

It's part
of who we are.

Our Values and Standards of Business
Conduct

R&B, Inc.

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Dear fellow contributors

Our Company enters its next 25 years with a strong and successful past and, more importantly, a very promising future. The foundation of our success has been and will continue to be Our Values and Standards of Business Conduct. These principles have served us well since our founding in 1978, and they will continue to guide us tomorrow.

Our four bedrock Values represent the core beliefs that guide us in everything we do – from the way we serve customers to the manner in which we safeguard our contributors and respect our suppliers. They define how we will treat each other and our many stakeholders. They give us a shared set of ethical principles to guide our daily business activities. And through their focus on Innovation and Helping Valued Customers Succeed, they show us how R&B Contributors will compete and win in this very competitive market.

In this booklet, we define our Values and explain how they take practical form as Standards of Business Conduct. Clearly, R&B participates in a complex and highly regulated marketplace, where governing laws and regulations often change frequently. We also compete in foreign nations, where laws, norms and customs may vary. The information here provides good insights and guidelines for addressing these challenges. No, we can't cover every possible situation, but in the Q&A sections we address frequently asked questions and situations.

This booklet also has a section about the numerous resources that you can use when you have questions or concerns. These resources range from supervisors to legal and Human Resources personnel, as well as to our new confidential ethics Hotline. We are proud of our Open Door Policy and will always encourage you to speak directly with your supervisor, manager or Human Resources manager to resolve issues. However, we never want anyone to be uncomfortable in bringing a matter forward. For this reason, we have added a new confidential ethics Hotline which we believe strengthens our Open Door Policy and allows us to do much more while protecting your anonymity at the same time. Our goal is to address issues before they become serious problems. By doing this well, we will fulfill the promise of our future – a company that can always be counted on to do the right thing, and one that generates long-term growth and prosperity for all those connected to us – our contributors, customers, communities and shareholders.

We thank you for your past efforts, and for the contributions that we know each of you will make to our future success.

Sincerely,

The Executive Committee

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Our Values

As contributors, we share different religious, cultural, social, and ethnic backgrounds. We also share certain standards of behavior that are universally accepted as fundamental to a healthy and productive society. R&B's Values are rooted in the Company's history and heritage and in the enduring principles of fairness, honesty and integrity. We believe these standards of behavior are encompassed in our four key Values:

Integrity – First, Last and Always

Integrity is doing what is right...each and every day...at work, at home and in our communities. Integrity is placing our principles of uncompromising ethics before profits and personal ambition; never cutting corners on quality or safety; and always making business decisions that balance our competitive instincts with our ethical obligations.

Helping Valued Customers Succeed

Customer success is essential to our long-term prosperity. At R&B, we work hard to provide our customers with superior value in our products and our services. Our goal is to communicate openly and honestly with our customers, to anticipate their needs and, wherever possible, to exceed their expectations.

Continuous Improvement and Innovation

The success of our Company depends on a cycle of continuous improvement and innovation. As contributors, we set challenging goals for ourselves, seek out new ideas and nurture their growth. We are open to change and work diligently to enhance the value of our products and services to our customers.

R&B Contributors – The Winning Difference

Contributors are the key to our success. We value the health and safety of each and every individual in our plants and offices and in all of the communities where we live and work. We strive to build respect for the diversity in our workforce and to honor our differences. We seek to provide all of our contributors with opportunities for development and advancement and we recognize that their hard work and commitment to excellence determines our future.

Commitments and Responsibilities

R&B's Values and Standards of Business Conduct apply to all contributors in all of our offices and locations around the world. They apply equally to our business relationships inside and outside of the Company and to any independent agents, consultants or contractors working on behalf of R&B. Our Values and Standards of Business Conduct work in tandem with the policies and procedures of our Company, including the Contributor Handbook, and with all applicable U.S. and foreign laws and regulations. Where differences exist because of local customs, norms, laws or regulations, we ask our contributors to use the highest standard of behavior or most restrictive law that applies.

Company Responsibilities

R&B seeks to provide a work environment where high standards of ethical behavior are recognized and practiced. In order to accomplish this goal, R&B will:

- Ensure that every contributor, agent, consultant or representative working on behalf of R&B is aware of, understands, and lives up to our Values and Standards of Business Conduct;
- Provide contributors with appropriate training on our Values and Standards, policies and procedures and relevant laws and regulations; and
- Provide safe and confidential resources for contributors to seek advice on proper workplace conduct and to report issues and concerns.

Contributor Responsibilities

R&B contributors are expected to comply with both the letter and the spirit of our Values and Standards of Business Conduct, Company policies and procedures set forth in the Contributor Handbook and the laws and regulations that govern our business. We ask each contributor to:

- Read and understand our Values and Standards;
- Live our Values and encourage fellow contributors to also live by the Values, follow the Standards of Business Conduct, and abide by all applicable R&B policies and procedures and U.S. and foreign laws and regulations;
- Be alert to any situations that could violate our Standards or policies; and
- Report suspected violations, issues or concerns to your supervisor, to your Human Resource manager or any of the many resources identified on page 28 of this booklet.

Contributors are not expected to know the answer to each and every business question or how to apply Company requirements to complex and sometimes confusing business situations. Contributors are expected, however, to seek advice or clarification promptly when they are uncertain about proper actions or practices. Remember...when in doubt, ask for help! Contributors may report questions or concerns to their supervisor or manager, their Human Resource manager, Company legal counsel or any other resource available at each location. Contributors may also report concerns to R&B's EthicsPoint Hotline an independent 24/7 web or telephone service available to all R&B contributors. Reports to the EthicsPoint Hotline may be made anonymously.

Managers Responsibilities

Managers and supervisors have a special responsibility to set an example by exhibiting the highest standards of behavior. They must also:

- Ensure that each contributor knows and understands the Standards and relevant Company policies and procedures and how to apply them;
- Demonstrate in words and deeds a commitment to R&B's Values and Standards of Business Conduct;
- Make sure contributors understand that nothing is more important than ethical business conduct and compliance with policies and procedures, laws and regulations;
- Encourage contributors to seek advice or help without fear of punishment or reprisal;
- Provide appropriate resources to answer contributors questions; and
- Make themselves approachable and available to *all* contributors.

Standards of Business Conduct

Workplace Conduct

Open Communications

Open and honest communication is one of the cornerstones of a productive business environment. At R&B we put a premium on communication that encourages new ideas and participation at *all levels* of the organization.

Every R&B contributor is encouraged to contribute. We can *all* suggest changes and refinements to our business practices that result in better products, reduced costs or enhanced service to our customers.

Effective communication is a product of listening as well as talking. R&B contributors are encouraged to listen first, and then ask questions, discuss options and make informed decisions that incorporate appropriate input from all applicable organizational units.

We must all work diligently to create an environment where asking questions and challenging the

status quo is encouraged and recognized.

Q: Whenever I point out problems in my department, my supervisor either ignores me or doesn't follow up. How can I communicate if nobody is listening?

A: First, make sure that *your* communications are effective. Always be prepared, know what you want to say, why you are saying it, and be sure your listener is ready to listen and is not distracted or preoccupied with other concerns. Use plain, simple language and phrase your requests or suggestions positively. Finally, ask for feedback. Make sure that your message was sent and received as you intended.

If you have tried and honestly believe your communications are being ignored, then pursue other outlets. Talk with your Human Resources manager or your supervisor's manager. Everyone at R&B has the right and is expected to contribute their thoughts, ideas and actions to building a better business.

Conflict of Interest

A conflict of interest may occur when outside activities or personal interests interfere *or appear to interfere* with your ability to objectively perform your job or act in the best interests of R&B. All financial, business, and other activities both inside and outside your job must be lawful and free of conflicts or even the suggestion of a conflict with your responsibilities as an R&B contributor.

Contributors are encouraged to participate in professional organizations and community activities, but your participation must not jeopardize R&B's reputation or distract you from the performance of your job.

Examples of potential conflicts of interest include:

- Having a financial interest in a customer's private company or business;
- Serving as a board member of any academic, arts, fraternal, or other organization and deciding whether to purchase R&B products for that institution;
- Supervising a relative or determining his or her promotions or pay raises;
- Hiring a supplier managed by a family member, relative or close friend; and
- Receiving discounts or personal gifts from actual or potential suppliers or customers.

Q: I am planning a Company dinner and my daughter owns a restaurant in town. May I pick her restaurant if the prices are comparable to other restaurants?

A: No. This may seem unfair, but our policy on avoiding conflicts of interest obligates each of us to avoid even the appearance of a conflict of interest. No matter how comparable the prices of your daughter's restaurant, others might see your decision as favoritism, and this clearly violates our policy.

Q: My coworker's son has just been hired for a job in our department. Does this represent a conflict of interest?

A: A conflict of interest may exist if his parent is directly supervising him. We do have cases where relatives work in the same department. When this occurs, we must make sure that there is not direct supervision and that raises and job performance evaluations are handled by an independent person and that these situations are monitored on an ongoing basis to ensure objectivity and fairness for all.

Q: Do conflict of interest policies apply to distant relatives, such as cousins or in-laws, or

to friends?

A: R&B's conflict of interest policies always apply to members of your immediate family. As for distant relatives and friends, if the relationship is such that it could influence your objectivity, you should apply the policies and avoid the situation. If the relationship is such that there is only the appearance of impropriety or a conflict, you should ask for guidance.

Q: I want to invest in a company that is manufacturing a product for sale to R&B. Is this a conflict of interest?

A: Even though your involvement would only be financial, there may be a conflict depending upon your position in the Company, your influence on purchasing decisions, the amount of your investment, and the importance of R&B as a future customer. Obtain prior approval from the R&B Legal Department before investing.

Q: May I work for a customer on the weekends? I deal with the customer about three times a week.

A: No. Other contributors, suppliers, or customers may wonder whether you favor the other company because of your employment relationship with it. The company may be tempted to try to coerce you into unethical behavior. R&B policy obligates each of us to avoid even the appearance of a conflict of interest. No matter how innocent the offer of part-time work might be, others might see it as a kickback to you in return for company business.

Inside Information and Securities Trading

Many R&B contributors have access to non-public or "inside" information about R&B or other companies that is not available to people outside the Company. Inside information includes information about plans for new products, marketing strategy, financial results, acquisitions, or other business dealings.

Securities laws and R&B policy prohibit employees from using inside information gained through working at R&B to influence their own or anyone else's investment decisions regarding R&B or any other company with which we do business. Contributors should be careful not to knowingly or unintentionally pass on inside information to anyone, including family and friends, who could then innocently disclose the information to others.

Q: If I hear that R&B is about to acquire another company, may I buy stock in the other company or in R&B before the deal is announced publicly?

A: No. As an R&B contributor you are most likely considered an insider under U.S. securities laws and therefore cannot buy or sell stock in either R&B or the other company until the deal has been announced to the public.

Q: I realize that I can't buy R&B stock based on inside information, but can I advise a family member or friend to do so?

A: No. You would be violating insider trading laws just as if you were buying the stock yourself. You and the person you advised would be violating the law and could be subject to prosecution. Moreover, if all you heard was a rumor, you would be encouraging its spread.

Product Quality

The integrity and quality of our products and services is fundamental to the reputation of our Company and the ultimate success of our businesses. Employees must ensure that R&B products and services conform to all applicable laws, regulations, specifications, test procedures or any other contractual requirements.

R&B contributors must never:

- Falsify, alter or distort any inspection or test documentation or software;
- Improperly or erroneously record inspection or test results;
- Falsely certify or state that required inspections or tests were performed or that test documentation is available;
- Mislead any customer's representative; and
- Use incomplete or improper inspection or testing protocols or procedures.

Q: The new product that I am working on requires certain testing to achieve DOT certification under the federal motor vehicle safety standards. These additional tests are a duplication of effort and a waste of our time and money. I know the parts are safe, can we skip these additional tests?

A: No. R&B must perform all inspections, testing and quality assurance procedures exactly as the law requires.

Relationships with Subcontractors and Suppliers

At R&B, supplier relationships are managed in a fair, equitable and ethical manner consistent with our Values and Standards of Business Conduct and all applicable laws and regulations.

Wherever practical, R&B provides a competitive opportunity for suppliers to earn a share of our purchases, and we enlist their active support in ensuring that we meet customer expectations regarding quality, cost and delivery.

Decisions to hire a subcontractor or source materials from a particular vendor or supplier are made on the basis of objective criteria such as quality, reliability, technical excellence, price, delivery, service and maintenance of adequate sources of supply. Purchasing decisions must never be made on the basis of personal relationships and friendships or the opportunity for personal financial gain.

All R&B contributors must respect the terms of supplier contracts and licensing agreements and maintain open, honest dialogue consistent with good business practices. Contributors must also safeguard all information received from a subcontractor or supplier, including pricing, technology or proprietary design information, and not disclose it to anyone outside of R&B without the supplier or vendor's written permission.

Q: My son was offered a job with one of our suppliers. Is this a problem?

A: A problem exists if your son's position with a supplier creates an obligation, or even the appearance of an obligation, to favor that supplier, particularly if you are in a position to make decisions that impact the supplier. Ask your supervisor or manager or the Human Resources manager for advice about this potential problem.

Use of Company Resources

It is the responsibility of each R&B contributor to protect and preserve the Company's resources. Company resources include such things as Company time, materials, supplies, equipment, information, electronic mail and computer systems. These resources are provided to employees to fulfill Company goals and purposes. Any personal, community, or charitable use of these or other Company resources must be approved by your manager or supervisor.

Every location has specific policies governing the use of Company resources. In all cases where usage is permitted, the rule of reason applies. Personal use that is excessive or violates other Company policies is prohibited unless supervisory approval is received in advance of use. Some examples include:

- Personal calling or faxing long-distance;
- Personal photocopying;
- Copying computer software programs (except as authorized by licensing agreements);
- Taking office supplies home;
- Driving or using a Company vehicle, tools, equipment, or other company assets without authorization; and
- Using electronic networks, including the Internet, except as authorized by local policy.

In addition, any use of R&B resources for personal financial gain is strictly forbidden.

R&B contributors should report any improper use of company resources to their manager or supervisor, the Human Resources manager or the EthicsPoint Hotline. By limiting company resources to business purposes, contributors assist in R&B's continuous efforts to control costs.

Q: This weekend I am doing some construction work on my house. May I bring home the Company tools I use at work?

A: No. Company tools and equipment are to be used for business purposes only.

Q: May I type my spouse's resume on my office computer?

A: If local policy permits, you may be able to use the computer during non-working hours to type personal documents, within reason. Check with your supervisor to see if another person needs access to your computer during that time. Of course, under no circumstance can the computer or network be used for any improper or illegal use as outlined in the Contributor Handbook.

Q: I volunteer for a local community organization that helps needy children. May I copy the organization's fund-raising brochure?

A: R&B encourages all contributors to participate in volunteer activities. Company equipment, however, should not be used for charitable or other non-business purposes without prior approval from your manager or supervisor.

Q: During my lunch hour, I would like to check my stock portfolio through my computer's Internet connection. Is this okay?

A: If your computer has an authorized Internet connection and limited personal use is acceptable under your location's policy on Internet usage, then limited use for this purpose during non-working hours is permissible.

Gifts and Entertainment

Non-Government Customers and Suppliers

R&B purchases products and services on the basis of quality, price and reliability. In turn, we expect our customers to purchase R&B products and services on the same basis. Giving and receiving gifts and entertainment can potentially affect the independence of our judgment and that of our customers.

Contributors who are not involved in government contracting may infrequently accept or offer gifts of nominal value in connection with business relationships provided that the gift contains the "company logo" from the company giving the gift. When offering gifts, R&B contributors should confirm with the intended recipient that the offer does not violate the business standards of his or her own company.

Where reasonable and appropriate, contributors may occasionally offer and accept meals and entertainment in connection with business relationships. Usually, these situations involve group events attended by R&B and other company representatives, and the item is provided to all attendees. Also, there may be a situation where a more expensive gift item may be presented in recognition of a special event or milestone that involves a business relationship. The test of reason requires judgment with respect to both frequency as well as cost, and must have prior approval from the appropriate level of management.

Q: After negotiating a new program with us, a customer sent me a golf shirt as a gift. Does this violate the gift ban?

A: As long as the shirt carries the logo of the customers company, you may accept it for personal use. If the contract involved a government customer, however, you cannot accept the gift because it may violate the Anti-Kickback Act. If you receive a gift of any kind, it's always a good idea to inform your supervisor.

Q: A supplier just offered me a 15% personal discount. Is this appropriate?

A: You cannot accept a personal discount unless the supplier offers the discount to all R&B contributors.

Q: I attended an industry meeting and won a weekend trip to New York City. The value is definitely more than nominal and there is no company logo. Can I accept the prize?

A: Yes, you may accept a prize with more than nominal value without a logo if it is awarded randomly, as in a lottery or drawing, or if you won it as part of a competition.

Q: My supplier offered me tickets to a Broadway play. He can't accompany me, so he told me to use them with friends or family. Can I accept the tickets?

A: No. Acceptance of entertainment from a supplier or vendor is only permissible if the entertainment is usual and customary for your business and the provider is in attendance. If the supplier is not going to be present, then the offer is considered a gift and subject to the gift rules.

Q: May I offer an R&B customer tickets to a baseball game that I cannot attend? They are worth more than a nominal value and do not carry the Company logo.

A: No. The same rules apply when you give a gift or provide entertainment that apply

when you accept a gift. You must be present and be able to conduct business with your customer during the outing.

Q: I organize many business meetings, trips, and conventions. A hotel where I often book rooms for R&B contributors offered me a free weekend for my personal use. Can I accept it?

A: No. Accepting the offer makes it difficult to remain impartial when you arrange future hotel accommodations for R&B. Even the appearance of such a conflict of interest is inappropriate and should be avoided by declining the offer.

Q: When is it permissible to accept payment for commercial transportation, lodging or other living and travel expenses from a supplier or customer?

A: To accept payment, you must be part of a group, the supplier or customer must be present as host, the trip must be business related and the activity must be approved in advance by management.

Q: Are there any exceptions to the policy limiting gifts?

A: If you receive a gift that violates the rules without notice, you have the option of either returning it with a note explaining R&B's policy on gifts or turning it over to the Company for display, using it in an employee giveaway or donating it to a charitable organization.

Q: A supplier gave me a food tray of meats and cheeses. Is this acceptable?

A: No, the gift would violate the rules as a gift for personal use, but you could set out the tray of food for all contributors to enjoy or it could be donated to a charitable organization or used as part of an employee giveaway.

Government Customers or Suppliers

Gifts and entertainment to officials and employees of the governments of the U.S. and other countries are highly regulated and often prohibited. R&B contributors and its agents should not provide or accept any gifts or entertainment to any government employee or official unless you have specific knowledge that they are permissible under R&B policies and applicable laws and regulations.

Q: I want to invite a potential government customer to my house for a barbecue, but her regulations say that I can't purchase a meal for her. Does that regulation only apply to meals in restaurants?

A: No. A rule that prohibits a company from buying a meal for an employee in a restaurant also prohibits us from inviting him or her for a meal in our homes.

Q: Do all government agencies have the same regulations concerning the acceptance of meals and entertainment?

A: No. Regulations differ among federal, state, local, and foreign government agencies. Before offering any gifts, meals, or entertainment, make sure you know the applicable regulations. Contact the Legal Department for guidance in this area. Also, R&B's policy forbids gifts or giving anything else of value to U.S. or foreign government customers or suppliers except minor refreshments at business discussions. *Gratuities offered to foreign government officials are also regulated by the Foreign Corrupt Practices Act.*

Business Information

Books, Records and Communications

Each R&B contributor is responsible for the integrity and accuracy of business documents, communications and financial records. These records serve as a basis for managing our business and are important in meeting our obligations to suppliers, distributors, government regulators, investors, creditors, and our customers.

All financial information must reflect actual transactions and conform to generally accepted accounting principles. R&B maintains a system of internal controls to assure appropriate authorization, recording and accountability of the Company's assets. When contributors are asked to respond to requests by internal auditors, legal staff, independent accountants, and special counsel, responses must be complete and truthful. Contributors must include all relevant information, even if the request does not specifically ask that you do so.

It is a violation of R&B's Standards to alter or falsify information on any record or document, to intentionally make a false or exaggerated claim to anyone, including our competitors, or to mislead customers about our products or those of our competitors.

Business documents and records are retained in accordance with the law and our Company record retention policies. Documents include paper documents, voice mail, and computer-based information such as E-mail, computer files on disk or tape, and any other medium that contains information about the organization or its business activities. Contributors are prohibited from tampering with these documents or removing or destroying them prior to the dates specified in our retention policies.

Q: I believe my supervisor has changed or directed the change of charges on my time card to an incorrect charge number. What should I do?

A: Misrepresenting any information on a record, whether it be a charge number on a time card or any other business record or document, is dishonest and in some cases may also be illegal. Try to discuss the matter with your supervisor to avoid a misunderstanding. If this is not possible or does not resolve the matter, seek advice from your next-level manager, your Human Resource manager or the EthicsPoint Hotline.

Confidential Information

Many valuable Company assets are intangible, including our trade secrets and Company confidential information. R&B contributors should guard intangible assets and confidential information just as we would our Company's physical assets.

Contributors must not discuss with any unauthorized person inside or outside of the Company any information that is confidential and not publicly available. Examples of such confidential information include:

- Undisclosed financial and earnings reports;
- Confidential product performance information;
- New product offerings;
- Merger, acquisition, divestiture, or business plans;
- Classified information;
- Procurement plans;
- Capital requirements;
- Personnel information or changes;
- Confidential technical data;

- Marketing, pricing, or service strategies;
- Business negotiations;
- Business costs and volumes;
- Supplier and subcontractor information;
and
- Proprietary computer software.

Contributors should be cautious about discussing business matters with authorized R&B contributors in the presence of, or within hearing distance of, unauthorized personnel. This includes family and friends, who may inadvertently disclose confidential information to others.

Q: I have just joined R&B as a new contributor. My prior employer is one of R&B's biggest competitors. Can I share some important marketing information that I developed while at my former employer?

A: No. It is not ethical or good business practice to share confidential information with your new employer. You are obligated to protect your past employer's confidential information just as R&B contributors are obligated to protect our Company's confidential information should they leave our employ.

Intellectual Property

Intellectual property laws provide an incentive for the creative efforts and research and development that support innovation. Intellectual property consists of tangible products of the mind such as: abstract concepts, information, symbols, and expressions that are protected by law. The protection provided by these laws makes it feasible for companies like R&B to invest in the commercialization of new ideas and processes.

At R&B, we must vigorously protect our own intellectual property rights as well as the rights of others. Intellectual property rights include patents, copyrights, trademarks, and trade secrets. Property rights also include software programs created by other companies that are copyrighted or otherwise restricted. To protect our own property rights, R&B contributors should fully document product development research and use appropriate R&B trademark and copyright notices on all correspondence, articles, manuals or other papers. Contributors should also avoid disclosing proprietary and confidential information outside of R&B unless there is a clear business purpose and the recipient has signed a confidentiality agreement.

To avoid infringing on the intellectual property rights of others, R&B contributors should not:

- Make unauthorized copies of software or photocopy magazine/journal articles or other publications;
- Hire a competitor's employee to obtain that competitor's trade secrets;
- Affix other's trademark to goods without authorization;
- Fail to remove another's trademark when the goods or parts are remanufactured; and
- Erroneously allege patent infringement or mark a product with an untrue patent notice.

If R&B or its contributors want or need to use the intellectual property belonging to someone else, we must obtain a license to use the property or purchase the outright ownership of the property. In the case of property rights with an expiration date, such as patents, R&B contributors must be sure that this date has passed if licensing or outright purchase is not feasible.

Q: We have developed a new process that will provide us with a clear advantage in product performance. When can we release this idea to production?

A: If a patentable invention is developed, you must obtain a legal opinion of “no infringement” before releasing it. Even a design that is developed wholly independently may infringe on a patent if it is equivalent to a patented invention.

Q: What if someone outside of R&B sends me an unsolicited idea?

A: Unsolicited ideas from outsiders may be trade secrets and should be reviewed only after the owner or authorized licensee has signed a release. Forward all unsolicited ideas to the R&B Legal Department.

Computer Networks and Information

R&B’s computer networks and information resources include our electronic mail and messaging systems, internal Intranet and the use of the following external computer-based services *when accessed through R&B’s systems*:

- External, third party electronic mail and messaging systems;
- The public Internet;
- Third party, computer-based on-line services; and Electronic bulletin board systems.

Use of R&B information networks and resources is both a necessity and a privilege. Contributors with access to our networks are responsible for using the highest standards of corporate and social behavior in all of their usage and communications. Contributors who use R&B’s networks *from remote locations* (e.g., home or other non-R&B locations) are subject to the same standards of use as are contributors use R&B networks on Company premises.

R&B computer networks are for legitimate Company-related business purposes only. Limited personal use may be acceptable if such use is authorized by the employee’s specific work location and does not interfere with the performance of the employee’s normal job responsibilities.

Employees may not use R&B’s networks for any of the following:

- Soliciting for commercial, charitable, religious or political causes;
- Sending chain mail letters or broadcast personal messages;
- Sending inappropriate, offensive or disruptive messages;
- Gaining unauthorized access to databases or information sources at R&B or any other site;
- Damaging computer equipment, software or data; and
- Interfering with or disrupting network users, services or equipment.

The following activities are highly inappropriate and strictly forbidden. In certain situations, they may also be illegal and subject R&B and the individual(s) involved to litigation and possible civil and/or criminal sanctions.

- Sexually-related or pornographic messages or material;
- Violent or hate-related messages or material;
- Bigoted, racist or other offensive messages aimed at a particular group or individual;
- Malicious, libelous or slanderous messages or material; and
- Subversive or other messages or material related to illegal activities.

R&B will periodically monitor, access and review the contents of any Company computer systems and networks and to block access to non-business related Internet sites. Contributors who violate this policy are subject to discipline including possible termination of employment.

Q: May I use our E-mail system to send personal messages to family and friends?

A: Use of R&B's computer networks, including E-mail, is primarily for business purposes. However, limited personal use is permitted provided your usage conforms to our required standards of behavior. Remember, however, that Company E-mail is not private. You should not use the system for any communication you want to keep private or confidential.

Q: I have access to the Internet through R&B's computer networks. I would like to post messages to an Internet discussion group or bulletin board. Am I authorized to do this from my R&B computer?

A: No. Such use is prohibited because the message can be linked to R&B.

Employment Practices

Diversity and Equal Employment Opportunity

One of R&B's strengths is the diversity of its contributors. R&B is committed to maintaining a diverse workforce, where contributors are hired, retained, compensated, disciplined, and promoted based on their contribution to the Company and their performance.

Federal and State Equal Employment Opportunity laws prohibit employment discrimination based on race, color, religion, sex, sexual orientation, age, national origin, citizenship status, veteran status, and disability. R&B is committed to providing an equal opportunity work environment in full compliance with these laws.

All R&B contributors deserve to be treated with fairness and respect. Accordingly, contributors must avoid jokes and actions or statements about individuals or groups that may be interpreted as discriminatory or harassing or that stereotype any group of individuals. Supervisors and managers have a special responsibility to consistently adhere to and apply R&B's policies regarding equal employment and harassment and be able to show non-discriminatory reasons for taking personnel actions.

Q: I think my supervisor didn't promote me because of my age. What should I do?

A: If you believe that you or another contributor is discriminated against for age or any other reason that is protected by law (race, religion, sex, sexual orientation, veteran status, handicap/disability, or national origin), you should discuss it immediately with your Human Resources manager or the other outlets listed on page 28.

Q: My supervisor has a policy on sick leave, personal days, maternity leave and comp time that is more restrictive than other departments at my location. What should I do?

A: If you feel comfortable, you should speak to your supervisor about the problem. If you aren't comfortable talking to your supervisor or if he or she does not give you a satisfactory answer, you should contact your Human Resources manager or the other outlets listed on page 28.

Harassment and Workplace Violence

R&B is committed to a workplace environment where contributors are treated with dignity, fairness and respect. Every contributor, at every level, has the right to work in an atmosphere that

provides equal employment opportunities and is free of discriminatory practices and illegal harassment. Therefore, any form of illegal harassment or any other illegal conduct that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment, will not be tolerated.

Harassment takes many forms. It may target an individual's race, sex, religion, color, national origin, age, mental or physical disability or sexual orientation. It may also target a person who is speaking out against illegal discrimination or participating in proceedings under anti-discrimination laws.

Harassment also includes incidents of workplace violence such as assault and intimidation. Assault may be verbal, such as yelling, screaming or name calling, or physical, such as pushing or even tossing someone materials that are too heavy to catch. Intimidation can range from threatening body language to threatening letters. Contributors are prohibited from any act of violence or intimidation and may not possess firearms, other weapons, explosive devices or dangerous materials in the workplace or in any job-related activity outside the workplace.

Harassment can exist at any level of the Company, between coworkers, between supervisors and contributors, and between customers, contractors or vendors and contributors. No matter where it exists or who it involves, illegal harassment is strictly prohibited and violations will result in disciplinary action up to and including termination of employment. In some cases, there could be legal implications involving fines.

As a contributor, you or a coworker may at some time be confronted with harassment or intimidation. If so, it is important that you tell the offending person to stop the unwanted behavior as soon as it occurs. Remain calm and if the situation warrants, remove yourself from the presence of the individual. It is critical that you immediately report the behavior to your supervisor, your Department Vice President or Human Resources manager. Allegations of harassment and intimidation are taken seriously and will be promptly investigated. R&B will take immediate steps to prevent and correct any instances of illegal harassment in the workplace or in settings in which contributors may find themselves in connection with their employment.

Q: A colleague of mine is upset and tells me that a coworker is constantly telling off-color jokes. She is afraid to speak up. What should I do?

A: Sexually oriented, suggestive or obscene comments, whether written or spoken, may be considered sexual harassment. Your colleague should tell her coworker that these jokes are offensive to her and ask the coworker to stop. If she is afraid to speak to the coworker directly, or if the unwanted behavior continues, she should report this offensive behavior to her supervisor, Department Vice President, Human Resources manager or the other resources listed on page 28. If your coworker does not take action, then you should report what your colleague has told you...even if you don't have all of the facts or haven't observed the harassment yourself. It is critical to stop offensive or improper behavior before it becomes severe or pervasive. Failure to report actual or suspected harassment may make it difficult for R&B to take effective corrective action.

Q: My boss talks frequently about her religious beliefs. While I don't disagree with religion, I feel she is pressuring me to join her faith. What can I do to stop this without damaging my relationship with her?

A: Persistent efforts by anyone to convince others to join or convert to any faith, sect or religion is inappropriate and unacceptable behavior in the workplace. You should tell your boss that you find religious discussions to be highly personal and that you are not comfortable discussing this matter. If she continues to discuss her beliefs against your wishes, report your

boss's behavior to your Department Vice President, Human Resources manager, or any of the other resources listed on page 28.

Q: A coworker in my department often makes "jokes" about certain ethnic groups. I find these "jokes" insulting and demeaning but I am afraid to confront him. What should I do?

A: Jokes or slurs directed against certain groups of people because of the color of their skin, their country of birth or even their accent are not acceptable in our workplace. They interfere with the morale and performance of fellow contributors and violate our Standards of Business Conduct and the basic principles of fairness and respect that each of us deserves. They may also be interpreted as discriminatory or harassing conduct and expose R&B and the individuals involved to costly litigation and penalties. Tell your coworker that you find his/her jokes offensive. If the jokes don't stop, you should report the incident(s) to your supervisor, your Department Vice President, Human Resources manager or any of the other outlets listed on page 28.

Contributor Health and Safety

Workplace health and safety requirements are established by law. The U.S. Occupational Safety and Health Act requires all employers to furnish a workplace free of recognized hazards, and through the Occupational Safety and Health Administration (OSHA), has established numerous standards that identify workplace hazards and specify methods that employers must take to minimize these hazards.

R&B is committed to compliance with these standards and closely monitors its workplaces to determine if equipment, machinery and facilities meet specified safety standards and that safety and health hazards are adequately addressed through appropriate work practices and procedures. R&B closely monitors contributors for potential occupational illnesses and acts expeditiously to eliminate or control contributor exposure to any new or inadequately addressed safety or health hazards.

In addition, R&B:

- Provides contributors with proper tools and training;
- Provides and enforces the use by all contributors of appropriate personal protective equipment;
- Provides immediate and appropriate medical attention to contributors where needed;
- Does not ask or allow any contributor to bypass an established safety practice or procedure; and
- Does not ask or allow any contributor to disable, tamper with, or defeat any safety device on equipment or machinery.

Safety is everyone's responsibility. All R&B contributors must help to create a safe work environment and clearly understand their role in following proper procedures. Contributors should promptly report at risk behaviors or unsafe conditions to their manager, supervisor, Human Resource manager or any of the other outlets listed on page 28.

Q: My production supervisor has instructed me to disable a safety device that slows down the production line. What should I do?

A: Contributors should never bypass, disconnect or disable any safety device or monitoring equipment without approval of the plant manager or regulatory agency. Doing so may violate a federal or local law and expose you and other contributors to accident or injury. Safety is an absolute commitment that should not be compromised by production schedules or any other reason.

Alcohol and Substance Abuse

As part of our commitment to the health and safety of our contributors, R&B policy forbids the use of alcohol or other controlled substances by R&B contributors or employees of a contractor on Company property. In addition, no R&B contributor or any employee of a contractor may report to work or perform any job duties while under the influence of alcohol or any illicit controlled substance. Alcohol and substance abuse by a contributor can endanger the contributor's safety, the safety of other contributors and the community.

R&B will offer assistance to contributors who develop problems related to alcohol or substance abuse before the abuse results in harm to others, impairs their job performance or renders them unemployable. Contributors who refuse to participate in an appropriate treatment program may be subject to discipline up to and including termination.

R&B reserves the right to conduct drug-testing to assure that contributors comply with our alcohol and substance abuse policies.

Q: I think my boss has a drinking problem that is affecting the morale in my department. What can I do? I really want to help.

A: You have an obligation to report your suspicion to your Human Resources manager or any of the other resources listed on page 28. R&B has a strict policy regarding the abuse of alcohol or any other controlled substance that affects the workplace. By reporting your suspicions now, you not only keep our work environment safe for yourself and other employees, but you may also help your boss come to terms with a serious problem that could ultimately render him/her unemployable. (Note: R&B provides programs and support for contributors with substance abuse problems. For details, contact the Human Resource Benefits Department.)

Hiring of Former Government Employees

Federal laws restrict R&B's ability to hire contributors who were recent government employees involved in business relationships or regulatory activity with R&B. Contributors should contact their Human Resources manager before having any formal or informal discussions with current or former government employees about the possibility of working for R&B.

Marketing Practices

Antitrust and Unfair Trade Practices

R&B will compete vigorously for business in all of the markets where we operate, but only in strict compliance with our Values and Standards and all applicable policies, trade laws and regulations.

The U.S. and many other nations have antitrust and other trade laws and regulations designed to promote free and fair competition. U.S. antitrust laws may apply to R&B's activities in other countries whenever they have an impact on U.S. or domestic or foreign commerce. A violation of U.S. and/or foreign laws and regulations may result in serious criminal and civil sanctions for both corporations and individuals.

R&B contributors should understand the basic requirements of the antitrust laws that apply to their business activities and should not propose or enter into any agreements or understandings with competitors, customers, distributors and suppliers, whether formal or informal, written or unwritten, concerning:

- Prices or credit terms;
- Costs;

- Profits or profit margins;
- Allocations of markets, orders, or customers;
- Limits on production or sales volume;
- Distribution methods or allocations;
- Production capacity;
- Sales territories;
- Agreements to refuse to do business with suppliers and competitors; and
- Group boycotts of suppliers and competitors.

R&B contributors must review with the Legal Department any activities or agreements that might raise antitrust issues. Contributors should consult with the Legal Department before proposing or entering into any agreements or understandings that:

- Obligate a supplier or customer to conduct business with R&B before R&B will purchase or sell to them;
- Restrict a customer's choices in using or reselling an R&B product or service;
- Require a customer to purchase one R&B product or service as a condition to purchasing another R&B product or service;
- Restrict any party's freedom to conduct business with or produce or provide any product or service with any other party; and
- Restrict the freedom of a licensee or licensor of any patent, copyright, or licensing arrangement.

Q: One of our competitors asked me to agree to alternate contracts with him. One time R&B would bid the lower price, and the next time we would let his company bid the lower price. Is it proper to discuss pricing plans with him?

A: No. You should never discuss pricing plans with a competitor, nor should you learn of a competitor's pricing plans unless they are publicly available. If a competitor ever initiates a discussion about pricing plans with you, stop the conversation and walk away. Don't worry about being rude, his behavior is unethical and possibly illegal. Report attempts at discussing pricing plans to the Legal Department immediately.

Q: During a marketing meeting with a potential customer, a colleague stated that a competitor's general manager was a chronic alcoholic. Is this appropriate?

A: No. R&B does not need to insult competitors to achieve its marketing goals. The quality of our products and the skill of our contributors accomplish the sale. The promotion of our products should never involve disparaging a competitor or misleading a customer.

Q: We have an opportunity to sell one of our products to a supplier, but they want us to purchase an agreed-upon amount of one of their key products? Is this legal?

A: No. This is a "tying arrangement" and is illegal. No purchases or promises to purchase may be made from a customer or supplier because or on condition that the customer or supplier buys from us. This does not mean that we must avoid purchasing from or selling to someone who is an actual or potential supplier or customer. If proposals to or from a customer or supplier are considered solely on their merits, both parties are completely free to act accordingly.

Q: Is R&B prohibited from negotiating special discounts and promotional allowances with customers and suppliers?

A: Yes. As a general rule, one company cannot negotiate special prices, discounts, promotions or other sales terms with a customer unless equivalent terms are made available to

all competing customers or distributors. Any special discount must be made in compliance with the antitrust laws and generally may not be below cost in order to eliminate competition.

Q: We are developing a marketing strategy for a new R&B product. Is it okay to just call our competitors and ask for their price lists?

A: No. Communications with competitors regarding sensitive or confidential competitive information such as prices, costs, terms and conditions of sale or decisions to quote or not to quote on a bid, may be treated as evidence of an improper agreement or understanding between competitors.

Q: I believe that our distributors would sell our products more effectively if each distributor were assigned an exclusive territory. Is this legal under the antitrust laws?

A: It may be appropriate to assign distributors to exclusive territories or to particular customers if you have a valid business reason for doing so. However, you must discuss the terms of any proposed exclusive territories or customer arrangements with the Legal Department in advance.

Competitive Information

Learning about our competitors is good business practice, but it must be done fairly and ethically and in compliance with all applicable U.S. federal, state and foreign laws and regulations. R&B contributors should seek competitive information only when there is a reasonable belief that both the receipt and the use of the information is lawful. Competitive information includes anything related to the competitive environment or to a competitor's products, services, markets, pricing or business plans. Competitive information may be tangible or intangible and vary in format depending on how it is stored, compiled, or otherwise documented (e.g., electronically, graphically, photographically or in writing).

Competitive information that is drawn from published sources or that is otherwise widely available is known as "public information" and may be acquired and used lawfully. R&B contributors may lawfully gain access to or use proprietary information belonging to competitors under the following circumstances:

- By deriving information from public sources;
- By observing items in public use and deriving information from such use;
- By obtaining a license to use the information;
- By purchasing the outright ownership of the information; and
- By lawfully obtaining product samples and deriving information through reverse engineering of the product.

Contributors must *never* try to obtain or be willing to accept improperly obtained non-public information about competitors. R&B contributors should *never*

- Obtain proprietary information by means of theft, bribery or misrepresentation;
- Hire a competitor's employee for purposes of improperly obtaining competitive information;
- Induce or coerce a person to provide competitive information in exchange for gifts, job offers, or the withholding of the same;
- Copy, duplicate, draw, photograph or otherwise convey someone else's proprietary information;
- Knowingly be in a restricted area of a party's premises without authorization;
- Obtain product samples without authorization from the owner;
- Gather information from a competitor through invasive means (e.g., wiretapping, "hacking into" a computer system); and

- Employ an intelligence-gathering firm to collect proprietary competitive data while misrepresenting themselves or the purpose of the data collection.

Q: My customer has complained that our prices are higher than our competition. Can I ask the customer for copies of my competitor's proposals to confirm that their price is lower than the price that R&B is quoting?

A: Yes. It is appropriate to acquire this kind of information from a customer. You should, however, document in your files the source of this or any other competitive information to avoid any possible problem later over the source of the information. (Note: It may be improper to receive this type of information from the government. Be sure to check with your Legal Department before you accept information such as this from government employees or representatives.)

Q: A friend of mine works for a competitor and has offered to show me a proposal with pricing Data in exchange for a job recommendation at the Company. May I agree on giving the recommendation and use the information for developing our proposal?

A: No. This is proprietary information and your offer of a recommendation is bribery. To protect yourself, you should immediately report the details of the offer from your friend to your supervisor or Legal Department.

Trade Controls and Export Restrictions

The United States uses international trade controls to protect our national security, the domestic economy, and to promote foreign policy. These controls are embodied in various laws and regulations that affect international transactions including exports and re-exports of products, technology and software, imports, and foreign boycotts that the United States does not sanction.

R&B contributors must fully comply with the laws, regulations and public policy of the United States. Our policy prohibits any international transaction that is not authorized by an applicable regulation, export or re-export license or approval.

Also prohibited are unauthorized transactions with:

- Embargoed countries and individuals or entities listed on the U.S. government debarred parties lists;
- Arms proliferation-related end users or parties named on the Department of Commerce's Entity List;
- Any party known or believed to be acting in violation of U.S. or foreign laws and regulations; and
- Parties who refuse to do business with or discriminate against another country or entity in support of an unsanctioned foreign boycott (i.e., a boycott not sanctioned by the U.S. government).

Q: Who do the Antiboycott laws of the United States apply to and what kind of transactions are covered?

A: The Antiboycott provisions of the U.S. Export Administration Regulations (EAR) were adopted to require U.S. firms to refuse to participate in foreign boycotts that the U.S. does not sanction. They have the effect of preventing U.S. firms from being used to implement foreign policies of other nations that run counter to U.S. policy. The Antiboycott provisions apply to all activities by U.S. individuals and companies located in the United States

and their foreign affiliates, such as Scan-Tech, that relate to the sale, purchase, or transfer of goods or services between the U.S. and a foreign country (e.g., exports and imports, financing, forwarding and shipping and certain other activities that take place wholly offshore). You may also be required to sign an annual certification verifying that you are in compliance with these rules.

Working With Government Agencies

When working with government agencies and officials from any country, R&B contributors must be aware of unique laws, regulations, and policies governing our actions. Conduct that is acceptable in the private sector may violate governmental procurement laws or regulations. Violations can result in harsh consequences such as fines, penalties, debarment or suspension from competing for government contracts, and even criminal prosecution of the Company or individual contributors.

R&B contributors must uphold both the letter and the spirit of all R&B policies and applicable procurement laws governing our business relationships with government agencies. Contributors must also require that all consultants, agents, independent contractors, subcontract labor and any other individual working for R&B on a government project or contract agree to comply with the same.

Proprietary and Source Selection Information

Government procurement laws and regulations prohibit the solicitation, possession, or use of proprietary or source selection information.

“Proprietary” information includes confidential information of a competitor such as cost or pricing data or other information submitted by the contractor to the government as part of a bid or proposal. This information is often marked with words such as “proprietary,” “protected,” or “confidential.” R&B contributors must not solicit, receive, or use this information. If you believe that proprietary information has been revealed to you, you must immediately report the incident to your supervisor or the Legal Department.

“Source selection” information includes government- sensitive information and documents such as source selection plans, technical evaluation plans, government evaluations of proposals, competitive range and source selection determinations, competitors’ bid prices (prior to bid opening), and competitors’ proposal prices (prior to contract award). R&B contributors must not solicit, receive, or use this type of information. If you believe that source selection information has been revealed to you, you must immediately report the incident to your supervisor or the Legal Department.

Q: A government engineer has offered to brief me on the criteria the government is using to evaluate proposals on an upcoming procurement so that we can get a fair shot at the contract. Can I accept the offer?

A: No. Not without finding out if the engineer has been expressly authorized to brief you by the government’s contracting officer. Evaluation criteria are usually considered source selection information that can only be disclosed by the contracting officer. If the engineer tells you that he has been authorized by the contracting officer to brief you, make a written record of the conversation.

Protection of Classified Information

R&B contributors must follow all security regulations of the U.S. Government and any other government with jurisdiction over R&B operations in a particular country. These regulations cover such things as plant and office security and the proper handling of classified information.

Access to classified information is restricted to only those individuals with appropriate government security clearance and a valid need to know. Unauthorized possession, use, disclosure, or transmission of classified information constitutes a violation of R&B's security agreement with the government and may be punishable by fines and imprisonment.

Contributors must report actual or potential security violations immediately to the legal department or an authorized designee.

Q: I understand that I can't release classified information to any person unless I verify their clearance level and need-to-know. How can I find that out if the person is not from my area?

A: Ask the Legal Department. Only they can verify a clearance level for another R&B contributor, government personnel or employees of other companies.

Product Quality and Substitution

The integrity and quality of R&B's products are of the utmost importance. R&B contributors must ensure that all R&B products meet our requirements for design, manufacture, materials, testing and any other relevant specifications.

R&B contributors must not:

- Make unauthorized substitutions of materials or use substandard or nonconforming parts;
- Alter, falsify or distort inspection or test documentation or software;
- Improperly or erroneously record inspection or test results;
- Falsely certify or state that required inspections or tests were performed;
- Falsely certify or state that required inspection or test documentation is available; and
- Use incomplete or improper inspection or testing protocols or procedures.

Any waivers, deviations, change orders, or similar approvals relative to a government contract must be secured before delivery.

Q: The government contract on which I am working requires that we purchase a product component from a specific supplier. Recently, we found a cheaper source of the component. Can we switch suppliers?

A: No. R&B must purchase raw materials and product components exactly as specified in the contract. A change of *any* specification, including the source of supply, without the government's prior approval may violate legal and contractual provisions.

Anti-Kickback Act of 1986

Under the Anti-Kickback Act, a government contractor or subcontractor cannot give or receive anything of value that is intended to result in favorable treatment. For example, an R&B contributor cannot give a gift to a company that we are trying to become a subcontractor on a government contract where the company is the prime contractor.

R&B contributors that are involved in government contract work must be careful to avoid actual or potential conflicts of interest. Do not give or accept anything of value without checking with your supervisor. You may also be required to periodically certify that you have not violated the Anti-Kickback Act and gift bans, and that you do not know of any other employee who may have violated these laws.

Other Limitations

Many laws, regulations, and policies control government contracts. The following list is not exhaustive, and you should consult with your supervisor or the legal department before beginning any contact with government customers. Among other things, procurement laws and regulations require:

- Accurate and complete tracking and billing of all labor and material costs;
- Faithful and strict conformity to all contract specifications and requirements;
- Full compliance with the Truth in Negotiations Act, including the proper submission of “cost or pricing data”;
- Precise and accurate accounting of research and development costs according to government rules;
- Adherence to any testing, inspection, or quality assurance requirements, including full cooperation with any government inspector;
- Avoidance of any fraudulent demands for payment of money or the transfer of property that could potentially violate the False Claims Act, such as presenting a voucher while knowing the goods have not been inspected or accepted;
and
- Accurate and complete records relating in any way to government contracts including, but not limited to, production records, equipment logs, inspection records, testing records, time cards, and invoices.

International Business

International Customs, Laws and Regulations

We must be aware that many of the countries in which we do business have different laws and customs. Contributors who engage in international business are responsible for knowing and complying with both the laws and regulations of the countries in which those businesses operate and the U.S. laws and regulations that apply outside U.S. borders. For example, the Foreign Corrupt Practices Act, as well as the laws of most other countries, prohibit giving anything of value to foreign government officials or their families to influence decisions. R&B will strictly comply with all such laws.

In some situations, U.S. law may conflict with local customs or local law may be more restrictive than U.S. laws or Company policy. If you ever encounter this, where appropriate follow the more restrictive law, custom, or policy. Contact the Legal Department for further information and guidance.

Agents, Consultants and Third Party Representatives

The acts of R&B’s agents, consultants, independent contractors and representatives to facilitate Company business are considered the acts of R&B. In other words, R&B cannot use agents or representatives to do indirectly what we could not do directly. R&B contributors, agents, and representatives must abide by all laws in spite of customs, cultural norms, or competitive pressures that suggest otherwise.

It is incumbent on all R&B contributors to exercise due diligence when selecting a third party to represent R&B. When selecting a third party, consider the following:

- Hire only reputable, qualified individuals or firms;
- Seek the assistance of the Legal Department in making adequate background checks and verifying business credentials;

- Make sure that compensation is reasonable for the services to be provided; and
- Seek the assistance of the Legal Department and management if you spot a “red flag”.

Some “red flags” to consider are:

- Third parties with family or other relationships that could influence the buying decision;
- Independent contractors or consultants with a reputation for bribes;
- A sales representative or agent who approaches you near the award of a contract and indicates a “special arrangement” with an official; and
- A customer who suggests that an R&B bid be made through a specific agent or representative.

The Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) makes it a crime for R&B, or any of its subsidiaries, agents, or contributors directly or indirectly offer or pay a bribe to a foreign official. The term “foreign official” refers to any person acting in an official capacity on behalf of a foreign government, agency, department or instrumentality, a foreign government-owned corporation or a foreign political party. The term also applies to any candidate for foreign political office.

If R&B cannot obtain a contract without paying a bribe, R&B contributors should report the matter to their supervisor and the Legal Department and walk away from the deal. R&B’s reputation for integrity is more important than the profit from any deal.

Contributors should be alert to a possible FCPA violation if any of the following occur:

- Unexplained large expenses on a Travel and Entertainment Expense Report;
- An agent demanding a higher than normal commission for a transaction;
- Any agent or salesperson who says they are working with a government official to give R&B the contract; and
- A request that a commission be made in cash, in another name, or in a third country.

Q: I work with a foreign agent in Asia to increase international sales. I worry that some of the money we pay him goes toward making payments or bribes to government officials. What should I do?

A: While payments to local government officials who make purchasing decisions may be customary and even expected in some countries, they are always illegal under U.S. laws. All agents and representatives have agreements with R&B that require them to obey U.S. anti-bribery laws. If you suspect that an agent is acting improperly, you have a duty to report it. You should not make any payments to the agent until you have determined that no improper payments have been or are being made. If you fail to investigate the matter, both you and R&B could be liable. While investigating such matters may be culturally difficult in some countries, any agent doing business with a U.S. company should understand the necessity of these measures.

Q: In certain countries outside the United States, making small payments to clerical government employees is necessary to facilitate the paperwork. If such small payments are not made, the paperwork could take months and the supplies would be delayed. What should I do?

A: Under U.S. law these payments may not be considered “bribes” but legal “facilitating payments.” Permissible facilitating payments are small payments demanded by low-level government employees to perform routine clerical functions such as inspecting goods or securing shipping permits. While these payments are strongly discouraged from both an ethical and business perspective, they may sometimes be allowed under U.S. law. If you

ever encounter such a situation, contact the Legal Department before offering to make any payment, no matter how small.

Political Activities and Contributions

As a company, R&B will not make any contributions to political parties, candidates, or public officials, except as permitted by federal, state, or local laws. Contributions made by individual contributors, agents, or representatives will not be reimbursed directly or indirectly by R&B, even when made in the Company's name.

R&B does not permit contributors to use Company time or resources for political activities. This prohibition includes using telephones, E-mail, faxes, and photocopying machines, as well as soliciting contributions. No R&B contributor is permitted to pressure another contributor or supplier to make a political contribution, volunteer for a political activity, or attend a political event.

Q: I do volunteer work for a local candidate for the U.S. Senate. May I use the copy machine to make flyers?

A: No. Do not use Company time or resources to support political activities.

Q: My supervisor asked me for a donation to his daughter's mayoral campaign. Is that appropriate?

A: No. Even if your supervisor isn't pressuring you, an innocent request is inappropriate and coercive.

Following the Standards

Most contributors will follow R&B's Standards of Conduct voluntarily and with commitment. In the event that an employee violates our Standards, Company policies and procedures or any of the laws and regulations that govern our business, R&B will take immediate and appropriate action.

Depending on the nature, severity, and frequency of a contributor's violation, R&B will take appropriate disciplinary actions up to and including termination, claims for reimbursement of losses or damages, and civil prosecution. Discipline will be handled fairly and consistently.

Reporting Concerns and Violations

Contributors are obligated to promptly report any problems or concerns or any potential or actual violation of our Values and Standards of Business Conduct. R&B recognizes that the decision to report a concern or problem is not always easy. Nor is there always one right answer. Usually the first place to go with questions or concerns is your supervisor. However, if your supervisor does not answer the question or address the problem to your satisfaction, you should contact your department vice president, Human Resources manager or the EthicsPoint Hotline. If a concern relates to a law or regulation governing our business, you may also contact R&B's Legal Department.

R&B contributors at all levels are prohibited from taking retribution against anyone for reporting or supplying information about a concern. Any R&B contributor who retaliates against other contributors for reporting problems will themselves be subject to discipline. This policy applies even if an allegation was made in good faith but appears ultimately to be groundless.

On the other hand, any contributor who deliberately makes a false accusation with the purpose of harming or retaliating against another contributor will be subject to disciplinary action, up to and including termination.

R&B EthicsPoint Hotline

24 Hour Confidential web based or telephone reporting system
(www.ethicspoint.com or 1-866-384-4277)

If you are uncomfortable talking to someone at your location about a particular problem or concern, you are encouraged to call the EthicsPoint Hotline.

The R&B EthicsPoint Hotline is a free web based or telephone service dedicated to reporting policy or ethics violations. All reports are handled by an independent third-party service. This service is multilingual and available 24 hours a day, seven days a week. When you use the Hotline, you may identify yourself *or you may remain anonymous*. If you choose to make your report and remain anonymous, you will be given a case number to use if you want to log back in later to get a progress report.

Once the report is complete, it is forwarded to R&B's Human Resource and Legal Department for resolution with management at the appropriate location. Depending on the nature of your report, the information may also be forwarded to the Audit Committee of R&B's Board of Directors. When requesting feedback on a report, the Company will try to give you as much information about your concern without providing confidential personal information about other contributors.

R&B recognizes that contributors have concerns about confidentiality and we respect the desire for anonymity in certain situations. Anonymous calls can, however, sometimes make it extremely difficult to solve problems, initiate investigations, and answer questions. If your identity is necessary to address your question or concern, you will be advised in advance, if possible.

Q: What happens if I am faced with a situation where acting ethically conflicts with making a profit for the Company? What does the Company expect me to do in those situations?

A: You must always engage in legal and ethical conduct no matter what the circumstances, even if it means losing business or profits. Remember that our long-term profitability depends on our reputation, which should never be sacrificed to meet short-term profit goals.

Q: I worry that if I report something suspicious I will get in trouble if my suspicion turns out to be wrong. What should I do?

A: The only time you will be disciplined for raising an ethics concern is if you report something that you know to be false or misleading in order to harm someone else. If you witness something improper or suspect something is wrong, you cannot be reprimanded or subject to discipline as long as you honestly have a concern. Contributors can bring issues forward without fear of retaliation. Available resources include your supervisor, your Department vice president, the Human Resources or Legal Department or the EthicsPoint Hotline. As an contributor of R&B, you have a responsibility to report issues and concerns. In fact, contributors may be subject to discipline if they witness something but do not report it to the Company.

Q: What should I do if my supervisor asks me to do something that I think is illegal?

A: Don't do it! No matter who asks you to do something, if you know it is wrong, you should refuse to do it. If you are uncomfortable talking to your supervisor directly about the situation, you should contact your supervisor's manager or any of the other resources listed on page 28.

Contributor Resources

R&B EthicsPoint Hotline:

(24/7 Confidential Reporting System)

File your report at www.EthicsPoint.com, or if you have no access to the internet,

Call Toll-Free in the United States: 1-866-384-4277

International callers call Collect: 1-866-737-6850

Corporate Human Resources:

Name: Penny Boyer

Title: Vice President - Human Resources

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