



SUMMARY GUIDANCE: ACCEPTING BUSINESS GIFTS & HOSPITALITY

I. Introduction

Offers of occasional and modest business-related gifts or hospitality are often customary and can represent merely a desire to build goodwill. RTX Corporation (“RTX”), however, has very restrictive policies governing receipt of business gifts by its employees who have direct purchasing responsibilities. Purchasing decisions must not be influenced by a conflict of interest and must not be tainted by even the appearance of a conflict of interest.

Violations of RTX’s policies on business gifts are taken seriously – a gift intended as a gesture to build goodwill can instead result in an RTX employee having their employment terminated and/or the removal of the supplier from RTX’s list of approved sources. This document is intended to provide you as a supplier or prospective supplier to RTX (including subsidiaries and affiliates) with guidance on our policy on business gifts.

II. General Policy on Business Gifts

A “business gift” is anything of value given as a result of a business relationship, where the recipient does not pay a fair market value. A business gift can be in any form – for example, dinner in a restaurant or club, tickets to the theater, a discount not available to the general public, an invitation to play golf, or an art object.

RTX employees may not solicit any gift, entertainment, or other gratuity.

RTX employees may not accept gifts, entertainment, or other gratuities from anyone seeking a contract with or purchase by RTX in whatever form (including purchase orders or credit card purchases), other than customary business courtesies that are reasonable in frequency and value.

RTX employees who have direct purchasing responsibilities, including employees in the supply management department and employees designated otherwise as performing a purchasing function may accept only occasional: (a) beverages, light snacks and business meals served during business meetings held at the facilities of suppliers; (b) business meals when in travel status; (c) promotional or advertising items having a truly nominal value, such as ball caps or pads of paper; and (d) any other business gift or thing of value if reported to and approved in writing by the Ethics & Compliance Officer or the Compliance Counsel of the business unit, or by the RTX corporate Ethics & Compliance function.

RTX employees who have “direct purchasing responsibilities” include all employees in the supply management department, such as buyers. It also includes other employees who are designated by the business unit. The additional designations could include, for example, employees who are supplier quality assurance representatives, employees responsible for source selections, or employees authorized to make credit card purchases.

RTX considers gifts to a spouse or other family members to be a business gifts if motivated by or related to a business relationship. Such gifts are subject to RTX policy in the same manner as other business gifts.

RTX recognizes that gifts can be motivated by personal friendships or family relationships, rather than by business. Some gifts are clearly business gifts – any gift which is deducted for tax purposes or which is paid for or reimbursed by a business entity clearly is a business gift. Because “appearances” are important and because the propriety of a gift will be judged with the benefit of hindsight, RTX urges restraint in giving all gifts and strongly discourages all gifts based on personal friendship.

III. Supplier Business Gift Policy

“Supplier” is intended broadly to include anyone having a contract, purchase order, service contract, or other agreement or arrangement for purchase by RTX (including credit card purchases). A “prospective supplier” is anyone seeking business from RTX.

Suppliers must avoid offering or giving business gifts to any RTX employee having direct purchasing responsibilities which could create an appearance of impropriety.

Although the holiday season is a traditional time for exchange of gifts, there is no exception in RTX policy which would permit acceptance. If a holiday gift is received from a supplier, RTX employees are directed to return it or donate it to charity.

IV. Special Note Regarding U.S. Government Contracts

RTX entities have many direct and indirect contracts with the United States Government. Aside from RTX’s policies, a payment, gift, or other thing of value from a subcontractor, vendor, or supplier to a government contractor at a higher tier, when given for the purpose of improperly obtaining or rewarding favorable treatment (a “kickback”) is a criminal violation. Under RTX’s standard terms and conditions of purchase, a supplier indemnifies RTX for all costs and any other loss suffered as a result of a kickback. The supplier (or prospective supplier) has the ultimate ability to stop a kickback, including those which are solicited. This indemnity is intended to reinforce the message, unambiguously, that kickbacks will not be tolerated and to encourage you to notify RTX if an RTX employee is seeking a kickback.

V. Supplier’s Recourse if an RTX Employee Solicits Money or a Gift

If an RTX employee solicits money or any other gift, contact the RTX Global Ethics & Compliance function at comments-ethics@rtx.com.