

Standards of Business Conduct

Objective

This policy document is intended to provide general policy statements regarding the Company's standards of business conduct. In many cases, separate policies and procedures covering the subjects contained in this policy exist, which provide additional detail regarding the Company's philosophy, requirements, and direction to comply with Company policy. Please refer to the documents listed in Section VI by topic area for a full understanding of these requirements.

Applicability

Locations:	All
Business Units:	All
Qualifier:	Members of the Board of Directors of Rockwell Collins, Inc. are also covered under this policy to the same extent as if they were employees of the Company.

Revision Summary

Revisions to the following sections were made as of the current Effective Date of this Policy.

Appendix A

Offering Gratuities and Business Courtesies – Revision of column title, addition of footnote, addition of column titled USG Prime Contractors, Subcontractors, Suppliers and RC-Retained Consultants, and other revisions as indicated in Bold type.

Receiving Gratuities and Business Courtesies – Revision of column title, and other revisions as indicated in Bold type.

Replaces issue dated 03/31/09.

POLICY

Definitions

- 1.1 Standards of Business Conduct – The professional standards by which Rockwell Collins employees, agents, representatives, and directors conduct business, linking them to the Company’s vision, and values. Our Standards of Business Conduct are contained in this policy while our Code of Conduct and implementation procedures are contained in separate documents.
- 1.2 The Company – For ease of reference, the term “the Company” as used in this policy means Rockwell Collins, Inc. and all of its wholly or majority owned subsidiaries or affiliates.

Policy and Guiding Principles

- 2.1 It is the policy of the Company to conduct its business honestly, ethically and in accordance with applicable laws of the United States and other countries and jurisdictions in which the Company operates. It is expected that employees will follow the laws and regulations in the countries in which they operate. U.S. and foreign laws, rules and regulations are complex and differ from country to country. If an employee has a question or concern about the proper interpretation of those laws, rules or regulations, he or she should contact the Office of the General Counsel for legal advice in order to comply with them or effect reconciliation of conflicts between them. The Company is committed to the highest ethical standards of business conduct. All employees, contract employees, consultants, agents and representatives retained by the Company to perform services on its behalf shall adhere strictly to high standards of business conduct.
- 2.2 Our Standards of Business Conduct are designed to promote:
- a. Honest and ethical conduct;
 - b. Full, fair, accurate, timely and understandable disclosure in public communications;
 - c. Compliance with all applicable laws, rules and regulations;
 - d. Fair dealing with the Company’s customers, suppliers, competitors and employees, including properly maintaining the confidentiality of sensitive information;
 - e. Protection and proper use of Company assets;
 - f. The prompt internal reporting of violations of this policy to appropriate personnel identified in this policy; and

g. Accountability for adherence to these standards.

2.3 All illegal or unethical acts are prohibited. Special care should be exercised to assure that:

- a. No bribes, kickbacks or other illegal payments are made by or on behalf of the Company, directly or indirectly;
- b. No funds or assets are maintained by the Company for any illegal or improper purpose, and no funds or assets which are not clearly disclosed in the books and records of the Company are maintained for any purpose;
- c. Sales prices offered to the Company's customers are not fraudulently inflated by our sales representatives in order to increase the representative's profit or commissions;
- d. No false, misleading or artificial entries are made in the books and records of the Company;
- e. No payments are made by or on behalf of the Company for any purpose other than that described by the supporting documents and records maintained by the Company;
- f. No illegal political contributions are made, directly or indirectly, by or on behalf of the Company;
- g. No data concerning customers or competitors are obtained or solicited contrary to law, regulation or authorized government procurement process, and we comply with all applicable antitrust and competition laws;
- h. No discrimination, harassment, or retaliation is conducted by employees;
- i. No controlled substances are possessed, consumed or distributed on Company property; and
- j. No real or perceived influence or favoritism occurs as a result of conflicts between the interests of the Company and employees' personal interests.

General Principles

The Company's reputation for integrity is a valuable and essential asset. Our employees are guided at all times by the highest standards of integrity and personal conduct at work, whether dealing with co-workers or others. It is the responsibility of each employee to be aware of, understand and adhere to the Company's Standards of Business Conduct and the laws and regulations that are applicable to his or her job responsibilities.

It is the personal responsibility of each employee to ensure that the Company's business is conducted in accordance with all applicable laws and related Company policies.

No employee may do indirectly, through consultants, suppliers, subcontractors, agents, representatives or otherwise, anything that is prohibited by Company policy.

Each consultant, agent, representative and contingent workforce person shall be apprised of the tenets of the Company's standards of business conduct policy, as well as the requirements of any other corporate policy that is likely to be pertinent to the services he or she is retained to provide.

All employees should obtain guidance concerning any course of conduct about which they have any doubt.

3.1 Respect and Concern for Others

The Company provides a work environment that affords all employees the opportunity to contribute to the best of their abilities. For this reason, Rockwell Collins will not tolerate discrimination, harassment/sexual harassment, or physical or verbal threats.

3.1.1 Discrimination

The Company prohibits discrimination based on race, color, religion, national origin, sex, sexual orientation, age, physical or mental disability, and veteran status. This applies to all terms and conditions of employment.

3.1.2 Harassment

The Company is committed to providing a working environment free of all forms of harassment, which includes:

- a. Any unwelcome behavior such as verbal or physical conduct designed to threaten, intimidate, or coerce;
- b. Verbal taunting (including racial and ethnic slurs); or

- c. Negative stereotyping; which
 - 1. Has the purpose or effect of creating an intimidating, hostile, or offensive work environment;
 - 2. Has the purpose or effect of unreasonably interfering with an employee's work performance; or
 - 3. Otherwise adversely affects an employee's employment opportunities.

Any employee conduct that results in harassment will not be tolerated and appropriate action will be taken. Management must take immediate and appropriate action to stop harassment.

3.1.3 Sexual Harassment

The Company is committed to providing a working environment free of sexual harassment, which includes unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature where:

- a. Submission to the conduct is either an explicit or implicit term or condition of employment; or
- b. Submission to or rejection of the conduct by an individual is used as the basis for making employment decisions, including advancement, affecting such individual.

Interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment that is pervasive or severe enough to alter the conditions of an employee's job and create an abusive working environment is also strictly prohibited.

3.1.4 Retaliation

Retaliation by any employee against an individual who reports a violation of law or Company policy is strictly prohibited. No hardship, loss of benefit, or penalty, which may include downgrading an employee's performance rating, limiting an employee's opportunities for assignments or advancement, excluding an employee from corporate or departmental functions, or general mistreatment, may be imposed on an employee as punishment for:

- a. Filing or responding to a good faith complaint;
- b. Appearing as a witness in the investigation of a complaint; or

- c. Serving as an investigator.

Employees who violate this section will be subject to sanction as outlined in Section 4.7 of this policy.

3.1.5 Employee Health, Safety, and the Environment

It is Company policy to encourage stewardship of the environment and comply with all applicable environmental and health and safety laws and regulations. The Company and its employees will comply with applicable environmental and employee health and safety standards by:

- a. Ensuring a safe work environment for all employees;
- b. Eliminating or minimizing the generation of hazardous and other wastes; and
- c. Conserving energy, water and raw materials.

3.2 Integrity

It is Company policy to always be ethical and honest with our stakeholders and each other and never compromise the trust placed in us. This includes complying with all laws governing our corporation and being good citizens in the communities where we live and work.

Conducting business with integrity also extends to the integrity of our products and safeguarding proprietary information.

3.2.1 Product Integrity

Company products and services must be accurately represented to Company customers and meet or exceed requirements for safety, reliability, quality and performance throughout their life cycle. Products must be designed, manufactured and tested in strict accordance with all contract requirements and deviations appropriately documented and approved. This requirement extends beyond products manufactured by the Company to include components manufactured by suppliers and resold by the Company.

3.2.2 Safeguarding Proprietary Information

All employees are expected to proactively safeguard all information that can be reasonably considered Company Sensitive (which includes Company Official, Confidential, Non-Public, and Proprietary Information), which may be of use to competitors, or harmful to the Company or its customers.

No employee, either directly or through an intermediary, may knowingly obtain information from or concerning a customer, consultant, subcontractor, supplier, competitor or other party, which would be treated as confidential by the Company if the information concerned the Company, unless the information is provided with the consent of the concerned party. If an employee inadvertently receives any confidential or proprietary documents of a customer, consultant, subcontractor, supplier, competitor or other party, the employee must:

- a. Secure the information, ensuring that hard copies are held in confidence and electronic records are not deleted and are secured from access by others;
- b. Notify direct management and the Company's Intellectual Property Counsel; and
- c. Protect the information from copy, distribution, deletion or destruction until direction is provided by counsel.

No employee shall use or bring to work any proprietary information belonging to another company without that company's written permission. The obligation to preserve confidential information belonging to another company continues after employment ends.

3.2.3 Data Privacy

The Company is a custodian of personal data belonging to employees and some contract employees, agents, representatives and others with whom it transacts business. U.S. Federal, U.S. State and international government laws and regulations for the protection of personal data and privacy have been incorporated into Company policies and procedures. All employees, contract employees or third parties who are granted access to Company controlled personal data are required to safeguard such data to prevent unauthorized access or loss, which could result in financial or social harm to persons, such as identity theft or wrongful discrimination. Violation of the laws and regulations governing data privacy can result in fines and penalties to the Company or criminal prosecution to the individual who compromises the information.

3.3 Conflict of Interests

The Company requires all employees, contract employees, representatives, and agents to avoid any conflict, or even the appearance of a conflict, between their personal interests and the interests of the Company. A conflict exists when the interests, duties, obligations or activities of an employee or an employee's family member with respect to any concern are, or may be, in conflict or incompatible with the interests of the Company or the duties or obligations of the employee to the Company in general, or with respect to any transaction. Business decisions must not be influenced by personal considerations or interests.

A concern is any competing concern, outside concern, or any other corporate, partnership, individual, trust, joint venture or governmental entity having interests in conflict with the interests of the Company. A competing concern is one that competes with the Company or competes with anyone who sells any products manufactured, distributed or sold by the Company. An outside concern is any type of concern with which the Company does business or to which the Company provides business in any way, whether directly or indirectly (including suppliers, consultants, subcontractors, dealers, advertising agencies, law or accounting firms, investment bankers, etc.).

3.3.1 Business Relationships

No employee shall have any direct or indirect interest in, or render any service to any outside concern or competing concern, if the interest or service creates a potential or actual conflict of interest unless the interest or service is disclosed to the Company and the required precautionary or remediation actions, pre-approval or waiver decisions are approved. Employees or their immediate family members may not be involved with any undisclosed business that competes or does business with the Company.

3.3.2 Personal Relationships

Employees must avoid any relationships that could adversely affect, or have the appearance of adversely affecting, their judgment or actions in performing their duties for the Company. This includes, but is not limited to, family members with whom the employee has a direct or indirect reporting relationship or a romantic/sexual relationship with another employee with whom the employee has a direct or indirect reporting relationship.

Any employee's indirect relationships, including the activities of a family member with an outside concern or competing concern, may create actual or potential conflict of interests requiring disclosure and, in some situations, precautions to be considered by the Company. An indirect reporting relationship is where a manager or supervisor in a particular business unit or shared service organization has actual, potential, or perceived responsibility with respect to the terms and conditions of an employee's employment in the same organization, even though there is no direct reporting relationship such as two employees in the same chain of command that are not in a direct reporting relationship.

For the purposes of this policy, a family member is defined as the employee's spouse, same-sex domestic partner, child, parent, step parent, step child, brother, sister, step sibling, grandparent, grandchild, aunt, uncle, niece, nephew, first cousin (blood related), father/mother-in-law, brother/sister-in-law, or son/daughter-in-law.

3.3.3 Corporate Opportunity

A corporate opportunity is one that is discovered through the use of Company property, information or position for personal gain or competition with the Company. No employee shall take for themselves personally corporate opportunities that are discovered through or as a result of his/her employment with the Company.

3.3.4 Gifts and Gratuities

Acceptance or offer of any gratuity, gift of more than nominal value, entertainment, or favor from or to any concern beyond common business courtesy is prohibited. See Appendix A for a more complete summary related to our policy for offering or accepting gratuities and business courtesies.

3.3.5 Disclosure

The Company requires that each employee accurately and completely disclose any actual or potential conflict of interests as soon as it becomes known or is anticipated by the employee stemming from:

- a. Any interest in, obligation or duty to, or activity for any concern in which an employee may be involved that might create an actual or potential conflict of interests, favoritism, or have the appearance of adversely affecting the employee's judgment or actions in performing his or her duties;

- b. Any interest, duty, obligation or activity by a family member, which may create an actual or potential conflict of interests for the Company employee or appear to adversely affect the Company employee's judgment or actions in performing his or her duties;
- c. A romantic/sexual relationship or a family member in a direct or indirect reporting relationship; or
- d. Any corporate opportunity that is discovered through the use of Company property, information or position for personal gain or competition with the Company.

3.4 Business Practices

In the conduct of business, Rockwell Collins will uphold the Company's commitment to unquestioned integrity and create a framework to build trust with customers, suppliers, investors and others every day. It is the Company's policy that its employees and representatives must conduct business with customers and vendors on the basis of service, quality and price. The following business policies outline the Company's commitment:

3.4.1 Use of Company Resources

All users of Company resources will be granted access to only those assets necessary for the performance of their duties. Company assets are provided for the purpose of serving the business interests of the Company and may not be used for any illegal purpose, to support a personal business venture, for political purposes or any purpose that would cause embarrassment to the Company.

Excessive personal or inappropriate use of Company property or assets is prohibited. Examples of prohibited use include:

- 1. Offensive, derogatory, defamatory, pornographic, improper or illegal content shall not be stored, accessed, or transmitted on any Company computing resource; and
- 2. Use of a Company or Company provided vehicle while intoxicated, whether during or outside of work hours.

3.4.2 Solicitation

Although well intended in many cases, monetary solicitations can be disruptive and cause discomfort for fellow employees. As a result, solicitation by employees at work or on Company premises for personal business or employee profit as well as advertising or distribution of leaflets, products or brochures related thereto is prohibited. Use of Company resources such as e-mail, fax machines, computers or telephones to solicit for personal business or employee profit is also prohibited.

Employee requests for support of non-profit or charitable causes are allowed as long as they are respectful toward other employees, voluntary, not for personal gain, do not interfere with job performance, and are non-discriminatory and non-threatening.

3.4.3 Company Books, Records, and Reports

All Company books and records must be maintained in accordance with good accounting practices and all applicable laws and regulations. No false, misleading or artificial entries may be made in the books and records of the Company.

a. Accounting, Internal Controls and Audit

The Company has established and maintains an effective internal control system to provide reasonable assurance that transactions are executed in accordance with proper management authorization and are properly reflected within the Company's Financial Statements in accordance with U.S. GAAP and local statutory accounting principles where applicable. The Company shall maintain an Internal Audit function responsible for reviewing its financial and operational Internal Control systems. The conduct of financial and operational audits, examinations and surveys will be directed by the Company's General Auditor.

In order to facilitate the reporting of complaints regarding accounting, internal accounting controls or auditing matters, the Company's Audit Committee has established complaint procedures. For complaints involving fraud or material (defined as involving a minimum of \$100,000 USD) accounting, internal accounting controls or auditing matters, the Ombudsman is expected to notify the Audit Committee. For all complaints related to accounting, internal accounting controls or auditing, the Ombudsman Office shall investigate the allegations unless the Audit Committee decides to assume direct management responsibility. The scope of matters covered in the complaint procedures established by the Audit Committee includes:

1. Fraud or deliberate error in the preparation, evaluation, review or audit of any public financial statement of the Company;
2. Fraud or deliberate error in the recording and maintaining of public financial records of the Company;
3. Material deficiencies in or noncompliance with the Company's internal accounting controls;
4. Misrepresentation or false statement to or by a senior officer or accountant regarding a material matter contained in the public financial records, financial reports or audit reports of the Company; or
5. Deviation from full and fair reporting of the Company's financial condition, results of operations or financial statements.

b. Disclosure of Material Information

The Company will provide, fair, accurate, timely and understandable disclosures in its public communications. Selective disclosure of material nonpublic information to certain investors (such as securities analysts or institutional investors) is strictly prohibited by this policy and Securities and Exchange Commission rules.

c. Delegation of Authority

The Company has created a Delegation of Authority policy that addresses the approval requirements to authorize Company business transactions. Financial transactions may not be authorized or completed without appropriate Delegation of Authority to authorize the transaction. Authority is delegated to the lowest practical level commensurate with position, experience and organizational responsibility. Authority to approve transactions requires both the delegated authority and functional ownership whereby a person's job responsibilities clearly indicate cognizance of the process within the Company to execute the activity. Delegated Authority shall be specified in Company documents by title or name and cognizance.

d. Time Charging

The Company accurately and completely records and charges all labor distribution records. Employees are never to take any action that causes mischarging of time or authorize others to take action that causes mischarging of time. Examples of mischarging of time include:

1. Knowingly charging time to a Cost Object while performing work on another;

2. Knowingly charging time to a Cost Object while performing non-work related personal activities; or
3. Knowingly charging time to a Cost Object with the intent of transferring the charges to another Cost Object later.

All documents related to timecards/entries, expense reports, general accounting records, or purchasing or manufacturing records shall be accurate and auditable.

3.4.4 Insider Trading

Employees must not benefit from, or enable others to benefit from trading in securities/stocks based on material information not available to the general public. Company employees, agents and representatives are prohibited from trading Rockwell Collins stock or stock of another company such as a customer, supplier, competitor, or potential acquisition or alliance while in possession of material nonpublic information about that company.

3.4.5 Compliance with Laws and Regulations

It is Rockwell Collins' policy that directors, officers and employees will conduct the Company's business in compliance with all applicable local, state, federal and foreign laws. Examples of these laws include:

a. Anti-Corruption and Anti-Bribery - Gratuities and Business Courtesies

All employees must comply with applicable U.S. and international laws and regulations regarding offering or receiving gratuities and business courtesies. Applicable U.S. laws and regulations include but are not limited to the U.S. Foreign Corrupt Practices Act (the "FCPA"), the Office of Government Ethics Standards of Ethical Conduct for Employees of the Executive Branch (the "OGE Standards of Ethical Conduct"), the U.S. Anti-Kickback Act and international laws promulgated pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Transactions.

To ensure compliance with FCPA and international anti-corruption laws, it is Company policy that all employees obtain the advance approval of the Senior Vice President, General Counsel and Secretary or his designee prior to offering or receiving any gratuities to or from any government official, agent, instrumentality, or political party outside the country where the employee is assigned, with the exception of offering Rockwell Collins logo items, promotional items, or host gifts under \$50 per person per year when expected under local custom and permitted under local country laws. Additionally, it is the personal responsibility of each employee to ensure that the

information that they submit to be included in Company records related to offering or receiving gratuities and business courtesies are accurate and truthful. Specifically, expense reports and the books and records of the Company must accurately reflect any gratuity or business courtesy paid by the Company.

Advance approval of the Senior Vice President, General Counsel and Secretary is required to exceed the OGE Standards of Ethical Conduct dollar limitations with respect to offering business courtesies to U.S. Executive Branch employees, U.S. prime contractors and higher tier subcontractors.

To comply with the U.S. Anti-Kickback Act, the Company prohibits the offering of gratuities to U.S. Government prime contractors and higher tier subcontractors and suppliers, except for logo or promotional items having an aggregate value of no more than \$25 per person per year.

See Appendix A of this policy for a more complete summary of gift and gratuity categories and approval requirements related to offering or accepting gratuities and business courtesies.

b. Export, Import and Anti-Boycott

Company employees are expected to comply with all applicable export and import rules and regulations, whenever and wherever Company business is conducted. For business emanating from the United States, employees are expected to comply with the International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR), U.S. Department of State regulations, and U.S. Department of Commerce regulations. Sharing, selling, giving, receiving, putting export controlled technical data on file shares, TeamSpace or social media, or otherwise transferring Company products, services or technical data to or from a foreign person or entity must be in compliance with export and import rules of the United States and the foreign territory. It is also the Company's policy to comply with U.S. Anti-Boycott laws and regulations prohibiting assistance in the boycott of another country.

c. Antitrust and Competition

It is Company policy and good business to obey the antitrust and competition laws of every country in which the Company does business. This includes prohibition of price fixing, bid rigging, market allocations of customers or territories, monopolization or attempted monopolization, and group boycotts.

Unfair methods of competition are also prohibited, including industrial espionage, inducing a competitor's customer to breach a contract, bribery, false or disparaging comments regarding a competitor's product, and misleading advertising claims. Proposed contracts or other arrangements that may be perceived to involve exclusive dealing, tying arrangements or other restrictive agreements with suppliers and customers must receive the approval of the Office of the General Counsel prior to engagement.

d. Affirmative Action and Equal Employment Opportunity

The Company will employ, advance in employment, and in all personnel actions treat all employees and applicants for employment without discrimination because of race, color, religion, sex, sexual orientation, age, national origin, disability, and veteran status, and comply with all applicable employment laws.

All U.S. based or where applicable, Company facilities will maintain Affirmative Action Programs to promote the employment and advancement in employment of groups specifically identified by statute and regulation, including minorities, females, persons with disabilities, and veterans. It is the policy of the Company to make reasonable accommodation to the limitations of qualified persons with disabilities and qualified special-disabled veterans, where those accommodations do not pose an undue hardship on the business.

3.4.6 Conducting Business with the Government

The Company will comply with all government procurement rules and procedures. Company employees and representatives must communicate with Government representatives in an honest and ethical manner and avoid any circumstance that could be considered deceitful or fraudulent, creating the appearance of an impropriety, or a conflict of interests.

a. Procurement Integrity

It is the Company's policy to strictly comply with laws, rules and regulations that apply to U.S. and non-U.S. government procurements. Employees are prohibited from attempting to improperly obtain, receive, possess, or disclose any government source selection information when there is any reason to believe that obtaining such information is prohibited by law, regulation or fair business practices. Government source selection information includes competitive information submitted to a government agency as part of, or in connection with, a bid or proposal to enter into a government procurement contract or for commercial contracts. This may also include nonpublic information that has been prepared for use by the procuring agency in the evaluation of a contractor's bid or proposal.

b. Truth in Negotiations and Proposals

The Company is obligated to comply with the Truth in Negotiations Act (TINA), when applicable, in conducting business with the U.S. Government. Where TINA is applicable, employees are expected to ensure the Company provides accurate, complete and current cost or pricing data to the U.S. Government or a prime contractor where the Company is a subcontractor to that prime U.S. Government contractor.

c. Costs

Only costs properly chargeable to a contract may be billed to or reimbursed by the U.S. or non-U.S. government. Intentionally over billing the Company's customers is strictly prohibited. Improper charging of costs may arise from various causes, including false or otherwise incorrect entries on timecards; false or otherwise incorrect subcontractor charges; false or otherwise incorrect classifications of costs as between direct and indirect categories; submission of false or otherwise incorrect expense accounts; or false or otherwise incorrect charges of time or materials to a work order or other cost account.

d. Security

All employees must deal with U.S. and non-U.S. government classified and proprietary material in the proper manner, both as a matter of national security and to assure compliance with applicable laws, regulations and U.S. and non-U.S. government contractual requirements. Unauthorized access, dissemination, acceptance or handling of that material is strictly prohibited and may constitute a violation of law.

e. Market Intelligence

All employees, contract employees, consultants, agents and representatives must respect the confidentiality of proprietary and competition-sensitive information, whether prepared by the Company, consultants, agents, representatives, other companies, or the U.S. or other government. Employees, contract employees, consultants, agents and representatives are not permitted to seek, obtain, solicit or accept classified, confidential, proprietary or competition-sensitive information prepared by or for the government or another company, or concerning a procurement or the procurement process, in a manner not permitted by law or regulation or the applicable government procurement laws or regulations.

f. U.S. and Non-U.S. Government Audits and Investigations

The Company, its employees and representatives shall cooperate with designated U.S. and non-U.S. government officials to facilitate timely and efficient performance of audits and examinations required under a contract. All records and data released must be internally approved prior to release.

Employees are expected to notify the Office of the General Counsel of any U.S. or non-U.S. government investigation to ensure the Office of the General Counsel represents the Company in any such investigations.

3.4.7 Recruiting and Employment of Current and Former Government Employees

The Company conducts its recruiting and hiring practices of current and former U.S. and non-U.S. government employees in accordance with the laws and regulations in which the Company operates and in a manner that will not create the appearance of impropriety. Solicitation for employment, employment discussions and employment offers to current or former government officials must be made in accordance with the laws and regulations governing post-government employment.

Specific laws and regulations govern the circumstances under which former military officers or other U.S. and non-U.S. government employees may be employed by private concerns, whether directly as employees or indirectly as consultants, agents, representatives or other providers of personal services. The Company must conduct its recruiting and hiring practices in accordance with these specific laws and regulations.

3.4.8 Source Selection

It is the policy of the Company to conduct all source selection activity, in its capacities both as a customer and as a vendor, in accordance with the highest standards of business conduct. The Company engages in competitive source selection except as set forth in Company procurement policy.

Source selection information may include:

- a. Bid or proposal information;
- b. Pricing or cost data, including direct labor rates and indirect cost information;
- c. Proprietary information about manufacturing processes, operations, or techniques;

- d. Source selection plans;
- e. Technical evaluation plans or technical evaluations of proposals;
- f. Cost or price evaluations;
- g. Competitive range determinations; and
- h. Rankings of bids, proposals, or competitors.

Source selection information shall be treated as confidential information and may be disclosed only on a "need to know" basis and as required or permitted by applicable laws, regulations and Company procurement policy.

Company procurement personnel have the sole authority and responsibility for initiating requests for pricing information and receiving responses from potential suppliers. Requests to change scope, quantities, delivery schedules, terms and conditions, pricing, and specification or quality requirements shall be the responsibility of procurement personnel.

Unless otherwise specifically permitted by other Company policy or procedure, Company procurement personnel are the only individuals authorized to enter into contractual relationships with consultants or suppliers and to authorize changes when necessary.

3.4.9 Suppliers and Contractors

The Company engages in business relationships with suppliers that have demonstrated the highest standards of ethics and business conduct. Suppliers are expected to:

- a. Comply with all laws and regulations governing their business;
- b. Conduct all business with the highest standards of integrity;
- c. Remain familiar with and conduct business in accordance with the Rockwell Collins Supplier Code of Ethics and Business Conduct, or have their own code of conduct as may be required in accordance with U.S. Federal Procurement Regulations involving a government contract;
- d. Ask questions or promptly report concerns related to inappropriate business practices to the Rockwell Collins Ombudsman Office; and
- e. Report any violation of law in the performance of a contract involving Rockwell Collins to the Rockwell Collins Ombudsman Office in a timely fashion.

3.4.10 Political and Lobbying Expenditures and Participation

It is Company policy to comply with all laws relating to political contributions and lobbying expenditures. Any direct or indirect contributions to, or expenditures incurred on behalf of, any political party or candidate for political office, or regarding any ballot measure, whether in the United States or any other country, by any organizational component of the Company are prohibited unless approved by the Senior Vice President International Business and Washington Operations, after consulting with the Senior Vice President, General Counsel and Secretary, and Senior Vice President, and Chief Financial Officer.

Employees are encouraged to participate in the political process as good citizens, but those activities must be engaged in during the employee's own time and expense and may in no way be expressed as representing the Company.

3.5 Personal Conduct

All employees, management, representatives, contract employees, suppliers and agents are expected to conduct themselves with the highest standards of personal conduct and in a manner consistent with the requirements of applicable local laws. This includes but is not limited to the personal conduct outlined below:

3.5.1 Drugs, Alcohol and Inhalants

All employees are prohibited from being under the influence of, having possession, consuming, or distributing controlled substances (including legal and illegal drugs, and inhalants), or being intoxicated while on Company business or on Company property. In addition, it is prohibited for employees to be under the influence of alcohol while in the workplace or using Company assets. Individuals may not dispense or consume alcoholic beverages on Company premises, nor distribute, transport, purchase, transfer, or possess any containers of alcoholic beverages on Company premises, unless authorized by the business unit/shared services group head or that executive's designee(s).

The Company reserves the right to not hire, rehire or reinstate individuals who are known to or who admit to the use of any illegal drug, in any amount and regardless of frequency, or whose current use of legal drugs, alcohol or inhalants would prevent them from performing their jobs safely and satisfactorily.

3.5.2 Gambling

Use of Company assets to engage in gambling for personal gain (such as use of your Company computer to participate in on-line gambling) is prohibited.

3.5.3 Favoritism

All hiring, evaluation, promotion, and other business decisions made by Company management and employees shall be made solely based upon sound business considerations. Bias and favoritism such as the influence of conflict of interests, quid pro quo, personal benefits or other improper influences are strictly prohibited. It is the objective of the Company to be fair, impartial, and consistent in the application and enforcement of Company policy.

3.5.4 Theft

Misappropriation, larceny, embezzlement, mischarging of time, and other forms of theft are strictly prohibited and may also be a violation of law. Any theft, regardless of relative value or damage to the Company, supplier or customer, shall be handled with the strictest of action.

3.5.5 Unprofessional Behavior

Company management, employees, representatives, contract employees, suppliers and agents are expected to conduct themselves in a professional manner, consistent with the Company's values. Unprofessional behavior or conduct on the job or while representing the Company that negatively affects the Company's business interests or reputation is prohibited.

3.5.6 Workplace Violence

The Company provides employees with a safe and supportive work environment. Protection from acts of violence while at work is a shared responsibility of each employee that requires awareness, cooperation, and sensitivity to each person's safety. An employee who commits a violent act, threatens to do so, attempts to bring a weapon to work (unless otherwise permitted by law), or creates a hostile work environment shall be subject to disciplinary action up to and including immediate discharge. Violence or a threat of violence committed during non-work times or off Company premises will likewise be subject to disciplinary action, if the violence or threat of violence is deemed to be work related.

COMPLIANCE PROGRAM

Ethics and Business Conduct Compliance Program

4.1 Responsibility

The Company shall maintain a vigorous and effective program to ensure that the letter and spirit of this policy are fulfilled. The Senior Vice President, General Counsel and Secretary is assigned overall responsibility for supervising the implementation of and compliance with this policy and the compliance program, for issuing implementing procedures, and for amending such procedures as appropriate.

The head of each business unit/shared services group is responsible for compliance with this policy and its implementing procedures by all employees within the business unit/shared services group or function. The Ombudsman will meet annually with each business unit/shared services head to review all standards of business conduct violations arising within his or her area of responsibility and all actions taken to resolve them. In addition, the Ombudsman will identify and report any significant apparent trends involving such violations arising within the executive's area of responsibility.

The Senior Vice President, Human Resources, is responsible for implementation and compliance with the Conflict of Interests provisions of this policy. The Senior Vice President, General Counsel and Secretary is responsible for interpreting conflict of interests and determining the appropriate resolution of any conflict of interests or prohibited corporate opportunity submitted under this policy.

With respect to Conflict of Interests, all levels of staff and line management shall:

- a. Maintain a constant awareness of potential conflict of interests problems and potentially prohibited corporate opportunities;
- b. Encourage disclosures of possible conflicts of interests and potentially prohibited corporate opportunities to the Company by subordinates or other company employees, even in doubtful cases; and
- c. Initiate prompt remedial action in the event any actual conflict of interests or prohibited corporate opportunity arises.

4.2 Communication

The Company shall maintain robust awareness and communications programs designed to ensure that employees of all levels in the Company are aware of, responsible, accountable and committed to conducting Company business in accordance with relevant laws and regulations, Company policies and procedures, and the Standards of Business Conduct. The program shall utilize a variety of media such as leadership presentations, e-mail, posters, Company newsletters, Company Intranet and other Company communications.

4.3 Training Programs

The Company shall maintain a training program and individual training modules that are designed to ensure that employees understand the requirements of applicable laws and regulations, and Company policies. Formal training programs for all newly hired employees and current employees shall be developed and presented in a manner that will assure that all active employees participate in the training. Records documenting completion of the training are required.

4.4 Certification

4.4.1 Employees

All Company employees will complete a Standards of Business Conduct and Conflict of Interests certification through annual Ethics Refresher training.

4.4.2 Board of Directors

Members of the Board of Directors of Rockwell Collins, Inc. will be required annually to execute a Standards of Business Conduct and Conflict of Interests Certificate.

4.5 Obligation of Employees to Report Violations and Assist in Investigations

It is the responsibility of an employee having knowledge of any activity that is or may be in violation of law, or of any of the Company's policies related to Standards of Business Conduct, to promptly disclose, where permitted by local law, such activity to the employee's supervisor, another member of management, Human Resources, or the Ombudsman. Employees must also report, where permitted by local law, any request to engage in activity that the employee believes would be contrary to the Company's Standards of Business Conduct policy or constitute a violation of law. This includes the obligation to report, where permitted by local law, a violation of the Company's Standards of Business Conduct or law by customers, suppliers, contract employees, representatives, or other third party agents.

Any supervisor receiving a report under this section will promptly report the matter to higher management and to the Ombudsman and take such further action as higher management or the Ombudsman may direct.

It is the responsibility of every employee to cooperate fully with any investigation of any alleged violation of law or the Company's policies, including those relating to the Company's Standards of Business Conduct.

Harassment and/or retaliation against an employee for making a required disclosure are prohibited. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to a good faith reporting of an activity that is or may be in violation of this policy or the laws governing our business. An employee who has violated the Company's policies related to our Standards of Business Conduct or applicable laws cannot avoid responsibility and appropriate disciplinary action for such violation merely by disclosing it; however, such disclosure will be considered as a mitigating factor in determining appropriate discipline.

4.6 Violations

All employees should be aware that certain matters prohibited by the Company's policies relating to our Standards of Business Conduct may also violate the laws of the United States and other countries and could lead to individual criminal prosecution and, upon conviction, to significant fines and imprisonment for an extended period of time.

Any employee who is, or in the course of his or her duties should have been, aware of a violation of law or the Company's policies relating to our Standards of Business Conduct and fails to make an appropriate report as required by this policy, and as permitted by local law, likewise is subject to discipline. Any person in a supervisory position who fails to perform his or her duties adequately, and whose failure contributes to a violation or the continuation of an ongoing violation of law or any of the Company's policies relating to our Standards of Business Conduct, also shall be subject to discipline.

4.7 Sanctions

Any employee who violates the law or any of the Company's policies relating to Standards of Business Conduct is subject to strict disciplinary action which, without limitation, may include discharge, demotion, suspension without pay, written reprimand, loss or reduction of any incentive or performance award or bonus that might be awarded otherwise, reduction in salary, or delay or reduction of any pay increase that might be granted otherwise (hereinafter "discipline"). If the violation involves a potential violation of law or affects any transaction with a government agency, the Company may make its investigation records and records of the disciplinary action taken available to appropriate government officials so they may consider the adequacy of that action.

Any employee who knowingly makes or refers a false allegation to the Ombudsman or to management or deliberately provides false information or refuses to cooperate in an investigation shall be subject to discipline.

4.8 Audit and Monitoring

Corporate Internal Audit is responsible for auditing compliance with this policy under its ongoing audit program and by such special audits as the Vice President and General Auditor or the Business Standards Compliance Committee may believe appropriate. The Committee will be advised of the results of audits performed by Internal Audit for compliance with the Company's policies related to our Standards of Business Conduct.

4.9 Waiver

Any waiver, including implicit waiver or pre-approval, of our Standards of Business Conduct, including conflict of interests or corporate opportunity, in any material respect for any chief executive officer, principal financial officer, principal accounting officer or controller, any other executive officer, or a member of the Board of Directors of Rockwell Collins, Inc. must be reviewed and approved by the Board of Directors or a Board committee. The Corporate Secretary will facilitate the Board or Committee review of any waiver or pre-approval for such persons. Any pre-approval or waiver shall be promptly disclosed publicly to the extent required by law or stock exchange regulation.

Ethics and Compliance Oversight

5.1 Business Standards Compliance Committee

The Business Standards Compliance Committee (the "Committee") is responsible for management oversight of the Standards of Business Conduct compliance program. The Committee shall be comprised of the Senior Vice President, Secretary and General Counsel; Senior Vice President and Chief Financial Officer; and the Senior Vice President, Human Resources.

The Committee shall review reports of violations of the Company's Standards of Business Conduct and the actions taken to resolve such violations and shall review programs designed to ensure compliance with Company policies related to our Standards of Business Conduct to ensure that the letter and spirit of such policies are fulfilled.

The Committee and the Ombudsman will also be responsible for notifying appropriate Office of the General Counsel and Finance Department personnel to support the prompt public disclosure of amendments to, or waivers (including implicit waivers) from, this policy in any material respect, with regard to any chief executive officer, principal financial officer, principal accounting officer or controller, any other executive officer or member of the Board of Directors of Rockwell Collins, Inc., to the extent required by law or stock exchange regulation.

5.2 Ombudsman

The Ombudsman works at the direction of the Senior Vice President, General Counsel and Secretary, and Business Standards Compliance Committee to address inquiries and allegations presented by employees, contract employees, suppliers/vendors, or other concerned parties against our Standards of Business Conduct. The Ombudsman will operate this function with independence, impartiality, and confidentiality. It is the Ombudsman's responsibility to:

- a. Answer ethics-related questions and accept complaints and/or allegations of policy violations;
- b. Operate by fair and timely procedures to aid in the just resolution of a complaint or problem;
- c. Resolve issues at the appropriate level of the Company;
- d. Direct objective investigation into alleged violations;
- e. Identify complaint patterns and trends;

- f. Educate and communicate the Ombudsman Office as a resource for inquiries and concerns; and
- g. Issue periodic reports.

Any employee may report any information concerning violations or potential violations of the Company's policies related to our Standards of Business Conduct or regarding accounting, internal accounting controls or audit matters directly to the Ombudsman.

5.3 Program Confidentiality

The Ombudsman's and the Committee's records will be kept confidential from those that do not have a "need to know" in order to assure that employees may raise concerns without fear of retaliation, subject to the right of access as may be provided under certain circumstances by U.S. laws or regulations or international data protection regulations. Employees referring matters to the Ombudsman may choose to withhold their identity.

Information obtained by the Ombudsman Office during an investigation, including the identities of employees who have requested confidentiality, shall be disclosed only as necessary to enable the Ombudsman and the Committee to carry out their responsibilities. However, the Company may choose to disclose its investigation records to third parties or others in the Company as it deems appropriate.

Related Information

Rockwell Collins Policies

Policy Number	Policy Name	Section Reference
RC-ADM-POL-002	Delegation of Authority (DoA)	3.4.2.c
RC-ADM-POL-013	Foreign Corrupt Practices Act (FCPA)	3.4.5.a
RC-ADM-POL-015	Internal Controls	3.4.3.a
RC-EB-POL-002	Use and Monitoring of Computing Resources	3.4.1
RC-ESH-POL-121	Environment, Safety and Health Management	3.1.5
RC-FIN-POL-80:06	Political and Lobbying Expenditures	3.4.10
RC-HRS-POL-002	Harassment	3.1.2
RC-HRS-POL-004	Drug, Alcohol and Inhalant Policy	3.5.1
RC-INT-POL-002	Sales Representatives and Consultants for International Business	3.4.5.a
RC-INT-POL-003	Export/Import Regulatory Compliance Programs	3.4.5.b
RC-LGL-POL-001	Disclosure of Potential Violations of Law	2.2.b
RC-LGL-POL-005	Safeguarding Company Sensitive Information	3.2.2
RC-LGL-POL-006	Restrictive Trade Practices and Boycotts	3.4.5.b
RC-LGL-POL-010	Insider Trading Restrictions	3.4.4
RC-LGL-POL-011	Disclosure of Material Information	3.4.3.b
RC-MATL-POL-01	Procurement Business Practices	3.4.6.a
RC-PI-POL-001	Product Integrity	3.2.1
RC-SCT-POL-005	Workplace Violence	3.5.5
RC-SCT-POL-007	Security Requirements for Safeguarding Classified Material	3.4.6.d

Rockwell Collins Procedures

Procedure Number	Procedure Name	Section Reference
RC-ADM-P-002	Safeguarding Company Official and Company Proprietary Information	3.2.2
RC-ADM-P-033	Complaint Process for Accounting, Internal Accounting Controls and Auditing Matters	3.4.3.a
RC-FIN-P-020	Accounting for Unallowable Costs	3.4.6.c
RC-FIN-P-100	SAP Labor Distribution for Weekly Paid Salaried Employees and Contract Labor Personnel	3.4.3.d
RC-FIN-P-104	SAP Labor Distribution for Salaried Exempt Employees	3.4.3.d
RC-OPS-P-014	Supplier Approval and Selection	3.4.8
RC-OPS-P-028	Enterprise Sourcing	3.4.8
RC-HRS-P-33	Recruiting and Hiring Current and Former U.S. Government Employees	3.4.7
RC-FIN-P-009	Business Travel and Expenses	3.5.3
RC-HRS-P-013	Discipline	4.6

APPENDIX A

GRATUITIES AND BUSINESS COURTESIES

Definitions

Gratuities -- Items of value (i.e., cash, goods, services, use of property or facilities) either given or received by an employee or representative of the Company in connection with the marketing, product information, procurement, public relations or other business activities of the Company, its consultants, subcontractors or suppliers, or other interested and affected parties. These items are given voluntarily and beyond the Company's obligation in return for, or in anticipation of, some service or courtesy.

Business Courtesies -- Reasonable accommodations such as meals, refreshments, entertainment, transportation or lodging either offered or received by an employee or representative of the Company in connection with marketing, product information, procurement, public relations or other business activities of the Company, its consultants, subcontractors or suppliers, or other interested and affected parties.

Gratuity and Business Courtesy Approval Requirements

The comprehensive charts following this section titled "Offering Gratuities and Business Courtesies" and "Receiving Gratuities and Business Courtesies" state the specific approvals required in regard to each of the types of gratuities and business courtesies. All employees are expected to comply with the approval requirements set forth in these charts. It may be appropriate in the case of selected businesses to establish guidelines more restrictive than those permitted by this policy.

OFFERING GRATUITIES AND BUSINESS COURTESIES ¹

	Members of U.S. Congress, Congressional Staff, and Executive Branch Political Appointees	Other U.S. Government (USG) Employees and USG-Retained Consultants	USG Prime Contractors, Subcontractors, Suppliers and RC-Retained Consultants	Commercial (Non Government) Consultants, Subcontractors and Suppliers	Commercial (Non-Government) Customers	International (Non-U.S.) Government Officials
Business Meals and Receptions	Not allowed without prior approval of the Senior Vice President, Washington Operations and the General Counsel or designee.	If <\$20 per person/meal, and <\$50 in the aggregate per year, requires prior approval by Direct Supervisor. If >\$20 per person/meal or >\$50 in the aggregate per year, requires prior approval by the General Counsel or designee.	Reasonable – not extravagant or frequent.²	Reasonable – not extravagant or frequent. ²	Reasonable – not extravagant or frequent. ²	Reasonable – not extravagant or frequent. ²
Gratuities	Not allowed.	Not allowed except for logo or promotional items ≤\$20 aggregate value per person per year.	Not allowed without prior approval of Business Unit or Shared Services Group Head, as applicable, and the General Counsel or designee (except that logo or promotional items ≤\$20 aggregate value per person per year do not require such prior approval).	Not allowed without prior approval of Business Unit or Shared Services Group Head, as applicable (except that logo or promotional items ≤\$25 aggregate value per person per year do not require such prior approval).	Reasonable – not extravagant or frequent. If aggregate value >\$100 per year, requires prior approval by Business Unit or Shared Services Group Head, as applicable.	Foreign Corrupt Practices Act and in-country laws prohibit offering certain gratuities (contact Office of the General Counsel for guidance). If legally permitted, all gratuities require prior approval by the General Counsel or designee, except for Company logo items, promotional items, or host gifts under \$50 per person per year.
Entertainment (e.g., Concert, Golf, Theme Park or Other Ticketed Event) or Transportation	Not allowed without prior approval of the Senior Vice President, Washington Operations and the General Counsel or designee.	Not allowed.	Not allowed without prior approval of Business Unit or Shared Services Group Head, as applicable, and the General Counsel or designee.	Not allowed without prior approval of Business Unit or Shared Services Group Head, as applicable.	Reasonable – not extravagant or frequent.	Foreign Corrupt Practices Act prohibits certain entertainment. Also, in-country laws vary (contact Office of the General Counsel for guidance). Requires prior approval by the General Counsel or designee.

¹ Rockwell Collins employees may never offer cash or a cash equivalent as a gratuity.

² Rockwell Collins employees are expected to inquire about and understand any prohibitions or limitations of the recipient’s employer before offering any business meal. The Rockwell Collins employee involved, and his or her manager, are responsible to ensure that (a) any business meal offered complies with our gratuity and business courtesy policy, the policy of the recipient’s employer, and all applicable laws, and (b) such meal does not create even an appearance of having been offered as an inducement for favorable treatment and does not reflect negatively on Rockwell Collins’ reputation. Employees are expected to consult with the Office of the General Counsel, as necessary, to assure compliance with applicable laws and our gratuity and business courtesy policy.

RECEIVING GRATUITIES AND BUSINESS COURTESIES ¹

	USG Prime Contractors, Subcontractors, Suppliers and RC-Retained Consultants	Commercial (Non-Government) Consultants, Subcontractors and Suppliers	Commercial (Non-Government) Customers	International (Non-U.S.) Government Officials
Business Meals and Receptions	Reasonable – not extravagant or frequent.	Reasonable – not extravagant or frequent.	Reasonable – not extravagant or frequent.	Reasonable – not extravagant or frequent.
Gratuities	Not allowed except for logo or promotional items ≤\$20 aggregate value per employee per year from a single source.	Not allowed without prior approval of Business Unit or Shared Services Group Head, as applicable (except that logo or promotional items ≤\$25 aggregate value per employee per year from a single source do not require such prior approval).	Reasonable – not extravagant or frequent.	Varies by in-country laws. If legally permitted, all gratuities require prior approval by the General Counsel or designee.
Entertainment (e.g. Concert, Golf, Theme Park or Other Ticketed Event) or Transportation	Not allowed.	Not allowed without prior approval of Business Unit or Shared Services Group Head, as applicable.	Reasonable – not extravagant or frequent.	Varies by in-country laws. Requires approval by the General Counsel or designee.

¹Rockwell Collins employees may never solicit gratuities or business courtesies and may never accept cash or a cash equivalent as a gratuity.

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