case, an acknowledgment of the gift should be sent to the supplier together with an explanation of our policy and of the disposition of the gift.

#### QUESTION

**A government inspector makes a special effort to visit a plant and provides a quick and helpful response. Is it permissible to thank him with a gift of a bottle of wine?**

#### ANSWER

Probably not. You must check with Company legal counsel to ensure you know the applicable law or regulation before providing gifts or entertainment to Government Officials.

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## ENTERTAINMENT

**T**he giving or receiving of reasonable and customary meals and entertainment in the normal course of business is permitted in instances where laws or Business Unit policy do not provide otherwise.

Lavish meals or inappropriate entertainment should always be avoided.

Textron employees must know and comply with all applicable restrictions on providing meals, entertainment, gifts or gratuities to employees or agents of any government. Special care must be given when Government Officials are involved as the laws pertaining to Government Officials vary from country to country and even within a given country. In the United States, for example, we must comply with federal, state and local or municipal law regarding the provision of things of value to Government Officials. In some jurisdictions virtually all gifts and entertainment of Government Officials are prohibited. Check with Company legal counsel to make sure you know what is permitted and what is prohibited.

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### QUESTION

**You are working on a Company business project with employees of another Textron Business Unit. Is it permissible to take them out to dinner in the course of your work?**

### ANSWER

The policies stated above for meals and entertainment also apply to this situation. Reasonable and customary business entertainment is acceptable. Meals or entertainment, whether paid for by Textron employees or another party, should be in conjunction with business activity. The expense involved, the identity of the participants and the duration and extent of the entertainment should be reasonable in relation to the business conducted and the business purpose. Lavish or extravagant entertainment must always be avoided. This *Guideline* is explicitly subject to any applicable laws or Business Unit policies which are more restrictive.

### QUESTION

**A group representing a customer is visiting a Textron factory for product demonstrations and the management of the Textron facility provides meals and entertainment for the visitors during the visit. Is there a violation of this *Guideline*?**

### ANSWER

No, provided the meals and entertainment are reasonable, in good taste and in compliance with applicable law and Business Unit policy.

# Improper Payments

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**P**ayment or acceptance of bribes, kickbacks or other improper payments while conducting Textron business is prohibited. This prohibition applies to dealings with current or potential customers, suppliers, representatives, consultants or other business partners seeking to establish a relationship with Textron.

Many countries have enacted laws prohibiting bribery of Government Officials as well as commercial bribery. The laws of many U.S. states also prohibit bribery in the private (commercial) sector. As Textron is incorporated in the U.S., our employees around the world must also comply with the requirements of the U.S. Foreign Corrupt Practices Act (“FCPA”), which prohibits bribery of non-U.S. government and political party officials. The FCPA also requires proper record keeping and internal accounting controls in the Company’s operations worldwide.

For more information, please see the [Textron Global Anti-Corruption Compliance Policy](#).

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### QUESTION

**Your Business Unit is bidding on a large government procurement in a market where it has not previously made sales. Your local sales representative suggests giving a five-year consulting contract equal to 15% of the value of the procurement to a company owned by the brother and sister of the Minister of Tourism, who is the head of the selection committee for the procurement. The brother and sister have only recently entered the business world. What should you do?**

### ANSWER

The proposal for a consulting contract requires an assessment of the nature of the services to be rendered, the value of those services in relation to their cost, and whether there is a real need for them. The consulting contract in question is suspicious for several reasons, including the fact that the consultants are relatives of the head of the procurement committee, the fact that the compensation looks suspiciously like a sales commission, and the fact that the parties offering the consulting services are unlikely to have business experience of substantial value. You should report any such request to Business Unit management and Company legal counsel.

# Customers and Suppliers

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**W**e work to build strong business relationships with our customers and suppliers based on lawful, honest business practices and the best interests of Textron. We are committed to the pursuit of excellence in all of our products and services, and strive to meet or exceed our customers' expectations for quality, integrity, safety, delivery and reliability.

When we contract for goods and services on behalf of Textron, we should avoid doing anything that might compromise our objectivity or impair Textron's reputation. Our purchasing decisions should always be based on appropriate business criteria such as price, quality, technical leadership, reliability and the reputation of the supplier.

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### QUESTION

**A customer sends in a payment larger than the amount due. The customer then requests that you return the excess amount to its affiliated company in another country. Can you send the money to the affiliate?**

### ANSWER

No. The excess amount should be returned to the customer in the country from which the payment was received and in the currency in which paid. If Textron pays the money to the affiliate in another country, it may be participating in a money laundering scheme which is illegal and against Textron policy. See the *Guideline* section on [Business Partners](#) for further information.

### QUESTION

**A customer's procurement manager tells you that other suppliers have chipped in to send her boss and his/her spouse to Las Vegas to celebrate their wedding anniversary. She asks you whether or not your Business Unit is willing to contribute \$500 to help finance the trip. Can your Business Unit make such a contribution?**

### ANSWER

No. The fact that an employee of a customer is seeking kickbacks on behalf of a superior does not change the fact that such payments are prohibited under this *Guideline*.

### Business Partners

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**T**extron's business partners are an extension of our Company and should be chosen and monitored carefully. When agents, sales representatives, dealers, distributors, consultants and joint venture partners are engaged in Textron business, they are required to comply with applicable laws and to adhere to standards of business conduct consistent with the *Textron Business Conduct Guidelines*.

The proposed appointment or termination by Textron of persons acting in connection with non-U.S. business is subject to approval requirements stated in the *Textron Global Anti-Corruption Compliance Policy*. The proposed appointment of certain U.S. consultants also is subject to approval under the Textron Delegation of Authority document.

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#### QUESTION

**You have proposed that your Business Unit appoint a new representative in a country where you have conducted business on behalf of a prior employer. After the paperwork appointing the representative has been sent for approval, you meet an old colleague from your former company, who tells you that he has heard that the company you are proposing to appoint has a reputation for paying off Government Officials. What should you do?**

#### ANSWER

Although the information you received may be nothing more than a rumor, it is essential that you report any such information to Business Unit management and to Company legal counsel immediately for assessment and follow-up. Failure to do so could result in disciplinary action.

# Transactions With Governments

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In doing business with Government Officials in any country, Textron is committed to acting with honesty and integrity and will comply with all applicable laws and regulations. When we sell goods or services to any government, we must know and comply with applicable procurement policies.

For more information, please see the [Textron Policy on Transactions with the United States Government](#).

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### QUESTION

**Your supervisor tells you to voucher time against a job number not shown on your routing sheet. What should you do?**

### ANSWER

Tell your supervisor the job number is incorrect and recommend the correct number. If that approach is not practical, contact the next level of management, your Ethics & Compliance Officer, your Business Unit **HelpLine/Hotline**, Company legal counsel or the Textron **HelpLine** and report the problem.

## Antitrust and Competition Laws

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**T**he laws that govern the way in which companies compete are called Antitrust laws in the U.S. and Competition laws in Europe and elsewhere. These laws are intended to prevent anticompetitive behavior such as price fixing, bid rigging, and other forms of collusion by businesses that should be competing vigorously on the basis of price, quality and service. The Antitrust laws are enforced by national and state governments and by regional organizations such as the European Union. Penalties for violation can be very large fines for companies and fines and prison sentences for individuals.

Textron requires that the Company and its employees comply with Antitrust and Competition laws in all countries in which we do business. While the wording of the laws may differ their goals are quite similar. The goal is to ensure that companies compete vigorously for business. The economic assumption behind the laws is that competition in the marketplace benefits the consumer by keeping prices low and the quality of goods and services high. The laws also address situations in which one large company dominates its market so that effective competition is reduced.

Textron's goal of offering products that are competitive in quality, reliability and price is to be achieved without sacrificing business integrity. We will use only proper and legal means of gathering marketing and business information concerning competitors.

Application of the Antitrust and Competition laws to actual situations can be complex. Prior consultation and close coordination with Textron legal counsel is essential to ensure these laws are complied with and problems avoided.

For more information, please see the [\*Guide to Compliance with Textron's Antitrust Policies\*](#).

## RELATIONSHIPS WITH OTHER PARTIES

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### Antitrust and Competition Laws — CONTINUED

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#### QUESTION

**You are at a trade association meeting in Europe attended by competitors of your business. During the cocktail hour the conversation turns to the state of the market and where people expect prices to go. Is it permissible to participate in the discussion?**

#### ANSWER

No. You should never participate in or remain at a meeting of competitors, at which current or future prices or pricing matters are discussed. This includes even an informal chat among people at a cocktail reception held as part of a trade show or trade association meeting. In order to protect yourself and the Company, you should also clearly voice your objection to such discussions so that participants remember that you did not participate, and report the incident to Company legal counsel. "Price" here means not only list prices but also other factors that directly or indirectly affect price such as credit terms, warranty, rebates, discounts, costs, bids (including your intent to bid or not to bid), amount and terms of sale for imports/exports and other terms and conditions of sale.

In some cases, a trade association may legally collect and disseminate historical information involving industry sales volume, industry revenues and industry production capacity which does not include firm-specific data. To make sure you are complying with the antitrust laws and Textron policy, you should consult with Company legal counsel before providing such information to or obtaining it from a trade association.

#### QUESTION

**A friend of yours has just started a new job with a competitor. You meet her for lunch to congratulate her on her new job. During lunch she says that her first assignment is to do a market survey and that she very much wants to do a good job to impress her new boss. She then asks you for your company's pricing policy for a new product line that you have just announced. Can you give her this information?**

#### ANSWER

No. You should never discuss price or other marketing information with competitors. The fact that the competitor is a friend and that the conversation is during a private lunch does not change the rule. In order to protect yourself and the Company you must report the request to Company legal counsel.

# International Trade

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**M**any Textron operations conduct trade across national borders. Various laws and regulations may apply to such trade including the following:

### **IMPORT CONTROLS**

Employees who are involved in the importation of products or commodities must ensure that such items are given the correct classification, valuation and country of origin and that all import documentation is accurate and complies with applicable laws and regulations.

### **MONEY LAUNDERING**

People who are involved in bribery, narcotics trafficking or other criminal activity may try to “launder” the proceeds of their crimes to hide them or to make those proceeds appear legitimate. Many countries now have laws against money laundering which prohibit the acceptance or processing of the proceeds of criminal activities. We must comply with such laws where applicable and conduct business with reputable customers only. Employees who are involved in the receipt of payments from customers must perform appropriate due diligence to verify whether a payment should be accepted. Issues identified must be reviewed by Company legal counsel.

### **EXPORT CONTROLS**

Many countries have laws that restrict the export of goods and technology. Items which are for military purposes, or which may be involved in the development or production of products or technology for military purposes, are often a primary focus of such controls. The U.S. has controls, which restrict the export of certain products, services, technical data and software to other countries, as well as the re-export of those items from one non-U.S. destination to another. There are also U.S. trade embargoes against certain countries and individuals and entities associated with those countries, as well as named terrorists and drug traffickers. Textron operations worldwide must comply with all applicable U.S. export control laws as well as applicable global export laws.

For more information, please see the [\*Textron Export Management System Guide\*](#) which describes the types of policies and procedures necessary to comply with U.S. export control requirements.

### **BOYCOTTS**

U.S. law prohibits U.S. companies from participating in or cooperating with restrictive trade practices or economic boycotts imposed by other nations. The main target of such legislation is the Arab League’s boycott of Israel. Purchase orders from customers, and letters of credit from banks, located in the Middle East may contain, for example, a requirement that no part of the item(s) purchased be manufactured in Israel or be transported on an Israeli vessel. Any boycott requests must be referred to Company legal counsel.

## RELATIONSHIPS WITH OTHER PARTIES

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### International Trade — CONTINUED

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#### QUESTION

**You are located in the U.S. and you need to get a copy of a technical drawing to another Textron employee located outside the U.S. May you fax the drawing? Send it via the Internet? Hand-carry it to another country?**

#### ANSWER

Any method of transfer is considered an “export” under U.S. law. Whether this particular drawing may be transmitted depends on the recipient, the technical data involved and the country to which it is being exported. Even if the technical data is transmitted to an employee of a Textron operation in another country, an export license may be required. You should check with your export compliance coordinator or Company legal counsel to determine the specific export requirements.

#### QUESTION

**Your Business Unit receives a payment from a company in the Cayman Islands on behalf of a customer located in South America. Can you accept the payment?**

#### ANSWER

You must first check with Company legal counsel. Normally you should not accept payments from an entity different from your customer. Payments from certain countries may require particular scrutiny.

#### QUESTION

**You are located in U.K. and receive a letter of credit from a bank in the Sultanate of Oman, confirmed by a local bank. The letter of credit is to provide a payment mechanism for an order from a customer in that country. The letter of credit contains a requirement for a certificate issued by your Business Unit as the manufacturer or exporter stating that the goods are not of Israeli origin. What should you do?**

#### ANSWER

Contact Company legal counsel. You must inform the bank that such a certificate will not be provided and that it must re-issue the letter of credit without the requirement for such certification. Your Business Unit will also need to notify the Textron Corporate Office so that the required report can be filed with the U.S. Government.

# Textron's Ethics & Compliance Program

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**T**extron is a U.S.-based company, committed to complying with all applicable laws and regulations, wherever we do business. Our employees around the world must be familiar with and comply with U.S. and international laws that impact our global operations, as well as with the standards set out in the *Business Conduct Guidelines*.

Textron's Ethics & Compliance Program has been established to prevent, detect and correct unethical or non-compliant behavior to ensure that our business is always on the right legal and ethical course. As part of the program, each Business Unit prepares and carries out an annual Ethics & Compliance Action Plan.

The Enterprise and each Business Unit has an Ethics & Compliance Steering Committee that is responsible for ensuring that Textron's commitment to complying with all applicable laws and regulations, as well as with the objectives of the *Business Conduct Guidelines*, are being met. The Ethics & Compliance Steering Committee is chaired by the Business Unit President and includes senior management from key business functions. The Ethics & Compliance Steering Committee meets at least quarterly to monitor the progress of the Ethics & Compliance Program.

The Enterprise and each of our Business Units has an Ethics & Compliance Officer who oversees the implementation of the E&C Program and who serves as the primary resource to whom employees can turn for help and guidance on questions about ethics and compliance issues, the *Business Conduct Guidelines*, Company policies, procedures and laws.

### THE ETHICS AND COMPLIANCE RESOURCE CENTER

If you would like to learn more about our Ethics & Compliance Program, please visit the [\*Ethics & Compliance Resource Center\*](#) on ERIC. You will find useful information about the Ethics & Compliance Program, how to file a **Helpline** report, a listing of Ethics & Compliance Officers and Subject Matter Experts, articles on Ethics & Compliance issues, access to a wide variety of on-line learning materials available in many different languages, and *Frequently Asked Questions* about various topics covered in the *Business Conduct Guidelines*.

### ADDITIONAL RESOURCES AND POLICIES

In addition to the *Business Conduct Guidelines*, detailed Textron and Business Unit policies and procedures have been issued on many subjects, including those referenced in the *Guidelines*. These policies and procedures supplement the *Business Conduct Guidelines*. Your Ethics & Compliance Officer and Company legal counsel have access to these and other policies and procedures.

### ETHICS AND DEALING WITH AMBIGUITY

Sometimes, it is not easy to determine the ethical or “right” direction to take in a particular work situation. There are many complex rules and regulations that govern the way we must conduct our business. One purpose of the *Business Conduct Guidelines* is to provide guidance that will help direct an employee in making the right decision. ***When the answer is not clear, ask.***

## Reporting Violations/Raising Questions

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### **MULTIPLE REPORTING CHANNELS ARE AVAILABLE**

Each of us has a responsibility to promptly report suspected or known violations of the *Business Conduct Guidelines*, law or Company policy. An employee may choose to make a report to the Business Unit Ethics & Compliance Officer, the Executive Vice President and General Counsel of Textron, Company legal counsel, your supervisor, HR Business Partner, or through the toll free Textron Ethics & Compliance **Helpline**. There will be no reprisals or retaliation against any employee for reporting in good faith a suspected or known violation. We will strive to maintain the confidentiality of the source. Additionally, reports can be made on an anonymous basis, where local law permits this.

Concerns about accounting, internal accounting controls, auditing matters or other concerns can also be reported by mailing the concern to the Board of Directors or the Audit Committee at the address listed below.

Suspected issues will be investigated by appropriate Corporate and/or Business Unit personnel. Where an investigation reveals the need to take corrective action, we will implement changes to systems, practices and procedures.

Breaches of the *Business Conduct Guidelines* are subject to disciplinary action up to and including termination of employment. In many instances, a breach of these *Guidelines* may also have legal implications, subjecting the employee and Textron to civil or criminal penalties, fines or other sanctions.

## WHERE TO FIND HELP

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Reporting Violations/Raising Questions — CONTINUED

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THE TEXTRON HELPLINE IS:

# 1-800-892-9871

(Toll free in U.S. and Canada)

Our toll free number is answered by a independent third party and is available 24 hours a day, 7 days a week.

For additional international Toll Free *HelpLine* numbers, information regarding how the *HelpLine* works, or how to report a matter, please see the [Ethics & Compliance Resource Center](#) on ERIC

## 1-401-457-6006

This number is staffed by a member of Textron's Ethics & Compliance Team. You can leave a message for us and we will return your call.

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### CONTACT THE TEXTRON BOARD OF DIRECTORS

WRITE TO:

Board of Directors  
Textron Inc.  
40 Westminster Street  
Providence, RI 02903

## TEXTRON

Textron Inc.  
40 Westminster Street  
Providence, RI 02903  
(401) 421-2800

Any waiver of the *Business Conduct Guidelines* for executive officers or directors may be made only by the Board of Directors or by a Committee of the Board of Directors and must be promptly disclosed to Textron's shareholders, as required by law or regulation.

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## Personal Commitment

### Acknowledgement to Textron Business Conduct Guidelines

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I acknowledge that I have personally received a copy of the *Textron Business Conduct Guidelines*.

I understand that every Textron employee is required to comply with all applicable laws and the *Textron Business Conduct Guidelines*.

I know that if I have questions or concerns about compliance with laws or these *Guidelines*, I must promptly direct my questions or concerns to my supervisor, Ethics & Compliance Officer or Company legal counsel.

I understand my obligation to promptly report to the Company any violations of the *Textron Business Conduct Guidelines* that I suspect or know of today or which may come to my attention in the future, including any violation of law.

*Please complete the information below by printing clearly.*

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NAME

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DATE

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BUSINESS UNIT | LOCATION

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SIGNATURE

**TEXTRON**