Aerojet Rocketdyne

Code of Conduct

Ethics

The Heart and Soul of Aerojet Rocketdyne
DEAR TEAMMATES:

Values should not only define who we are, but also what we aspire to be. With that in mind, I have worked with the leadership team to create “Rocket Values” for our company that reflect the kind of company that we are today, and need to be in the future. Common values help us to align our workforce and shape our culture to create a collaborative environment in which we do great things.

Our Rocket Values Framework — Customer Focus, Ethics & Compliance, Quality, and Safety, Health & Environment — provides the foundation for the way we conduct business and work together. This framework is demonstrated throughout our Shared Values: Accountability, Adaptability, Integrity, Excellence and Teamwork.

Together, these values represent a culture of high ethical standards. These are the values that we share as a company – collectively and individually. When each of us acts consistent with these values, we determine our company’s success. That is why I like to say, “Our people power our success.”

Each director, officer, principal, employee, contractor, consultant and agent of Aerojet Rocketdyne and its subsidiaries — anyone acting on our behalf — must conduct themselves ethically and adhere to the governing laws and regulations wherever we do business.

Please read and familiarize yourself with the content of the Code of Conduct. It is designed to serve as a guide to help you make the right decisions when performing our daily duties.

To ensure that we continue to operate as a highly ethical organization, it is imperative that we raise concerns when something doesn’t seem right. There are a number of ways to do this. I would encourage you to first discuss any issue or question you may have with your supervisor or an Ethics Liaison. You may use the Ethics, Compliance & Safety Helpline at 855-346-5043 or contact the Ethics & Compliance Team via ethics@rocket.com. You may also contact the Human Resources, Legal and Ethics & Compliance departments for guidance.

I know that I can count on each team member to share in the responsibility of maintaining the strength of Aerojet Rocketdyne’s Ethics & Compliance Program and for maintaining our culture of the highest ethical standards.

Thank You
Eileen Drake, CEO and President

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As a company and as individuals we are committed to behaving ethically in all aspects of our business. Aerojet Rocketdyne’s success depends on employees maintaining our corporate reputation, and everyone has an important role to play. This section of the Code of Conduct outlines the company’s Rocket Values and commitment to employees.
AEROJET ROCKETDYNE ROCKET VALUES

Our Values Framework provides the foundation of our company’s Shared Values which are the basis for our continued success, defining how we do business every day and guiding all of our actions.
VALUES FRAMEWORK

Customer Focus: Our efforts and intentions are always directed toward understanding and then meeting or exceeding the needs and expectations of our customers.

Ethics & Compliance: We hold ourselves and our partners to the highest standards of ethical and business practices.

Quality: We deliver best-in-class products and services that reflect the highest standards of excellence and attention to detail which enable the successful completion of our customer’s mission.

Safety, Health and Environment: We will conduct our business with absolute regard for the preservation and protection of human safety, health and the natural environment.

SHARED VALUES

Accountability - We deliver on our commitments. We are responsible to our customers, shareholders and investors, for our product quality and our business practices.

Adaptability – We embrace change. We are resourceful, creative, innovative and flexible in understanding changing needs and providing optimal solutions.

Integrity – We do the right thing. We are transparent, fair and honest in all that we do.

Excellence – We strive for perfection. We achieve great things by focusing on continuous improvement.

Teamwork – We’re in this together. We actively seek the diverse participation of customers, partners, suppliers and others we work with to achieve success.
OVERVIEW: OUR CODE OF CONDUCT

Directors, officers, principals, employees, contractors, consultants and agents of Aerojet Rocketdyne, and its subsidiaries (collectively, the "company") must adhere to appropriate legal and ethical practices. The conduct of everyone who performs work on behalf of, or with Aerojet Rocketdyne, must not only be within the limits of the law, but must go beyond strict legal compliance to avoid any improper action that could discredit the company.

All company personnel must be aware of, and conform to, the laws and ethical requirements that govern our business.

Other activity which would cause the company or its customer’s embarrassment or adverse publicity should be avoided, regardless of whether or not it violates the law. All company personnel are expected to act with integrity and use sound judgment to avoid inappropriate conduct.

What is the Aerojet Rocketdyne Code of Conduct?

This code is a guide to the conduct expected of employees while working at Aerojet Rocketdyne (including its subsidiaries and affiliates), or providing services to Aerojet Rocketdyne. It is a summary of some of the basic company policies and legal requirements that affect our business. It will help employees recognize when a potential ethical or legal issue exists. It will also provide guidance on where to look for more information and where to ask questions.
This section of the Code of Conduct provides guidance on situations employees may come across in their day-to-day activities while conducting business for or with Aerojet Rocketdyne.
TIME KEEPING AND COST CHARGING

The Heart:

It is essential for employees to maintain accurate records of time worked (labor), material, travel and other costs charged to contracts or other objectives. This will ensure the integrity of customer billings, financial reporting and planning. Employees are responsible for understanding and following the timekeeping policies and procedures at their location.

These costs include, but are not limited to: normal contract work; work related to independent research and development; and bid and proposal activities. It is against company policy and the law to knowingly mischarge time worked by falsifying employee timekeeping records, or knowingly mischarging other costs.

The Soul:

Employee Responsibility – Everyone is responsible for properly and accurately recording hours and cost accounts worked and attesting to those records by signature or electronic submission. This is essential since timekeeping records form the basis for the labor costs charged to each Aerojet Rocketdyne customer and must accurately reflect the proper account for work performed.

Supervisor Responsibility – Any employee who approves timecards has the responsibility to review the number of hours and charge numbers entered on each timecard. The purpose of the review is to ensure that all entries are consistent with work assignments and actual hours worked.

Why is correctly charging your time so important?

Short answer: Mischarging is against the law and company policy! Be sure to seek guidance when needed.
BUSINESS ENTERTAINMENT, GIFTS & MEALS

The Heart:
Aerojet Rocketdyne recognizes that it is sometimes customary to exchange entertainment, gifts and meals to strengthen business relationships. The appropriateness of such exchanges depends on the circumstances involved and must be carefully considered. Various laws and regulations govern the subject of business entertainment, gifts and meals.

Giving or receiving all entertainment, gifts or meals should typically follow these guidelines:

- The value is nominal, meaning small or low (generally under $100)
- It is for a valid business purpose. It is customary and part of normal business practices
- It is infrequent
- It is not requested
- It imposes no sense of obligation to the giver or recipient
- It is not in cash or anything similar to cash (i.e. gift cards)
- It would not cast doubt on the integrity of a procurement process or other transaction
- It does not violate any law, regulation or policy
- It is open and transparent, not hidden or secret

Government Personnel:
With respect to government personnel, government requirements and company policy generally prohibit offering or giving anything of value to a government employee where the value of the item or service exceeds $20 (or $50 cumulative value in a calendar year). Limited exceptions to these requirements apply, and must be approved in advance by Ethics & Compliance. Acceptable examples include providing coffee, soft drinks and snacks at a working meeting with customers present on company premises.

The U.S. government prohibits registered lobbyists and their employees, which includes all employees of Aerojet Rocketdyne, from providing gifts or entertainment to certain senior executive branch officials. This category includes any person who was appointed by the president or vice president, and confirmed by the U.S. Senate. It also extends to non-career senior executive service members and those appointed to a position excepted from the competitive service. There is no exception for items of low value, widely-attended events, meals in foreign areas, or social invitations.
Any gifts, meals or entertainment to such officials will be determined on a case-by-case basis by Ethics & Compliance and Legal departments.

**All Other Third Parties:**

With respect to offering or giving entertainment, gifts, or meals to all non-government third parties (including customers, suppliers and vendors), we follow the ethics and compliance policies that our customers have adopted for their employees, as well as established practices in the markets we serve. Under no circumstances should entertainment, gifts or meals exceeding $100 in value be provided to a non-government third party.

With respect to receiving entertainment, gifts or meals from all non-government third parties, we have adopted strict rules regarding what our employees can accept. Generally, unless you have a procurement or financial role, you can receive gifts, meals or entertainment with a value of under $100.

Aerojet Rocketdyne employees who make decisions in a procurement or financial role (award supplier agreements, approve invoices and request for payment or have approval authority over supplier actions) may not accept any business courtesy from suppliers with the exception of promotional items with a fair market value under $20.

Soliciting anything of value from third parties is always prohibited. Any form of cash, or cash equivalents such as gift cards or expense-paid travel are strictly prohibited.

If an employee has any doubt or seeks an exception whether an item is permissible, they must get guidance from Ethics & Compliance. Exceptions may be considered and approved by the Ethics & Compliance office. All exceptions must be evidenced in writing and submitted to the Ethics & Compliance office.
The Soul:

Remember to:

1. Never offer or provide entertainment, gifts, meals, or anything else of value to or from a third party when doing so would violate the law, regulation, the third party’s ethics and compliance policy or Aerojet Rocketdyne’s policy.

2. Never solicit entertainment, gifts, meals, or anything else of value from any third party, such as a customer, supplier or vendor.

3. Never accept entertainment, gifts or meals from a third party that would violate local law, regulation, or create the appearance of impropriety.

4. Always exchange entertainment, meals or gifts openly and with transparency.

If in doubt about the specific rules that apply in a given situation, company employees should ask their manager, an Ethics & Compliance officer, the Ethics & Compliance office or the Legal department for assistance.

A customer with whom I have been working closely recently presented me with a $300 gift certificate and a plaque for my outstanding service. Can I keep it?

Although employees can keep the plaque, it would be inappropriate to accept cash or a gift certificate with a value of $300 from a customer who does business with us. The high value of the item also suggests that the customer is attempting to reward or obtain favorable treatment from Aerojet Rocketdyne. This matter should immediately be brought to the attention of the Aerojet Rocketdyne Ethics & Compliance or Legal department.
CONFLICT OF INTEREST

The Heart:

Aerojet Rocketdyne employees may engage in activities outside of the company which do not conflict, appear to conflict with, or impair performance of their company duties. Aerojet Rocketdyne employees must ensure that all business decisions made on behalf of the company are based on sound company business principles and not on private interests which could influence, or appear to influence, objective decisions.

Employees and their family members should not have a direct or indirect financial interest in customers or competitors of the company or in organizations that provide goods and services to the company. Arms-length modest investments in publicly traded stocks of those companies are permitted.

Approval must be obtained from the Director of Ethics & Compliance in consultation with the Legal and Human Resources departments before establishing any relationship, including employment, consulting, or accepting a position as a board member or company officer, with any supplier, competitor, customer or potential customer.

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict must be communicated to the Ethics & Compliance department or the Legal department.

Employees are encouraged to avoid engaging in personal relationships that could inappropriately influence any decisions or actions.

The Soul:

Personal Relationships

- Directors, officers, principals, employees, contractors, consultants and agents of Aerojet Rocketdyne must avoid situations and conduct that might compromise their independence, impair their judgment, create the impression of bias or exploit their position within the company.
- Family and romantic relationships within a supervisory chain or reporting hierarchy (directly or indirectly) are prohibited, as is employment of people with close personal relationships at work within areas where either party would have access to confidential company information pertaining to the other. The Conflict of Interest policy exists to avoid abuse of
authority and position, and to alleviate the impression of bias and/or favoritism.

Financial Interests

- Directors, officers, principals, employees, contractors, consultants and agents of Aerojet Rocketdyne should not have, either directly or indirectly through relatives or otherwise, a financial or stock ownership interest in the company’s suppliers, customers or competitors which has the potential of being in conflict with the best interests of the company.

- Any current or proposed financial interest that might violate the Conflict of Interest policy must be disclosed to and approved by the Director of Ethics & Compliance or the Legal department as not to be in conflict with the best interests of Aerojet Rocketdyne.

Service to other organizations

- No one should be employed by or render service to another company or organization as a director, officer, employee or consultant except with the approval of the Director of Ethics & Compliance in consultation with the Legal and Human Resources departments.

- An Aerojet Rocketdyne director’s employment by or service to another company or organization as a director, officer, employee, consultant or otherwise must be disclosed to Aerojet Rocketdyne when it could impair the director’s ability to objectively reach determinations solely in the best interests of Aerojet Rocketdyne and its shareholders.

What does Conflict of Interest mean?

Conflict of Interest (COI) refers to situations in which competing interests may impair our ability to make objective and unbiased business decisions on behalf of the company.
**POLITICAL CONTRIBUTIONS**

*The Heart:*

Everyone is free to support political parties or candidates of their own choice using their own funds. However, political contributions using Aerojet Rocketdyne funds, either directly or indirectly are prohibited unless they are delegated in explicit writing. In most cases, such unauthorized contributions are illegal, unallowable, and inconsistent with company policy. To assure that political contributions are legal and consistent with company policy, all political contributions on behalf of Aerojet Rocketdyne must be made through the Aerojet Rocketdyne Holdings, Inc. vice president of Communications.

*The Soul:*

- The company will not reimburse any employee for a political contribution.
- The Aerojet Rocketdyne Holdings Inc. Political Action Committee is the vehicle by which any federal contributions will be made. Aerojet Rocketdyne Holdings Inc. Political Action Committee is overseen by a board of directors and all Aerojet Rocketdyne Holdings Inc. Political Action Committee contributions must be approved by a contributions committee.
- In the instances where a political contribution by the company is permitted, the request must be initiated and approved by the appropriate company officers.

**Is it against company policy to print flyers for an upcoming election using a company copy machine?**

*Yes, it is against company policy to use company resources (i.e., copier, paper) for a political campaign.*
FINANCIAL REPORTING, GOVERNMENT ACCOUNTING AND INTERNAL CONTROLS

The Heart:

We have an obligation to the public and our shareholders to make sure all our financial records and public disclosures are accurate. We do this by complying not only with our company’s policies, but also with the laws and regulations that govern our industry. As a government contractor, Aerojet Rocketdyne has the additional obligation to comply with the financial and accounting requirements that apply to such entities. Aerojet Rocketdyne’s books, records, accounts and financial statements properly document all company assets and liabilities, and accurately reflect all company transactions.

The Soul:

Our financial records serve as a basis for managing our business and fulfilling our responsibilities to our stockholders and employees. Each of us has a duty to make sure all entries into our company systems give an honest picture of the results of our operations and our financial position. Employees must never engage in fraudulent or any other dishonest conduct involving the property, assets or financial reporting and accounting. We must follow all internal control procedures, never make false entries into a financial system, and accurately record all assets, liabilities, revenues and expense.

Our department has spent nearly our entire travel budget. Our customer asked me to travel to their site for an important meeting. Can I charge my travel to another department that has the funding?
No. Your department accounts should accurately reflect the true nature of the travel costs and record them appropriately.
PRODUCT QUALITY AND CONFORMANCE

The Heart:

The essence of our business is the absolute requirement that we deliver the highest quality products that conform to customer requirements. Customer confidence in our quality can only be achieved if our products meet all specification requirements and, just as importantly, that our internal documentation reflects that adherence. We must also ensure that our suppliers meet these same objectives. Therefore, all quality, quantity, material, testing and inspection requirements in our contracts and subcontracts must be strictly observed. Such requirements may not be changed or deviated from in any way except with the formal and documented approval of our customers.

The Soul:

It is wrong to:

1. Substitute or use nonconforming materials or components---including what you may perceive as a “minor” change---without the necessary written customer approval.
2. Fail to conduct required testing or inspection obligations.
3. Manipulate or alter test data.

It is the responsibility of every employee to deliver quality products. All managers are accountable to assure the strict observance by employees of all contractual requirements, including those relating to testing and inspection. Any questions or concerns by employees regarding product quality or conformance must be resolved immediately before taking any action. We have very capable internal Quality personnel who can assist as needed, or contact the company’s Ethics & Compliance department, if you are unsure of how to resolve your question or concern.

After doing some research, I found a better part for this product I’m working on for a government customer. Can I substitute it for the one we are currently using?

No, all substitutions must be approved in writing by our customer. You should discuss your findings with your supervisor and your recommendation can be reviewed via the formal process.
PROTECTION OF COMPANY INFORMATION

The Heart:

During employment, or any time after leaving the company, no one should divulge any data, trade secret, proprietary or confidential information about the company, its customers or suppliers, without the written consent of the company. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company, its customers or its suppliers, if disclosed.

The Soul:

Confidential, proprietary information should only be distributed on a need-to-know basis. While everyone must have adequate information to carry out our work successfully, confidential and proprietary information must not be distributed indiscriminately. If employees have a question as to whether disclosure is authorized, they should check with a supervisor or a company attorney before distributing such information.

Confidential, proprietary information should not be discussed with non-Aerojet Rocketdyne employees unless they need to know the information and have signed an appropriate confidentiality agreement. Upon leaving the company, or at the company's request, employees must return all materials relating to the company's business that is in employee’s possession or under their control while with the Company.

In addition, no employee of the company who, in the course of working for the company, learns of nonpublic information about a company, including information about a customer or supplier of the company, may trade in that company's securities until the information becomes public or is no longer material in nature.

A former coworker wants you to send them a company drawing and specifications as their new company is looking to purchase the same part. Should you send this information to a former employee?

No. Do not divulge any confidential information outside of the company without prior written consent via a Non-Disclosure Agreement issued by the Legal department.
SAFETY, HEALTH & ENVIRONMENT

The Heart:
Aerojet Rocketdyne incorporates Safety, Health & Environment (SH&E) considerations into our daily activities.

- **We prevent** work-related injuries and illnesses by proactively identifying risk and creating a workplace free from hazards and unsafe actions.
- **We comply** with all applicable laws and regulations, and implement best practices in order to achieve our policy goals.
- **We establish** and maintain programs and procedures to ensure that all applicable laws, regulations and company procedures are known and followed by our employees.
- **We develop** and implement a SH&E management system that drives SH&E excellence.
- **We employ** and/or retain the services of qualified technical and legal personnel to promote recognition and understanding of SH&E risks and responsibilities for compliance with policies and applicable legal requirements.
- **We communicate** and instill among employees at all levels of the company a commitment to safety and environmental protection as well as their personal responsibility and accountability for adopting and implementing sound SH&E practices as a condition of their job.
- **We develop**, manufacture, distribute and dispose of our products and materials in a manner consistent with sound and legal SH&E practices for the benefit of our employees, shareholders, customers, and the communities in which we live and work.
- **We operate** in a sustainable manner conserving natural resources in all aspects of the business.

The Soul:
Aerojet Rocketdyne conducts our business with absolute regard for the preservation and protection of human health, safety, and the natural environment. All work-related injuries and illnesses can be prevented and compliance with regulatory requirements serves as the basic foundation of the company.
The government has many laws and regulations that we must abide by in order to do business with them. This section of the Code of Conduct provides guidance on situations employees may come across in their day-to-day activities while conducting business with the government and/or other public officials, both domestic and international.
PROCUREMENT INTEGRITY, FAIR DEALINGS & ANTI-TRUST

The Heart:

Aerojet Rocketdyne’s ability to compete for business depends on the integrity of our procurement and contracting processes. Everyone is expected to deal fairly with customers, suppliers, competitors and one another. Proposals, bids, negotiations, contract performance and supplier evaluations must be based on fair and open “arms-length” transactions, free from any improper influence. Purchasing decisions and decisions to place any supplier on any bidding list must be based on established criteria such as price, quality, service, financial responsibility and the maintenance of adequate and reliable sources of supplies. Purchasing and supplier bidding list decisions based on a requirement that a supplier must buy or use goods or services sold by other divisions or units of Aerojet Rocketdyne are strictly forbidden.

When spending taxpayer dollars, the U.S. government insists that all competitors compete on a level playing field – laws and regulations have been adopted prohibiting entities bidding on government procurements from soliciting, receiving, or using certain types of government source selection or competitor proprietary information. Sanctions include criminal fines, debarment from future contracting with the government, and exclusion of a company’s proposal from the competition. “Off limits” information includes:

**Government source selection information**

- Bid prices or proposed costs.
- Source selection or technical evaluation plans.
- Cost or price evaluations.
- Competitive range determinations or rankings of bids or proposals or competitors.
- Source selection board or panel reports and evaluations.
- Any other information marked “Source Selection Information – See FAR 2.101 and 3.104.”

**Competitor bid or proposal information**

- Cost or pricing data.
- Indirect costs and direct labor rates.
- Proprietary information about manufacturing processes, operations, or techniques appropriately marked by the contractor.
- Any information marked by the contactor as “contractor bid or proposal information” or other restrictive marking approved under the FAR.
Other “off limits” information

- Advance copies of all or a portion of government solicitations, requests for proposals, or statements of work except when provided to all bidders.
- Government estimates except when provided to all bidders.
- Anything marked with a restrictive legend, including “proprietary,” “company confidential,” etc.
- Any materials that appears to have had restrictive markings removed.

The Soul:

Everyone must act with the highest degree of professionalism and ethics to establish mutually respectful relationships with suppliers and their representatives at all times. It is wrong to:

1. Solicit, obtain, or use any “off limits” information of the types listed above.
2. Ask anyone, including a consultant, competitor’s employee, or a former government employee, to provide or discuss restricted information to the company.
3. Remove restricted markings from documents so as to obscure their restricted nature.

Aerojet Rocketdyne is committed to continuing its business success through on-time delivery of superior products and services. It is wrong and against company policy to seek a competitive advantage through access to information that the company is prohibited by law or regulation from receiving. Questions concerning the procurement integrity rules should be referred to the Aerojet Rocketdyne Contracts, the Ethics & Compliance or Legal department.

Is it ok to discuss with another company the pricing and contract terms we have negotiated with one of our suppliers, as they are looking to purchase the same parts?

No, employees should never communicate any information regarding price, cost or terms and conditions of sale with any other company, supplier, competitor, or potential competitor.
EMPLOYMENT DISCUSSIONS WITH GOVERNMENT & THIRD PARTY PERSONNEL

The Heart:

Any discussion or contacts with current or former government employees for the purpose of exploring potential employment or consulting opportunities with Aerojet Rocketdyne are subject to very strict conflict of interest laws and regulations. Also, once hired or retained, these individuals may be prohibited from certain tasks and duties that relate to their prior responsibilities.

In addition to government employees, the company shall not hire in the capacity of chief executive officer, chief financial officer, chief accounting officer, controller, or an equivalent position, any individual who was employed by the company’s independent auditor and who participated in any capacity in the audit of the company within the one year period prior to the date of hire.

The company shall not appoint as its independent auditor any registered public accounting firm with who an individual serving in the capacity of chief executive officer, chief financial officer, chief accounting officer, controller, or equivalent position for the company was employed within the one-year period prior to such appointment.

The Soul:

The laws and regulations regarding the recruiting and hiring of current and former government employees and military personnel or their close family members are complex and subject to frequent change. Violation of these rules may subject the potential employee, Aerojet Rocketdyne employee, and the company to severe civil, criminal and administrative penalties.

Before any formal, informal or even casual discussions with current government employees or military members about employment, possible employment, or current job openings at Aerojet Rocketdyne must be formally vetted in writing and receive the required approvals from Legal and Human Resources.

My Air Force Contracting Officer will be retiring soon. I think she would be the perfect candidate for a position we currently have open. Can I discuss this opportunity with her?

No, employees cannot have any discussions with current Government employees or military members about current job openings. Employees should consult with
ANTI-BRIBERY & CORRUPTION

The Heart:

Corruption poses a significant legal and economic risk for companies doing business around the world. Aerojet Rocketdyne fully complies with all anti-bribery and anti-corruption prohibitions as stated in the U.S. Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UKBA), and all other applicable laws, regulations and company policies.

The UKBA does not mirror the provisions of the FCPA, and is considered more robust. Any UK presence subjects U.S. and foreign companies to jurisdiction under the terms of the UKBA, even if the offense takes place in a third country and is unrelated to UK operations. Thus, Aerojet Rocketdyne must be compliant with the UK anti-bribery law.

The Soul:

In an effort to address the impact of corrupt practices on their economy, more and more countries are passing anti-corruption laws. Employees must not accept or make payments or arrangements of any kind, which are illegal under U.S. law, United Kingdom law and/or the law of any country that applies to the company. For example, these laws prohibit direct or indirect bribery of U.S. and international government officials, political parties, political officials, or candidates for public office or employees of commercial organizations to obtain or retain business or an improper business advantage. Making or accepting any payments that might embarrass or bring negative publicity to the company, although technically legal, is also forbidden.

Employees must remember that if a payment can’t stand the light of day, do not make it. This applies to direct and indirect payments such as commissions, fees or facilitating payments. This also applies to other payments to any attorney, salesman, agent, consultant or any other person or organization where the payment could be viewed as a bribe, kickback or illegal activity.

Employees and representatives of Aerojet Rocketdyne should be aware of “red flags” which provide an indication that a transaction might be questionable.

“Red flags” include:

- A history of corruption in the country.
- A lack of transparency in expenses in accounting records.
- Inflated invoices.
- The amount of the payment or commission requested is more than someone would normally expect to pay for the services rendered.
• Employees are not clear (or might be suspicious) about the reputation of an independent consultant or agent because they are less than forthcoming with information.
• High commissions or unusually large fees.
• Lack of written agreement or non-standard written agreement.
• Payments into offshore accounts.
• Use of petty cash or other poorly documented/loosely tracked slush funds.
• Inadequate, generic or otherwise questionable descriptions of activities.
• Missing or incomplete documentation.
• Repetitive payments of same amount or round dollar amounts.
• Large individual or aggregate payments/benefits to one payee.
• Repetitive entertainment/dinner/travel.
• A method of payment is suggested that could be considered unusual for a business transaction (examples: payment in cash, payment to a numbered bank account, payment through a third party or payment in a third country).
• Bribery is a "way of doing business" in the country in question (Note: bribery is illegal in all countries).
• An independent consultant/agent does not have the credentials, qualifications, or resources you would expect for the desired business.
• The proposed agreement between Aerojet Rocketdyne and the consultant/agent is illegal under local law.
• The independent consultant/agent employs individuals or firms unknown to Aerojet Rocketdyne.

**The third party agent, hired by Aerojet Rocketdyne, has requested a check to pay an overseas shipping company to ‘help’ get the customs paperwork through the system quickly. Is this something employees should report?**

Yes. We are responsible for the actions of any third party agents working on our behalf. The request for additional payment is itself a red flag. Please contact a representative from the Legal and/or Ethics & Compliance organizations before proceeding.
EXCHANGE CONTROL

The Heart

The International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR) apply to the export of all Aerojet Rocketdyne products and technical information. These regulations also apply to the temporary or permanent import of defense articles. Any action taken by an employee or the company that violates these regulations can result in civil or criminal penalties imposed on individual employees, company management and corporate officers. Additionally, the company’s export privileges may be suspended.

The Soul

Aerojet Rocketdyne’s export/import procedures are contained in the Aerojet Rocketdyne International Trade Compliance (ITC) Manual and associated training which is mandatory for all employees. Matters covered by the ITC Manual include, but are not limited to:

- Export/import of commodities
- Export of technical data
- International correspondence
- International travel
- Foreign visitors
- Providing defense services to foreign persons
- Restrictive trade practices and boycotts

Directors, officers, principals, employees, contractors, consultants and agents of Aerojet Rocketdyne whose duties involve export matters, including any contact with any foreign persons, are responsible for being familiar with and complying with the Aerojet Rocketdyne ITC Manual and all other applicable laws, regulations and company policies.

Export/import regulations and applicable government agencies:

- ITAR is administered by the Department of State for items pertaining to defense and military related technologies which are listed under the U.S. Munitions list.
- EAR, implementing the Export Administration Act of 1979, is created by the Bureau of Industry and Security under the Department of Commerce, and generally applies to the export of commercial and military items.
- The Federal Firearms Regulation is administered by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and governs the import of arms, ammunition and implements of war.
The manufacture or export of defense articles or furnishing of defense services are regulated by the ITAR, which requires that individuals or companies involved in these activities must register with the Department of State and Directorate of Defense Trade Controls (DDTC). Any export or temporary import of a defense article, export of technical data, or furnishing of defense services requires written approval of DDTC (generally in the form of a license, approved Technical Assistance Agreement, or approved Manufacturing License Agreement) unless the action qualifies for an ITAR exemption. Coordination with ITC should be initiated as soon as a need is identified.

*These regulations all impose severe penalties for violations. The ITC Manual provides guidance needed to conduct our business in compliance with all applicable regulations.*

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**My international customer has asked me to email him a copy of a presentation that discusses complex program issues and details. Is this considered an export?**

Yes. Employees could be transmitting technical data that is ITAR or EAR controlled. Even if employees have export authorization for the information, the information may need to be encrypted to prevent unauthorized persons intercepting it when it goes through the internet. Please seek advice from ITC.
This section of the Code of Conduct discusses the reporting procedures and who you can contact to report any violation of the Code. It also discusses who to contact for questions and general inquiries.
The Heart:

Aerojet Rocketdyne requires all employees to perform their duties in compliance with our Code of Conduct and policies as well as applicable laws and regulations. We follow both the letter and the spirit of the laws and regulations that govern our business. All directors, officers, principals, employees, contractors, consultants and agents of Aerojet Rocketdyne have an obligation to immediately report any situation which appears to involve suspected illegal or improper activities, be in violation of law or regulation, or be contrary to the Aerojet Rocketdyne Code of Conduct, or Aerojet Rocketdyne policies. Such reports must be made to the employee’s supervisor, an Ethics Officer, the Director of Ethics & Compliance, or an Aerojet Rocketdyne attorney. Reports may also be raised to the Ethics, Compliance & Safety Helpline by calling (855) 346-5043 or by using the on-line reporting tool located on the Aerojet Rocketdyne intranet home page, and on the Aerojet Rocketdyne external website which allows for anonymous reporting.

The Soul:

All employees must comply with the provisions outlined in this Code of Conduct. If employees have questions about the Code of Conduct, they should talk with their supervisor, an Ethics Liaison, a member of the Ethics & Compliance office, or an Aerojet Rocketdyne attorney. It is better to seek help when in doubt, rather than make an improper decision based on a misunderstanding or misinterpretation of the Code of Conduct.

Violations of the Code of Conduct are subject to appropriate review and investigation, as needed, and may result in disciplinary action if substantiated, up to and including termination of employment. Such discipline will be more severe for employees in a position of responsibility who knew, or reasonably should have known, that their actions or activities were contrary to the Code of Conduct.

All employees are required to cooperate in internal investigations. You must never destroy or alter any documents or electronic records, lie to or mislead an investigator or obstruct the collection of information relating to an investigation or any legal action brought on behalf of, or against, the company.

The company has a clear policy of cooperating with government investigations; you must notify Ethics & Compliance or the Legal department if you learn that a government agency or any third party is conducting an investigation or asking for information pertaining to a suspected violation of law. If contacted by a government investigator or attorney directly, please contact the Legal department.
promptly so that the company can coordinate its response to the government inquiry, as well as provide any assistance, or answer any questions employees may have about the process. If requested by Aerojet Rocketdyne, you are also required to cooperate with investigations conducted by the government.

In addition, the Federal Acquisition Regulation (FAR) imposes certain mandatory disclosure requirements on prime contractors and subcontractors such as Aerojet Rocketdyne, requiring the reporting of matters involving evidence of fraud, false claims and contract overpayments. Failure to strictly follow these regulations can result in debarment of the company and involved company personnel from doing business with the government. In order to ensure that the company complies with its reporting obligations, Aerojet Rocketdyne conducts thorough and timely internal investigations of company activities that could give rise to a legal, compliance or ethics infraction. To do so, company employees must immediately make internal reports of suspected or actual misconduct, whether or not involving possible fraud, false claims, or contract overpayments, using any of our internal reporting mechanisms, including the company’s Ethics & Compliance or Legal department.

If anyone suspects that the actions or activities of other directors, officers, principals, employees, contractors, consultants, and agents of Aerojet Rocketdyne or anyone acting on behalf of Aerojet Rocketdyne may be contrary to the Code of Conduct, they have an obligation, not an option, to report their concerns. Failure to report observed or suspected ethics and conduct issues as required by the Code of Conduct will result in appropriate disciplinary action, up to and including termination.

The confidentiality of employees making a report will be protected, to the extent permitted, consistent with existing laws, regulations, requirements of the government, and the best interests of Aerojet Rocketdyne.

Aerojet Rocketdyne management does not condone and will not tolerate any act of retaliation against any employee making a report in good faith under this Code.

I have a suspicion, but no proof, that my coworker has an incorrect charge on their timecard. Should I report this and to whom?

Yes, employees should report this as an allegation, as incorrectly recording time. It is a violation of company policy. The report can be made to the employee’s supervisor, an ethics officer, the Ethics & Compliance office, an Aerojet Rocketdyne attorney, Human Resources or by contacting the Ethics, Compliance, and Safety Helpline, or by using the anonymous on-line reporting tool via the Aerojet Rocketdyne intranet home page or the external Aerojet Rocketdyne
Non-Retaliation Policy

The Heart:

Aerojet Rocketdyne will not condone any act of retribution or retaliation against any individual at Aerojet Rocketdyne who conscientiously seeks to follow and implement this Code of Conduct or any other company policy. Individuals with complaints or concerns should contact their local Human Resources representative.

Individuals with concerns of retaliation who do not have access to resources internal to Aerojet Rocketdyne should contact the company via the company’s internet site http://www.rocket.com.

The Soul:

Aerojet Rocketdyne will not permit retaliation for reports made in good faith about violations of the law, rules, regulations, this Code of Conduct, or related company policies. Under several federal laws and regulations, retaliation against an informant is a federal crime.

I would like to raise a compliance issue but I’m afraid if my manager finds out, I will be treated as if I cannot be trusted. How can I be assured that this will not happen?

First, Aerojet Rocketdyne has a zero tolerance policy when it comes to retaliation. If employees feel that their manager, or anyone, has retaliated against them for raising a possible compliance issue, please contact either a local Human Resources representative, an Ethics Liaison, the Ethics & Compliance Office, an Aerojet Rocketdyne attorney, or the Ethics, Compliance, and Safety Helpline.

Second, if employees anonymously report an issue, their confidentiality will be respected to the extent possible.
ETHICS AND COMPLIANCE COMMUNICATION

ETHICS & COMPLIANCE COMMUNICATION
The Ethics & Compliance (E&C) organization will keep employees informed of the latest E&C news by contributing articles to the monthly Aerojet Rocketdyne newsletter and online. New policies and initiatives will be communicated as they arise.

The E&C intranet site is located on the Aerojet Rocketdyne intranet, or by using the jump word: Ethics. On the E&C intranet site employees can find applicable directives, procedures and a copy of this Code of Conduct.

Another E&C tool on the intranet site is Hot Topics. Hot Topics are approximately one to three minute videos that address a specific issue and raise awareness. A new Hot Topics video is posted every month.

ETHICS & COMPLIANCE TEAM
The E&C team manages the Ethics & Business Conduct Program. The team is focused on training, communications, and outreach, responding to inquiries, investigating allegations, and ensuring there is no retaliation against individuals who report concerns.
ETHICS LIAISONS
Ethics Liaisons are individuals within a business unit, functional organization or site who are selected by their leadership to help foster ethics and compliance awareness. The Ethics Liaison is expected to be approachable, accessible, available, and able to help an individual wrestling with a dilemma or "grey area." When faced with a dilemma, employees are encouraged to "speak up" by talking with leadership, an Ethics Liaison, or any representative from Human Resources, Legal, Safety, Health and Environment or E&C.

A list of Ethics Liaisons is on the E&C intranet site.
FREQUENTLY ASKED QUESTIONS

1. What is Ethics and how does it relate to business conduct?

Ethics is the set of guiding principles by which people make decisions and conduct their lives. Because businesses are social constructs and make decisions that affect society, there is an ethical dimension to their conduct. Business ethics involves applying values principles to the activities of business and to the relationships between businesses and various stakeholders. It applies to a wide range of business activities such as relationships with suppliers, employees and consumers as well as the overall system by which a company is directed and controlled (i.e. governance).

2. What is the difference between ethics and compliance?

Ethics (i.e. values) are the guiding principles by which people make decisions and conduct their lives. Compliance (i.e. rules) is the state or the process of being in accordance with established guidelines or legislation. Compliance, in the current business environment, is a prevalent concern because of an ever-increasing number of regulations such as Sarbanes Oxley, which was enacted in the US in response to recent high-profile financial scandals. Ultimately, ethical behavior is grounded in values, not rules. Ethics represents the behaviors we choose to follow. Compliance is the behaviors we are required to follow by law or regulation.

3. Who do I talk to if I think I have experienced or know of a violation of law, regulations, company policy and directives, contract, safety, or ethics?

If possible, try to address the issue first with a supervisor or manager. If that is not possible, employees are uncomfortable going that route, or the manager was unable to assist in fully resolving the issue, please feel free to contact the Legal Department, Human Resources or the E&C department at ethics@rocket.com or by phone 916-351-8583. Employees can find a list of contact names on the E&C Contact Us intranet page. The easiest way for us to resolve a concern is to talk to employees and get all of the needed information. If employees would like to remain anonymous, please contact our third-party Ethics, Compliance & Safety Helpline at 855-346-5043.

4. Can I remain anonymous if I make a claim or inquiry?

Yes! If employees wish to remain anonymous there are two avenues to can pursue. One is to call the helpline at 855-346-5043; the other is to fill out the online Ethics Submittal Form on the Aerojet Rocketdyne website. Employees will
be given a choice on whether they want to give their name or remain anonymous. Both avenues allow employees to follow up on their concern and allow the E&C department to send additional questions, all while retaining anonymity. Also keep in mind that the confidentiality of any non-anonymous employee making a report is of utmost importance and will be respected to the extent permitted, consistent with existing laws, regulations and requirements of the government and the best interests of Aerojet Rocketdyne.

5. How can I follow up on my ethics concerns or questions?

If employees have previously referred an ethics concern or question to the Legal or E&C departments, feel free to contact them directly. If employees left a message on the helpline or website please refer to the tracking number provided. Employees should always feel free to contact any member of the E&C team directly.

7. Is it ok to accept small gifts or gifts of food from a vendor or supplier?

Small gifts of minimal value such as t-shirts, coffee-mugs, pens, etc., are acceptable. Coffee or soft drinks during a meeting, basic meals and small food gifts from third parties such as candy, cookies, gift baskets, etc., are acceptable when shared with other employees. If employees receive a gift that does not meet this simple guideline, or appears to be extravagant in nature, employees should politely decline the offer/gift, return it to the giver, or report it to a representative of E&C or Legal for guidance.

8. Can I attend a vendor sponsored informational event?

Informational events deemed to be for a proper work purpose are acceptable. Third party provided entertainment (parties, clubs, golf, concerts, event tickets, etc.) is generally not permitted and should be refused. Please contact the E&C department if unsure of acceptable events.

9. Is it ok to accept a subscription to a “coffee” or “wine” of the month club or similar type of “club,” given as a gift from a supplier?

Considering this gift is most likely in excess of a nominal amount, recurring and cannot be shared with other employees, the subscription must be declined or cancelled.

10. Can I allow an Aerojet Rocketdyne supplier to pay for lunch at the on-site Aerojet Rocketdyne café as part of a business meeting?

It would be ethically acceptable to let the supplier pay for lunch, since this is a relatively low-value item related to a legitimate business purpose.
*When in doubt… ASK!*  

Contact a representative from the Ethics & Compliance, Human Resources or Legal departments for guidance if the answer to a question remains unclear.
CONTACT US

CONTACT INFORMATION

Ethics Email: ethics@rocket.com

Ethics & Compliance Department Phone: 916-351-8583

Employees can directly contact the E&C staff, an Ethics officer, an attorney in the Legal department, or call the Ethics, Compliance, & Safety helpline at 855-346-5043. Employees can also use the anonymous on-line reporting tool via the link on the Aerojet Rocketdyne intranet home page or on the Aerojet Rocketdyne external website.
REFERENCES

Accounting/Finance:
Aerojet Rocketdyne Expense Reporting and Reimbursement Directive
Aerojet Rocketdyne Timekeeping Directive & Procedure
Aerojet Rocketdyne Travel Directive

Conduct:
Aerojet Rocketdyne Procurement Standards of Conduct

Regulatory:
Aerojet Rocketdyne Anti-Bribery & Corruption Compliance
Aerojet Rocketdyne Conflict of Interest Directive
Aerojet Rocketdyne Holdings, Inc. Reporting Violations of Law or Company Policy
Aerojet Rocketdyne Intellectual Property Directive
Aerojet Rocketdyne International Trade Compliance Control Directive
Aerojet Rocketdyne International Trade Compliance Control Manual
Non-Disclosure Agreements and the Protection of Proprietary Data Procedure
United Kingdom Bribery Act (UKBA)
United States Foreign Corrupt Practices Act (FCPA)
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