

## OPENLINE

800.247.4952 (toll-free) 24 hours a day, 7 days a week

The Northrop Grumman OpenLine is available to anyone affiliated with Northrop Grumman. Individuals can seek guidance or report a suspected violation of our Standards of Business Conduct. It is available 24 hours a day, seven days a week, and is administered by an external supplier.

## WEB REPORTING

<https://www.compliance-helpline.com/northgrum.jsp>

## ETHICS WEB SITE

The Office of Ethics and Business Conduct operates a Web site on the Northrop Grumman Internet. This Web site provides information about Northrop Grumman Values and Standards of Business Conduct.

<http://www.northropgrumman.com/ethics/index.html>

## RESPONSIBILITY AND CONSEQUENCES

Our company standards apply to anyone who represents or is affiliated with Northrop Grumman. Violating rules relating to our relationships with the U.S. Government or to our commercial customers may result in serious consequences up to and including termination of one's relationship with the company.

# NORTHROP GRUMMAN VALUES

We, the women and men of **Northrop Grumman**, are guided by the following **VALUES**. They describe our company as we want it to be. We want our decisions and actions to demonstrate these Values. We believe that putting our Values into practice creates long-term benefits for shareholders, customers, employees, suppliers, and the communities we serve.

### We take responsibility for **QUALITY**...

Our products and services will be "best in class" in terms of value received for dollars paid. We will deliver excellence, strive for continuous improvement and respond vigorously to change. Each of us is responsible for the quality of whatever we do.

### We deliver **CUSTOMER** satisfaction ...

We are dedicated to satisfying our customers. We believe in respecting our customers, listening to their requests and understanding their expectations. We strive to exceed their expectations in affordability, quality and on-time delivery.

### We provide **LEADERSHIP** as a company and as individuals...

Northrop Grumman's leadership is founded on talented employees effectively applying advanced technology, innovative manufacturing and sound business management. We add more value at lower cost with faster response. We each lead through our competence, creativity and teamwork.

### We act with **INTEGRITY** in all we do...

We are each personally accountable for the highest standards of behavior, including honesty and fairness in all aspects of our work. We fulfill our commitments as responsible citizens and employees. We will consistently treat customers and company resources with the respect they deserve.

### We value Northrop Grumman **PEOPLE**...

We treat one another with respect and take pride in the significant contributions that come from the diversity of individuals and ideas. Our continued success requires us to provide the education and development needed to help our people grow. We are committed to openness and trust in all relationships.

### We regard our **SUPPLIERS** as essential team members...

We owe our suppliers the same type of respect that we show to our customers. Our suppliers deserve fair and equitable treatment, clear agreements and honest feedback on performance. We consider our suppliers' needs in conducting all aspects of our business.



## VALUES, ETHICS, AND BUSINESS CONDUCT FOR NORTHROP GRUMMAN BUSINESS ASSOCIATES

*"We are committed to delivering the best possible performance while upholding the strong ethical standards that are the hallmark of Northrop Grumman."*

Wes Bush  
Chairman, Chief Executive Officer and President  
Northrop Grumman Corporation

# KEY POINTS OF NORTHROP GRUMMAN'S STANDARDS OF BUSINESS CONDUCT

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Northrop Grumman has embraced a set of values and established high ethical standards for the conduct of our business.

Northrop Grumman considers adherence to our company Values and Standards of Business Conduct, as well as strict observance of all U.S. and foreign laws and regulations, to be not only a legal requirement but an ethical obligation for all.

Everyone associated with Northrop Grumman is expected to make this commitment his/her own. This includes non-employees, such as consultants, agents, contract labor, employees of limited liability companies, joint ventures, and anyone who represents the company in any capacity – regardless of their position. Individuals are responsible for the integrity and consequences of any actions that are taken on behalf of Northrop Grumman.

## RELATIONSHIPS WITH CUSTOMERS, GOVERNMENT OFFICIALS, AND SUPPLIERS

We expect our customers to select our products based on quality, service and price. We conduct our business in an open and above-board manner, and we do not seek any improper influence. Our policies, procedures and practices are designed to prevent any appearance of improper conduct and influence.

- ▶ We respect the restrictions that our government customers have with regard to business courtesies and want to avoid any actions that conflict with those restrictions. As a general rule, business courtesies such as gifts, entertainment, services or favors should not be offered to any actual or potential government customer or representative.
- ▶ Similar restrictions apply to non-government personnel in connection with government contracts or subcontracts.
- ▶ Business courtesies (see above) to employees or members of Congress are prohibited except in limited circumstances.
- ▶ Business courtesies offered to commercial customer representatives must be infrequent, not lavish, legal, and offered in a manner that will not compromise Northrop Grumman's reputation for impartiality and fair dealing.

While cultivating friendly professional relationships with our suppliers, we maintain an honest, objective and efficient procurement process. We must avoid actual and perceived improper conduct in all our business dealings.

- ▶ No one associated with Northrop Grumman or members of his/her immediate family may solicit or accept gifts, payments or gratuities from our suppliers. Exceptions to this policy must be approved in writing by a company officer.
- ▶ Financial interests in a Northrop Grumman supplier or someone seeking to become a supplier must be reported to management.

Product substitution prohibits the delivery of goods or services that do not meet contract specification. Without prior written approval from the customer, substitutions are not allowed.

## CONFLICT OF INTEREST

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Any situation that could impair objectivity, impartiality or ability to make good business decisions in the best interest of Northrop Grumman is a conflict of interest. Avoiding the appearance of conflict is as important as avoiding an actual conflict because others tend to judge a situation by what they perceive.

A conflicting interest may influence the most conscientious person. Also, the mere existence of that interest may cause the good faith of an act to be questioned.

Avoid situations that conflict with personal financial interests or those at odds with a duty to act in the best interest of Northrop Grumman. This includes situations relating to the financial interests of immediate family and personal friends.

Any individual associated with Northrop Grumman who serves in any capacity in a company, organization or government agency that competes with Northrop Grumman is required to disclose such information and obtain management approval.

## RESOURCES

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Northrop Grumman resources including time, property, information, and services should be used only for authorized business purposes.

- ▶ Correct charging of time helps determine how employees are paid, customers are billed, costs are estimated for new work, contract costs are allocated, and performance is reported.

- ▶ Time records submitted must be accurate. Misrepresenting time worked is prohibited. Intentionally charging time to the wrong contract or account is mischarging. Expenses must be documented accurately, adequately, and submitted promptly.
- ▶ Property, especially electronic media, should never be used for purposes which are disruptive or considered offensive.
- ▶ Information is an asset as valuable as money. We do not seek information to which we are not entitled, especially sensitive procurement information, nor will we violate copyrights or licensing agreements. Company information may not be used for personal gain and classified information must be handled and safeguarded in strict compliance with Security procedures.
- ▶ Anyone acting on the company's behalf is strictly prohibited from circumventing the company's system of internal controls or providing misleading information on company documents.

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## PROTECTING OUR INTEGRITY AND REPUTATION IS OF UTMOST IMPORTANCE.

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## INTERNATIONAL

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Consultants, agents, or others representing the company abroad or working on international business in the United States should be aware that our company's Values and Standards of Conduct apply to them anywhere in the world.

- ▶ Export Controls—items, products, knowledge, or data provided to foreign persons in the United States or abroad or to U.S. citizens in foreign countries, no matter how they are transmitted, require government approval in the form of a license or written approval.
- ▶ Foreign Corrupt Practices Act—payment or offering anything of value directly or indirectly to a foreign government official, political party, party official or candidate for the purpose of influencing an official act of the government in order to obtain an improper business advantage is prohibited.
- ▶ Laws of Other Countries—we observe U.S. laws and the laws of other countries in which we do business.