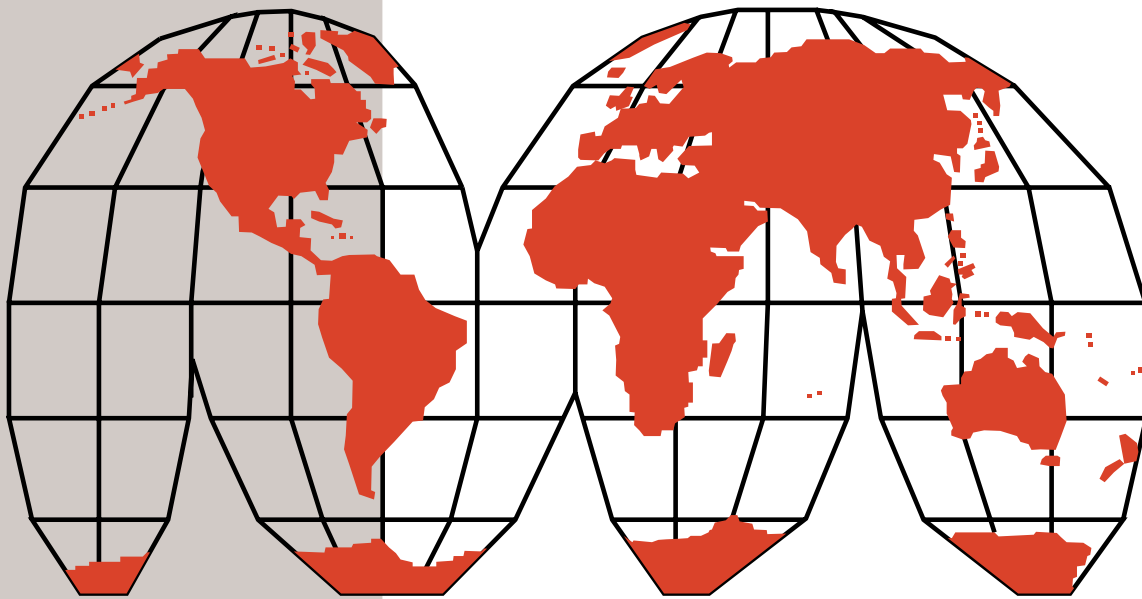


Code of Business Conduct

**Your everyday guide
to business conduct**



Approved: January 2003

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Implementation

Honeywell places the highest value on the integrity of the Company and each of its directors, officers, employees and representatives. All directors, officers and employees and all representatives, including all agents, consultants, independent contractors and suppliers of Honeywell, are responsible for complying with all applicable laws and regulations in each country in which the Company does business and for knowing and complying with this Code of Business Conduct and other policies of the Company. Violations of law or this Code or other policies of the Company are subject to discipline, which may include termination. Business units are responsible for ensuring that their policies and practices are consistent with this Code.

The policies in this Code apply across Honeywell, in all businesses and in all countries. If a local law conflicts with a policy in this Code, you must comply with local law. If a local custom or practice conflicts with a policy in this Code, you must comply with the Code.

Your business or region may have policies and practices that require more of you than required by this Code; the same may be true of local law. In all of those instances, you must follow the stricter policy, practice or law. Think of this Code as a baseline, or a minimum requirement, which must always be followed unless doing so would violate local law. If the applicable law conflicts with the Code, but could permit different alternatives, you must choose the one most closely aligned with the Code requirement. If in doubt, contact a member of the Law Department.

Honeywell provides this Code of Business Conduct to its employees worldwide for their guidance in recognizing and resolving properly the ethical and legal issues they may encounter in conducting the Company's business. The Code and its terms may be modified or eliminated at any time by the Company. Directors, officers and employees and other representatives of the Company are responsible for being familiar with its contents. The most current version of the Code is available on the Honeywell website. The Code does not include all of the policies of the Company.

Your rights as an employee and the Company's rights as an employer are governed by the laws of the country of employment, the work rules of your employing unit and your individual written employment contract, if any. This Code is intended to clarify the Company's rights and expectations as an employer, but does not add to or subtract from employee rights or in any way create any contractual employment rights for employees. In the United States and many other countries, employment by Honeywell is employment at will. This means that you have the

right to terminate your employment at any time and for any reason, and the Company may exercise the same right, subject to applicable law or existing contract rights. Where local country laws pertaining to employment contain requirements that differ from the provisions of this Code, these country laws prevail for an employee while working in that country.

In unusual circumstances, an employee may seek approval of actions that otherwise would not be compliant with the Code. Approval of any action not compliant with the Code must be sought in advance and may be granted only by the Chief Executive Officer or General Counsel of the Company. Waivers of this Code for members of the Board of Directors or for executive officers of the Company may be granted only by the Board of Directors or a responsible Committee thereof, and must be promptly disclosed to shareowners. When a waiver is granted, the Board or responsible Committee shall ensure that appropriate controls are in place to protect the Company and its shareowners.

Our Relationship with the Company and Each Other

Honeywell's most important resource is its employees -- our people around the world whose skills, energy and commitment to excellence and the Company's vision and values are the source of the Company's character and central to its leadership and success.

We Respect the Individual and Diversity

The Company recognizes the dignity of each individual, respects each employee, provides compensation and benefits that are competitive, promotes self-development through training that broadens work-related skills, and values diversity and different perspectives and ideas.

We Live Our Values

As representatives of the Company to the outside world, and regardless of the pressures inherent in conducting business, we will act responsibly and in a manner that will reflect favorably on us and the Company. We will carry out our assignments guided by the principles set forth in our vision and values and in compliance with this Code of Business Conduct and our corporate policies.

- The Company will provide training and educational materials, including this Code and various legal and other compliance materials, so that we are informed of Honeywell's integrity standards and our requirement to comply with all laws, Company policies and this Code.
- The Company will provide the organizational structure and communication channels through which employees can report suspected violations of this Code or other Company policy. Additional information related to reporting violations can be found under the section of this Code titled "Our Integrity and Compliance Program."
- To the extent possible, the Company will maintain the confidentiality of communications about suspected violations that are made in good faith, except where law or policy may require disclosure.

We Avoid Conflicts of Interest

Each of us and our immediate families should avoid any situation that may create or appear to create a conflict between our personal interests and the interests of the Company. A conflict of interest may arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her duties and responsibilities to the Company objectively and effectively.

- A conflict, or appearance of a conflict, might arise, for example, by accepting a gift or loan from a current or potential customer, supplier or competitor; owning a financial interest in, or serving in a business capacity with, an outside enterprise that does or wishes to do business with, or is a competitor of, the Company; serving as an intermediary for the benefit of a third party in transactions involving the Company; using confidential Company information or other corporate assets for personal profit, conducting business for another enterprise during our normal working hours or using Company property to conduct business for another enterprise.
- A conflict of interest may also arise when a director, officer or employee, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position in the Company, such as gifts or loans from an entity or person with whom the Company does business.
- We will take necessary steps to avoid improper reporting relationships and not directly or indirectly supervise or report to persons with whom we have a family or a close personal relationship.
- Directors, officers and employees are prohibited from taking for themselves personally opportunities that are discovered through the use of Company property, information or position; from using company property, information or position for personal gain; and from competing with the Company.
- If a conflict of interest or appearance of a conflict of interest develops, the employee must report the matter in writing to a member of the Law Department or the Honeywell Integrity and Compliance Office and a member of the leadership team of the business in which the conflict arises to determine what actions need to be taken to eliminate the conflict of interest.

We Invite Full Participation and Support Diversity

Honeywell is committed to an all-inclusive work culture. We believe and recognize that all people should be respected for their individual abilities and contributions. The Company aims to provide challenging, meaningful and rewarding opportunities for personal and professional growth to all employees without regard to gender, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion, veteran status, national origin or any other legally protected status.

- This policy applies to all phases of the employment relationship, including hiring, promotions, demotions, transfers, layoffs or terminations, compensation, use of facilities and selection for training or related programs.

We Work in a Positive Environment

Honeywell endeavors to provide all employees an environment that is conducive to conducting business and allows individuals to excel, be creative, take initiatives, seek new ways to solve problems, generate opportunities and be accountable for their actions. The Company also encourages teamwork in order to leverage our diverse talents and expertise through effective collaboration and cooperation.

- The Company prohibits the manufacture, distribution, sale, purchase, transfer, possession, or use of illegal drugs in the workplace, while representing the Company outside the workplace or if such activity, whether taking place outside or inside the workplace, affects our work performance or the work environment of the Company. The Company prohibits the consumption of alcohol that affects our work performance or the work environment of the Company.
- The Company prohibits all forms of harassment of employees by fellow employees, employees of outside contractors or visitors. This includes any demeaning, insulting, embarrassing or intimidating behavior directed at any employee related to gender, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion, veteran status, national origin or any other legally protected status.
- The Company specifically bans unwelcome sexual advances or physical contact, sexually oriented gestures and statements, and the display or circulation of sexually oriented pictures, cartoons, jokes or other materials. It also prohibits retaliation against any employee who rejects, protests, or complains about sexual harassment. A complaint procedure is available to employees to report sexual harassment.

- The Company prohibits employees from engaging in any hostile physical contact, intimidation, threats of such actions or violence, or any other actions that may be considered threatening or hostile in nature while on Company premises, at a Company-sponsored function, while representing Honeywell or acting on its behalf.
- The Company encourages open, timely communications that help us achieve organizational goals, share information, increase understanding, participate in the decision-making process, enhance our pride in the organization and provide recognition for our work-related successes.

We Do Not Employ Child or Forced Labor

- Honeywell does not and will not employ child labor. Honeywell defines a child as anyone under the age of sixteen. If local law is more restrictive than Honeywell policy, Honeywell will comply with the letter and spirit of the local law. However, even if local law allows Honeywell to employ people who are younger than sixteen, the Company will not do so.
- Honeywell does not and will not employ forced labor.

We Provide a Safe Workplace

It is Honeywell's policy to establish and manage a safe and healthy work environment and to manage its business in ways that are sensitive to the environment. The Company will comply with all regulatory requirements regarding health, safety and protection of the environment.

- To help safeguard ourselves and others and our facilities, the Company will conduct and support research on the effects of materials and products it handles or sells; share promptly any information it may obtain relative to any found hazard; conduct preventive safety and loss prevention and occupational health programs, and require that equipment and operating practices meet all applicable regulatory requirements.

We Respect Each Other's Privacy

Honeywell respects our privacy and therefore maintains only those employee personnel and medical records necessary for business, legal or contractual purposes. Access to those records and the information contained therein shall be limited to those with a need to know for a legitimate business purpose.

- Every employee has the right to see his or her own personnel record.

- The Company will not interfere in our personal lives unless our conduct impairs our work performance or adversely affects the work environment or reputation of the Company.
- The Company will comply with all applicable laws regulating the disclosure of personal information about employees.

We Safeguard Company Property and Information

Safeguarding Company assets is the responsibility of all directors, officers and employees and Company representatives. We must use and maintain such assets with care and respect while guarding against waste and abuse. Honeywell's ability to serve its customers requires the efficient and proper use of the Company's assets and resources. These include not only physical property, plant equipment and inventory, but other tangible assets such as securities and cash, office equipment and supplies, and information systems. It also includes intangible property such as software, patents, trademarks, copyrights and other proprietary information and know-how.

- We will use Company assets according to all Company policies and procedures, comply with security programs that help prevent their unauthorized use or theft, and abide by all regulations or contractual agreements governing their use.
- We will protect from disclosure or misuse all non-public information pertaining to the Company, including unannounced product and business and financial information, acquisition and divestiture plans, proprietary technical data, competitive position, strategies, customers data, and product costs. Such types of information are considered trade secrets or confidential information.
- Those of us with access to material non-public information about the Company that could affect the price of its securities, such as business strategies, financial results, pending transactions or contracts, new products, or research results, will not trade in Honeywell's securities or the securities of other affected companies, nor will we disclose the information to others until the information has been disclosed to the public.
- Employees or representatives performing work on behalf of Honeywell are not entitled to an expectation of privacy with respect to Honeywell Information Technology resources, except where provided by local law. All computer data created, received, or transmitted using Honeywell Information Technology resources is the property of Honeywell and is not to be considered the private information of the user. Honeywell reserves the right to examine all data for any reason and without notice,

for example, when violations of this Code or other Honeywell policies are suspected. By using Honeywell Information Technology resources, users consent to this monitoring. When warranted, such data will be disclosed to appropriate law enforcement agencies. If a user has questions regarding appropriate use of Information Technology resources, the user should visit the Global IT Security website or contact Global IT Security, the Law Department, or a member of the Integrity and Compliance Program.

- We will take actions necessary to safeguard all passwords and identification codes to prevent unauthorized access to the Company's information systems resources.
- We will safeguard Honeywell's intangible assets, such as proprietary information, intellectual property and innovative ideas. Intellectual property rights, including patents, trademarks, copyrights, trade secrets and know-how must be planned for and managed with the same degree of care as any other valuable asset. New concepts and ideas will be identified for evaluation and protection, as appropriate, to support the long-term and short-term goals of the Company. Where appropriate, ideas should be directed to the Law Department for patent, copyright or trade secret protection.

We Will Respect the Information of Others

- We will observe obligations of confidentiality and non-disclosure of confidential information and trade secrets of others, including suppliers and former employers, with the same degree of diligence that employees are expected to use in protecting Honeywell's own confidential information and trade secrets.
- We will respect the legitimate intellectual property rights of others and will not reproduce or use software or other technology licensed from suppliers except as permitted by the applicable license agreement or by law.
- We will not accept or retain unsolicited ideas or inventions from people outside of Honeywell. Receiving unsolicited ideas and inventions can expose the Company to claims of misappropriation of ideas if another organization within Honeywell is working on something similar or already knew about the idea from a different source. Employees receiving unsolicited ideas should send them to the Law Department for handling without reading or sharing them with others.

We Maintain Accurate Books and Records and Report Results with Integrity

Honeywell's financial, accounting, and other reports and records will accurately and fairly reflect the transactions and financial condition of the Company in reasonable detail, and in accordance with generally accepted and Company-approved accounting principles, practices and procedures and applicable government regulations.

- Transactions of the Company will be executed only in accordance with management's general or specific authorizations.
- Internal accounting and financial controls and disclosure controls will be in place and followed to assure that financial and other reports are accurately and reliably prepared and fully and fairly disclose pertinent information. The financial accounts of the Company must be reconciled on a regular basis in accordance with the applicable accounting controls.
- The Company prohibits false or misleading entries in its books and records for any reason and will not condone any undisclosed or unrecorded bank accounts or assets established for any purpose.
- We will comply with the Company's disclosure controls and procedures established to ensure that information which may be required to be disclosed by the Company under the U.S. federal securities laws is communicated, reviewed, discussed and evaluated in a timely manner. All public disclosures shall be full, fair, accurate and understandable.
- All payments of commissions and discounts will be made with a separate Company check, draft to the payee or electronic transmission, except in the case of rebates, where credit memoranda are preferred.
- No employee will authorize payment knowing that any part of the payment will be used for any purpose other than what is described in documents supporting the payment.
- Expenses incurred by employees in performing Company business will be reimbursed through the filing of expense reports, which must be documented accurately and completely.

Practicing Policy

Situation:

I am working on a product alliance between Honeywell and another company. The market potential of both companies could be greatly expanded. Can I trade in the securities of Honeywell or the other company?

Practicing Policy:

No. The information is non-public because neither company has released it to the public, and the information also could affect the price of the securities of both companies. You may trade only after the information has been released to the public. Trading in the other company's securities may be inappropriate even after disclosure if it could be perceived to create a conflict of interest.

Situation:

An employee has a home business that includes building parts for assembly line manufacturing processes. The employee would like to offer to build parts for Honeywell since he knows exactly what the Company needs in its processes.

Practicing Policy:

This would be a conflict of interest. We need to be aware of the many different types of conflicts of interest that can exist and make every effort to avoid such situations. We also need to remember that the perception of a conflict can be just as damaging to our reputation. If you are unsure whether or not a situation poses a conflict or would like to ensure that a specific situation is compliant with policies, contact a member of the Law Department or your supervisor.

Situation:

Sometimes friends from outside the Company send jokes to my Honeywell e-mail address. I don't ask them to send them to me but the jokes are sent anyway

Practicing Policy:

You might not request the jokes to be sent, but you can request that your friends not send the jokes. An occasional greeting over e-mail from a friend is like a personal phone call; it should be infrequent, brief and not interfere with your job responsibilities. But, e-mail is unlike a personal phone call in that there is no guarantee that it is private. E-mail can be stored on Company servers and networks. Do as much as you can to police your

e-mail so that it is appropriate. Be aware of our policies on use of computers, e-mail and the Intranet and Internet and also aware that our company policy indicates that employees have no right to privacy related to information systems resources.

Situation:

A problem that could impact product safety is discovered during routine production line testing. It may not be serious, but the group is not sure.

Practicing Policy:

Producing or selling the product could mean potential injury to the user or our employees. Safety related issues must be driven to a conclusion. You should advise your quality assurance person or HSER manager of your concern. Quality, engineering and HSER can conduct a risk assessment to determine the seriousness of the defect and potential of injury to customers or employees. If serious, notify the Product Integrity Committee (PIC) for product safety issues for controls, aerospace or automotive products or The Risk Assessment Committee (TRAC) with respect to chemical product or process risks. An assessment of the risks can be made by experienced professionals and appropriate action can then be taken so that the Company can meet its legal and ethical responsibilities.

Our Relationship with Our Customers

Honeywell serves many of the world's most distinguished industrial enterprises as well as a multitude of governmental bodies and individual consumers for whom we design, develop, manufacture and market quality products and services.

We Obey All Laws and Regulations

Our customer relationships are critical to Honeywell. In meeting our customers' needs, the Company is committed to doing business with integrity and according to all applicable laws. Products must be designed, produced, installed and serviced to internal standards and to comply with external regulations, the standards of the appropriate approval entities, and any applicable contractual obligations.

We Provide Quality Products and Services

Committed to being a Six Sigma Company, we strive to provide products and services that meet or exceed our customers' expectations for quality, reliability and value, and to satisfy their requirements with on-time deliveries.

- When our products, systems or components are manufactured or assembled according to our customers' specifications, there will be no change in design, material content or process, or substitution of parts, unless clearly authorized in writing by the customer or permitted under the terms of the contract or by regulation.
- Where inspection or testing is required to confirm conformance to specifications, there will be no misrepresentation of data or falsification of records.
- Our products should be designed to meet all applicable government standards and regulations.
- No product or system that has been used, other than in normal pre-sale testing, will be resold as new equipment.

We Seek Business Openly and Honestly

Sales are the lifeblood of the organization, and we will market our technologies, products and services fairly and vigorously based on their proven quality, integrity, reliability, delivery and value.

- Honeywell strictly prohibits bribes, kickbacks or any other form of improper payment, direct or indirect, to any representative of a government, labor union, customer or supplier in order to obtain a

contract, some other commercial benefit or government action. The Company also strictly prohibits any employee from accepting such payments from anyone.

- Reasonable business entertainment and customer gifts of nominal value are permitted, including traditional promotional events, as long as what is offered is consistent with usual business practice, cannot be construed as a bribe or a payoff, is not in violation of any law and would not embarrass the Company or individual if disclosed publicly. Customer entertainment and gifts must be discussed in advance with your supervisor. If you have any question about the propriety of any entertainment or gift, consult with a member of the Law Department.
- Where a customer or potential customer notifies Honeywell of a policy or preference to prohibit or limit gifts to the customer's employees, Honeywell will respect the customer's policy or preference.
- It is Honeywell's policy to avoid any misstatement of fact or misleading impression in any of its advertising, literature, exhibits or other public statements. All statements made in support of our products and services should be true and supported by documentation.
- We will communicate clearly and precisely, either orally or in writing, so that our customers understand the terms of our contracts, including performance criteria, costs and schedules.
- We will seek all marketing data properly and legally, and we will not obtain or use any government classified or sensitive information from any source where there is reason to believe that the release of the information is unauthorized. If you are in doubt, contact a member of the Law Department.
- We will comply with the domestic and international antitrust and competition laws of all countries where we do business. These laws protect the free enterprise system and encourage vigorous, but fair, competition. Among other stipulations, these laws prohibit any formal or informal understanding, agreement, plan or scheme among competitors that involves prices, territories, market share or customers to be served and activities or agreements that unfairly restrict competition. All mergers, acquisitions, strategic alliances, and other types of extraordinary business combinations should receive timely legal review to assure that they do not raise concerns of market dominance or improper coordination among competitors. Likewise the Company's routine business and licensing plans should be conducted so that we compete aggressively, but within the law.

We Follow Accurate Billing Procedures

It is the Company's policy to reflect accurately on all invoices to customers the sale price and other terms of sales for products sold or services rendered. Every employee has the responsibility to maintain accurate and complete records. No false, misleading or artificial entries may be made on Honeywell's books and records.

We Safeguard the Property of Others

Honeywell safeguards the tangible and intellectual property of others which may be used in fulfilling work assignments, and we will comply with all regulations or contractual requirements governing the use of such property. We will obtain the tangible and intellectual property of competitors only through lawful means.

- We will not accept or retain classified materials to which we are not entitled or for which there is no need.

We Comply with Government Procurement Regulations

In addition to the provisions of this Code and other Honeywell policies, employees working with any governmental entity in any country have an obligation to know, understand and abide by the laws and regulations that apply to the conduct of business with government entities in that country.

- If a government agency, whether national, state or local, has adopted a more stringent policy than Honeywell's regarding gifts and gratuities, Honeywell employees and representatives must comply with that more stringent policy.
- Honeywell employees should contact a member of the Law Department for additional relevant corporate and business unit policies governing gifts and gratuities for government customers.
- The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits Honeywell from making a payment or giving a gift to a foreign government official, political party or candidate or public international organization ("foreign official") for purposes of obtaining or retaining business. The FCPA applies to Honeywell everywhere in the world we do business. A violation occurs when a payment is made or promised to be made to a foreign official while knowing that the payment will be used to unlawfully obtain or maintain business or direct business to anyone else.

Almost every country in which Honeywell operates has laws of a similar nature. Employees should contact a member of the Law Department with questions.

- We will not give or encourage anyone else to give inducements of any kind to any government employee, or to any supplier under government or non-government contracts or subcontracts, in order to gain any business advantage or contract.
- Managers will be aware of and comply with conflict of interest laws and regulations covering government procurements, including circumstances under which current or former government employees may be offered, or can accept, employment with the Company.
- In transactions involving the U.S. government, we will adhere to the provisions of the Truth in Negotiations Act, and we will make certain that cost and pricing data are current, accurate, complete, properly disclosed, documented and retained in appropriate files.
- It is Honeywell's policy to use consultants, sales agents or other professional service independent contractors only for legitimate, legal purposes,
- With respect to government contracts, only costs properly chargeable to the government contract will be billed to the government.
- Care will be taken to avoid mischarging of costs, including cross-charging of costs between contracts, charging direct costs as indirect costs or any other similar mischarging.
- Employees working directly on government contracts or subcontracts must be particularly diligent in recording their time, correctly indicating hours worked and the projects to which time is charged.
- All employees whose costs are allocated to government contracts or subcontracts must identify any expenses that are not allowable, paying special attention to such categories as alcohol, business meals and entertainment.
- In any government procurement process, we will not improperly obtain, use or disclose government source selection or proprietary information, such as sealed bid prices, technical evaluation plans, competitive range determinations or ranking of proposals.
- We will not accept nor retain government classified materials to which we are not entitled or for which there is no need.
- When we do accept or retain government classified materials, we maintain those materials in accordance with the laws pertaining to those materials. In the U.S., U.S. government classified information may be

received and maintained only at "cleared" facilities, locations specifically covered by a Security Agreement. Employees with government security clearances who have access to classified data will safeguard that data according to government regulations, including applicable agency procedures.

- We will not use without proper approval any government-owned equipment to support non-government production or divert government-owned or other customer-owned materials from their intended contractual use.
- Should an improper practice or irregularity occur within the Company, Honeywell is committed to making all necessary corrections and taking prompt remedial action to prevent recurrence.

Practicing Policy

Situation:

As a global Company we process many orders for our international customers wherever we operate. Are there things we need to be aware of?

Practicing Policy:

Employees in such a position need to be aware of export control laws that apply to the product being shipped and the location of the international customer. We should be particularly concerned if the order contains technical data or information, military products or support services, or parts that could be used for purposes other than the normal expected use. Contact the Law Department for more information.

Situation:

An opportunity arises for the Company to do business in another country, but a local official expects special fees and other compensation for the business.

Practicing Policy:

Certain payments, even if normal under local custom, could violate the U.S. FCPA. Employees should comply with local law and follow guidelines as stated in our policies to comply with the U.S. FCPA.

Situation:

While working with a customer to integrate new technology into a system, you gain knowledge of a competitor's capabilities and future application, which is not publicly known.

Practicing Policy:

Be cautious. Prior to doing anything with the information, you need to make sure the information you receive is not proprietary. If it is proprietary, or you are not sure, contact the Law Department.

Situation:

There is a trade association meeting next month. Are there any concerns about discussing our chances of receiving a contract award with other bidders who will be there?

Practicing Policy:

There are concerns. We are committed to complying with antitrust and competition laws of all nations where we do business. We should not discuss contract awards, prices, bids, terms, or similar proprietary business information with employees of competing firms.

Our Relationship with our Suppliers

Honeywell's suppliers are our partners in Six Sigma Plus. The high caliber of the materials, goods and services they provide is linked directly to the quality, reliability, value and prompt delivery of the Company's products to our customers and, thus, to customer satisfaction.

We Seek Long-Term Relationships

We will strive to build long-term relationships with our suppliers and award business based on their ability to meet our needs and commitments, their reputations for service, integrity and compliance, their high standards for quality and delivery and their prices.

- Where the government, or a government contractor or subcontractor, directs our purchase to a particular source, we will abide by and document that selection.
- We will provide the same information and instructions to each competing supplier for a proposed purchase.
- We will not reproduce software that is licensed to us by a supplier nor will we incorporate it into our own internally developed software unless we are expressly permitted to do so by license.

We Will Not Be Influenced by Gifts

We will not be influenced by gifts or favors of any kind from our suppliers or potential suppliers. The Company expects each employee to exercise reasonable judgment and discretion in accepting any gratuity or gift offered to the employee in connection with employment at Honeywell.

- It is Honeywell policy to discourage the receipt of gifts either directly or indirectly by employees as any gift may be misconstrued as an attempt to influence business decisions. This does not apply to unsolicited promotional materials of a general advertising nature, such as imprinted pencils, memo pads and calendars as long as what is given is accepted without any express or implied understanding that the recipient is in any way obligated. Gifts of nominal value are permitted, provided they are given as a gesture of professional friendship, and do not involve a Company commitment having to do with the transaction of business. Such gifts must be reported to your supervisor. If you have any questions regarding the propriety of accepting a gift, consult with a member of the Law Department.

- Presentations of a ceremonial nature in keeping with national custom may be permitted as long as what is accepted is not in violation of any law, cannot be construed as a bribe or a payoff and would not embarrass the Company or individual if disclosed publicly.
- In no event should a gift be accepted from a supplier or potential supplier during, or in connection with, contract negotiations.
- An occasional meal or entertainment in the normal course of business relations, paid for by a supplier or potential supplier, is permitted provided that a representative of the supplier is in attendance and such hospitality is not excessive or unusual in nature. When practical, hospitality should be reciprocated.
- Where a supplier or potential supplier notifies Honeywell of a policy or preference to prohibit or limit gifts to the supplier's employees, Honeywell will respect the supplier's policy or preference.
- Gifts shall not be solicited from suppliers for Honeywell functions or employee awards.
- It is never acceptable to solicit gifts, gratuities, or business courtesies for the benefit of a Honeywell employee, family member or friend.

Practicing Policy

Situation:

Another company asks for your opinion of a Honeywell supplier's capabilities.

Practicing Policy:

Providing an opinion, whether good or bad, is not a good idea. If the opinion is negative, we could face a defamation claim from the supplier. If the opinion is positive and the supplier does not meet the expectations of the other company, they might think we misled them. Either politely refuse to discuss our relationship with the supplier or, if you do provide comments, make sure they are fact-based rather than opinion-based or conclusory.

Situation:

An employee's spouse has recently accepted a position with one of Honeywell's suppliers.

Practicing Policy:

Company policy is not intended to interfere in our personal lives. However, this situation could be a problem if the employee plays a role in selecting the spouse's company as a supplier, or if you have to deal with that company on behalf of Honeywell. Report this relationship in writing to your supervisor, human resource representative or member of the Law Department and excuse yourself from participating in decisions or negotiations with your spouse and the supplier. Some situations may require additional steps to avoid the potential conflict.

Our Relationship with Others

As a corporate citizen in communities around the world, Honeywell abides by local laws, supports civic organizations, encourages employee involvement in worthwhile causes and conserves nature's valuable resources.

We Comply with Local Laws

Honeywell conducts businesses globally where laws, customs and social requirements may be different from those in the United States. It is Company policy to abide by the national and local laws in each country and community in which we do business. In the event that an employee becomes aware of any conflict between local laws and U.S. law, consult the Law Department promptly.

We Do Not Make Improper Political Contributions

Company funds generally may not be used for political contributions, directly or indirectly, in support of any party or candidate.

- Wherever lawful, however, the Company may contribute to an occasional local initiative or referendum campaign where Honeywell's interests as a company are directly involved. Any such payments, however, require advance clearance from the Law and Government Relations Departments.
- As interested citizens, Honeywell employees are free to make individual, personal contributions to candidates of their choice, and those eligible may also participate in the Honeywell International Political Action Committee (HIPAC). All U.S. citizens and green-card employees are eligible to participate. To determine if you are eligible to participate in the HIPAC, please contact the Honeywell Government Relations Department in Washington, D.C. or the general counsel of your business unit. HIPAC officers are responsible for ensuring that the Company's administrative and financial support conform to Federal Election Commission requirements.

We Protect the Environment

Honeywell abides by all applicable health, safety and environmental laws and regulations in countries and communities in which we operate, and, where those are considered inadequate, we will abide by the Company's own standards. For a copy of the Honeywell Health, Safety, Environment & Remediation Policy and Commitment Statement, contact a member of the HSE&R organization.

- The Company is committed to make health, safety and the environment an integral aspect of our design of products, processes and services and of the lifecycle management of our products.
- The Company will utilize management systems to apply a global standard that provides protection of human health and the environment, including compliance with applicable laws and regulations. We notify customers, suppliers and the public about the safe use of our products and related environmental issues throughout their lifecycle.
- The Company will identify, control and endeavor to minimize the use of hazardous materials, and will endeavor to reduce wastes.
- The Company will conduct prevention and control programs to safeguard employees and the public and will review the effectiveness of these programs through its assurance process, environmental audit and other systems.

We Require Those Representing the Company to Act With Integrity

When it is necessary to engage the services of an individual or firm to consult for or otherwise represent the Company, special consideration must be given to avoid any situation that may create, or appear to create, a conflict of interest between Honeywell and the person or firm employed.

- The Company will enter into representation or supplier agreements only with companies believed to have a record of and commitment to integrity. Efforts will be taken by Honeywell to ensure that suppliers, agents, consultants, independent contractors and representatives are aware of this Code. Questions related to sourcing or related agreements should be directed to Materials Management.
- The Company will seek to inform our suppliers, agents, consultants, independent contractors, and representatives of their responsibility to act on behalf of Honeywell consistent with the Code, other Honeywell policies and any applicable law or regulation.

We Comply with Antiboycott Laws

Honeywell will comply with laws that prohibit activities associated with organized foreign economic boycotts, including refusing to do business with boycotted countries, their nationals or blacklisted companies; furnishing information about the Company's or any person's past, present or prospective relationship with boycotted countries or blacklisted companies; furnishing information about any person's race, religion, sex, national origin, or membership in or support of charitable organizations supporting a boycotted country; discriminating against individuals or companies on the basis of race, religion, sex or national origin; and paying, honoring or confirming letters of credit containing prohibited boycott provisions.

- Under U.S. antiboycott legislation, Honeywell is required to report the receipt of any request to participate in an international boycott. Requests are often found in letters of credit, shipping instructions, certificates of origin and other contract-related documents. The receipt of a boycott request must be reported immediately to Honeywell's International Trade Compliance Office.

We Comply with Export Control and Import Laws

Honeywell will comply with all Export Control and Import laws and regulations that govern the exportation and importation of commodities and technical data, including items that are hand-carried as samples or demonstration units in luggage. Honeywell will screen new customers and suppliers to ensure that they do not do business with prohibited entities. It will obtain export licenses and other government approvals prior to exporting products and technology controlled by the U.S. Government. Failure to comply with these laws could result in heavy fines or the loss or restriction of Honeywell's export or import privileges, which, in turn, could seriously and adversely affect a significant portion of the Company's business.

Practicing Policy

Situation:

Environmental protection laws are complex, so how do I know when to be concerned about a particular situation?

Practicing Policy:

The laws are complex, but you don't need to understand every detail before you report an environmental concern. In general, all materials should be properly labeled, used, stored and transported, and waste substances must be recycled or disposed of properly. If you use specific materials on your job, you should understand their properties and hazards and wear appropriate safety gear when the duties require you to do so. If you are unsure, ask.

Situation:

Is there a need to review all international transactions for boycott requests?

Practicing Policy:

Review of all international transactions is required to ensure compliance. If you find one of these requests, contact the Law Department or International Trade Coordinator immediately. Remember also that U.S. antiboycott regulations apply everywhere. Violations of antiboycott laws anywhere in the world could negatively impact Honeywell.

Situation:

With respect to public officials, what lobbying efforts are appropriate, and are gifts and gratuities allowed?

Practicing Policy:

In the U.S., lobbying efforts should always be coordinated through the Government Relations Department. In many countries, including the U.S., gifts and gratuities to government officials are restricted, and in some instances prohibited, by law. If in doubt, contact a member of the Law Department and consult with related corporate and business unit policies. If gifts are not prohibited, you should be aware of any value or monetary limitations.

Our Integrity and Compliance Program

A corporate-wide organizational structure has been established to coordinate, implement and oversee compliance with the Code of Business Conduct and with the Honeywell corporate policies, procedures and standards on which it is based.

A Personal Responsibility

Compliance is, first and foremost, the individual responsibility of every employee. Every director, officer and employee of the Company has the personal responsibility to know and understand this Code of Business Conduct and the other policies of the Company relevant to his or her job or position. The Company fosters an environment in which integrity issues and concerns may be raised and discussed with supervisors or with others without the fear of retribution.

- It is the Company's responsibility to provide a system of reporting and access when an employee wishes to report a suspected violation, or to seek counseling, and the normal chain of command cannot, for whatever reason, be used. In this way, the Integrity and Compliance Program provides a resource to preserve the integrity of each and every employee and of the Company.

The Corporate Responsibility Committee

The Corporate Responsibility Committee of the Board of Directors shall have oversight responsibility for the Honeywell Integrity and Compliance Program.

The Corporate Integrity and Compliance Council

The Corporate Integrity and Compliance Council shall provide policy leadership for the Company's Integrity and Compliance Program and report to the Corporate Responsibility Committee of the Board of Directors. Members of the Corporate Integrity and Compliance Council shall include an Integrity and Compliance Officer from each strategic business unit and key functional areas. The Chairperson of the Council shall be the corporate Vice President, Global Compliance.

- Responsibilities of the Council include: developing and approving Integrity and Compliance policies, standards, practices and procedures; reviewing and approving Integrity and Compliance training; monitoring compliance with Company policies and with laws and regulations; evaluating trends arising from Integrity and Compliance investigations; and reporting to the Corporate Responsibility Committee of the Board of Directors.

The Business Unit Integrity and Compliance Leadership Function

Each business unit shall appoint an Integrity and Compliance Officer who shall determine the appropriate organizational oversight structure to assure effective implementation of Integrity and Compliance responsibilities within the business unit.

- Responsibilities of the business unit leadership function include: ensuring business unit compliance with Company policies, laws and regulations by overseeing self-governance activities; assessing compliance risks for the business unit; tracking and reviewing trends in data relating to the business unit's Integrity and Compliance investigations and taking steps to address those trends; developing, delivering and tracking Integrity and Compliance training; reporting periodically to the Corporate Council on the goals and results of Integrity and Compliance activities of the business unit; assuring a healthy integrity environment, including maintenance of a free and open atmosphere that facilitates the reporting of alleged violations without fear of retribution; providing advice and counsel to employees regarding Code of Business Conduct and other ethical inquiries raised by an employee; and conducting investigations of misconduct allegations and determining appropriate, consistent disciplinary actions for violations of Company rules or standards of business conduct.

The Integrity and Compliance Office

The Honeywell Integrity and Compliance Office shall be headed by the corporate Vice President, Global Compliance, who shall be responsible for the operational management of the Integrity and Compliance Program and report to the Senior Vice President and General Counsel. The Office will administer the ACCESS Integrity and Compliance Helpline including managing the investigation process and reviewing results of investigations to assure fairness, timeliness and consistency. The Office will also serve as a resource for the Company by providing training materials, communications, advice and guidance on matters related to the integrity of the Company and this Code, and support for investigations of misconduct allegations.

Business Conduct Leader Network

The Integrity and Compliance Council has established a Business Conduct Leader ("BCL") Network to respond to employee's integrity and compliance inquiries and, when appropriate, investigate allegations of general workplace concerns. Employees may also raise concerns or seek advice through the ACCESS Helpline at 800-237-5982, a supervisor, member of the Law Department or the Integrity and Compliance Office at access.integrity.helpline@honeywell.com.

- BCLs may be a resource for training and assisting with implementing integrity and compliance initiatives. To identify your BCL, contact a member of the Human Resource Department, the Integrity and Compliance Office or visit the Integrity and Compliance website.

Supervisory Personnel

Managers and supervisors have key roles in the Integrity and Compliance Program and are expected to demonstrate their personal commitment to the Company's standards of conduct and to lead their employees accordingly.

- The Company will require an annual Integrity Certification from all directors, officers and employees in salary bands 4 and above or the equivalent, plant managers, those in charge of sales offices and other facilities, and others who may be designated because of the nature of their work, stating that they have read and that they understand the Code of Business Conduct. These employees must attest that they have complied with the Code, brought it to the attention of everyone under their supervision whose act or failure to act could contribute to a violation of policy, and know of no violations other than those possible violations disclosed in the Certification.
- Law Department, together with senior management of the businesses and other functions, will determine appropriate compliance training for employees. Supervisors shall ensure that all employees under their supervision are aware of and participate in appropriate compliance training programs.
- Managers and supervisors shall maintain a workplace environment that ensures compliance with the Code of Business Conduct.
- Managers and supervisors shall be diligent in considering an individual's character and behavior before appointing that individual to any position of authority and responsibility.

All Employees

Each Honeywell employee shall comply with the letter and spirit of the Code of Business Conduct and with the policies and procedures of the Company, and shall communicate any suspected violations promptly.

- Employees may confront an ethical issue where this Code or other Company policy does not expressly provide an answer. Employees should feel comfortable contacting a member of leadership, the Integrity and Compliance Council, a member of the Law Department or using one of the other resources described in this section.
- Employees are encouraged to report violations through their normal reporting channels, to their business unit's Integrity and Compliance Officer, to any member of the Corporate Integrity and Compliance Council or the Law Department.
- In addition, all employees shall have access to one or more telephone helplines, which will be monitored on a 24-hour basis by a professional, independent contractor, through which suspected violations of laws, regulations, Company policies, or the Code of Business Conduct may be reported. This helpline is not intended to replace normal supervisory channels for reporting questionable conduct or seeking advice about appropriate ethical behavior.
- Any employee who in good faith raises an issue regarding a possible violation of law or Company policy will not be subject to retaliation and their confidentiality will be protected to the extent possible, consistent with law and corporate policy and the requirements necessary to conduct an effective investigation. Any supervisory personnel who retaliates against an employee as a result of such employee's report of an alleged violation of law or Company policy shall be subject to disciplinary action, including termination, and may risk criminal sanctions as a result of such actions.
- Allegations will be investigated by the appropriate corporate, business unit or department personnel, and upon the advice and approval of the Law Department, will be reported as appropriate or required by law to the appropriate authorities. Employees may refer to the Honeywell Policy Manual, policy titled: Integrity and Compliance Program, for additional information regarding the investigation process.
- In order to facilitate implementation of this Code of Business Conduct, employees have a duty to cooperate fully with the Company's investigation process and to maintain the confidentiality of investigative information unless specifically authorized or required by law to disclose such information.

- It is the policy of the Company that all employees cooperate fully with all lawful requests for information from government investigating authorities. A refusal to cooperate in a government investigation may be grounds for termination. The Law Department will determine whether a refusal may warrant an exception to the rule in particular circumstances. The Law Department has the sole authority to make such a decision.
- Employees shall take all appropriate steps to comply with all legal requirements and the Company's document retention guidelines with respect to the preservation of documents in connection with any Company or government investigation.
- Failure to comply with any responsibilities established by this Code of Business Conduct may result in disciplinary action, up to and including termination, as appropriate, and may also require restitution or reimbursement from the employee and referral of the matter to government authorities under the guidance of the Law Department. Discipline may also be imposed for conduct that is considered unethical or improper even if the conduct is not specifically covered by this Code.
- No Code or set of values can address every ethical choice we face in business; no communication system or oversight group can ensure complete compliance. Each of us must use good common sense and judgment in our personal conduct.

Our Corporate Policies

This Code of Business Conduct is intended to be consistent with and refer to certain key corporate policies, which are included in the Honeywell Policy Manual. The Honeywell Policy Manual may provide greater detail than is provided by this Code or in some instances the Policy Manual may provide additional policies not covered by this Code. As stated previously regarding this Code, employees should be aware that any violations of the Honeywell Policy Manual may result in disciplinary action up to and including termination, as appropriate, and to the extent that either is legally possible under the applicable law. Corrective actions may also require restitution or reimbursement, and to the extent that either is legally possible under the applicable law, from the employee and referral of the matter to government authorities under the guidance of the Law Department.

The Honeywell Policy Manual is maintained by the Office of the Corporate Controller in Morris Township, New Jersey. Corporate policies can be found on the Honeywell Intranet or can be obtained through the Human Resources department.

Practicing Policy

Situation:

You observe a situation that may violate law or company policy and believe that your supervisor sees it too, but chooses to ignore it. You don't feel you should report it because you think nothing will be done about the situation.

Practicing Policy:

If you believe the situation violates law or policy, you have an obligation to report it. Your supervisor may not be as aware of the problem as you think. However, even if he or she is aware, the situation needs to be reported so that it may be corrected. You should report the matter to your HR representative, the Law Department, or through the Company helpline.

Situation:

When the pressure is on to meet goals and projections for the business, it's hard to deal with rules, regulations and paperwork.

Practicing Policy:

It's true that there is a lot of pressure to perform and produce. But no matter how much emphasis our Company puts on making the numbers, the Company doesn't want you to do it by cutting corners. Rules, regulations and policies are put in place to ensure that our Company complies with the law, external standards and internal values. Breaking the law, or stretching a Honeywell policy, can have adverse effects far beyond the immediate satisfaction of making the numbers.

*Honeywell Behaviors: Workplace behaviors differentiate levels of performance at Honeywell. Those who embody and develop them personally and in others drive personal and business success. Individuals will be assessed based upon the results they achieve *and* upon the degree to which they exhibit the Honeywell Behaviors.*

Integrity is a bedrock principle of all our behaviors. ***All employees must abide by and uphold the Code of Business Conduct and all laws*** There will be no exceptions.

Growth and Customer Focus recognizes that we need to think differently in order to grow. The customer is the cornerstone of our success. Effective employees do a superb job for customers every day in quality, delivery, value and technology. They aggressively pursue new opportunities through superior sales and marketing, globalization and technology roadmaps supported by Design for Six Sigma.

Leadership Impact means thinking like a leader regardless of your job, delivering on commitments, and being a role model for others. All leaders demonstrate passion for their work and care about the people in the organization. Each employee must be able to: (1) conceptualize an issue, (2) develop an action plan to address the issue, and (3) execute the plan.

Gets Results requires consistently meeting commitments to the business and to others. Quickly translate business requirements into actions by defining "who does what by when" to ensure plans are executed.

Makes People Better encourages excellence in peers, subordinates and/or managers. Be a positive influence in the development of others.

Champions Change and Six Sigma drives continuous improvement and fosters a Six Sigma mindset to make decisions that are in the best interest of customers, shareowners, and the organization. It reflects a constant commitment to do things better. Strongly supports Design for Six Sigma. Champions change that ensures the long-term strength of the company regardless of personal impact.

Fosters Teamwork and Diversity defines success in terms of the whole team. Employees must understand and capitalize on the fact that Honeywell's workforce is composed of individuals who represent a great diversity of values, opinions, backgrounds, cultures and goals. Recognizes diversity as an important value and develops diverse teams. Effective team leaders not only meet the expectations of their role as leaders, but they also set and meet the expectations for team members.

Global Mindset is viewing the business from all relevant perspectives and seeing the world in terms of integrated value chains.

Intelligent Risk Taking recognizes that generating greater returns requires taking greater risks. While using sound business judgment, has the courage to take action where outcomes are uncertain but where potential rewards are great. Business decisions often need to be made based on incomplete information.

Self-Aware/Learner individuals recognize their behaviors and how they affect those around them. Employees must accurately assess their own strengths and weaknesses and take action to improve.

Effective Communicator means providing timely and concise information to others, and using clear and thoughtful oral and written communications to influence, negotiate and collaborate effectively. Leaders and employees need to appreciate that effective communication is about listening and being listened to but is not always about being in agreement.

Integrative Thinker decides and takes actions by applying intuition, experience, and judgment to the data available. Demonstrates ability to assimilate various and conflicting information or opinions into a well-considered decision. Understands the implications of individual actions or recommendations on other systems, markets, processes and functions.

Technical or Functional Excellence means being capable and effective in a particular area of expertise. Employees must remain aware of advances and current thinking in their fields and look for ways to apply the latest technologies to their work.

For a more complete discussion of the Honeywell behaviors and expectations for individual performance contact your Human Resources representative or go to myhoneywell.com



A • C • C • E • S • S
Our Integrity and Compliance Helpline

YOUR OPPORTUNITY TO SEEK
ADVICE OR TO RAISE CONCERNS
ABOUT MISCONDUCT

ACCESS Helpline 800-237-5982

(Dialing from outside the U.S.
requires a country calling code
found at www.att.com/traveler)

or write to:

Honeywell International
Attn: ACCESS
P.O. Box 2245
Morristown, NJ 07962-2245

Or e-mail to: access.integrity.helpline@honeywell.com

Copies of the **Code of Business Conduct**
may be obtained by sending a request to
access.integrity.helpline@honeywell.com
or calling the helpline.