

tyco



DOING the *right* THING

The **Tyco** Guide to Ethical Conduct

INTEGRITY

“A person cannot do right in one department whilst attempting to do wrong in another department. Life is one indivisible whole.”

MAHATMA GANDHI

EXCELLENCE

“The secret of joy in work is contained in one word – excellence. To know how to do something well is to enjoy it.”

PEARL BUCK

TEAMWORK

“The only thing necessary for the triumph of evil is for good men to do nothing.”

EDMUND BURKE

ACCOUNTABILITY

“You gain strength, courage and confidence by every experience in which you really stop to look fear in the face. You must do the thing you think you cannot do.”

ELEANOR ROOSEVELT

A Message from Ed Breen, Chairman and CEO

Integrity is the foundation upon which all successful businesses are built. Our customers, stockholders, co-workers, and the communities where we work expect honest and ethical conduct from each of us every day. We know that the overwhelming majority of Tyco managers and employees conduct themselves ethically and in accordance with the law. The Guide to Ethical Conduct is a means of reaffirming our shared commitment to our core values.

Our commitment to the highest standards of integrity begins with ensuring that everyone across the Tyco organization understands our core values — values that define how we conduct ourselves — both as employees and as decision-makers.

These four values are the foundation of Tyco's Guide to Ethical Conduct:

Integrity

We must demand of ourselves and of each other the highest standards of individual and corporate integrity. We safeguard company assets. We comply with all company policies and laws.

Excellence

We continually challenge each other to improve our products, our processes, and ourselves. We strive always to understand our customers' businesses and help them achieve their goals. We are dedicated to diversity, fair treatment, mutual respect, and trust.

Teamwork

We foster an environment that encourages innovation, creativity, and results through teamwork. We practice leadership that teaches, inspires, and promotes full participation and career development. We encourage open and effective communication and interaction.

Accountability

We honor the commitments we make, and take personal responsibility for all actions and results. We create an operating discipline of continuous improvement that is an integral part of our culture.

This book, together with any business-specific policies your location may have, provides a guide to help you understand what is expected from you and to help you make good decisions.

We all share the responsibility to make our core values a vital part of our business activities. Our board of directors, senior management, myself, and all Tyco managers and employees must be accountable to the highest standards of integrity and full compliance with the regulations and policies that affect the conduct of our business. We have a zero tolerance policy for ethical violations. We tolerate nothing less.

Please join me in making Tyco a strong and successful company.



Your Responsibilities

Your role begins but doesn't end with understanding Tyco's values and this guide. If any ethical or legal compliance issue arises that raises a question in your mind, you have a *responsibility to bring it forward*. Speak with your supervisor, your Human Resources representative, or your legal or audit department representative.

If you would feel more comfortable speaking with someone else, you can call Tyco's confidential, toll-free ConcernLINE at 800-714-1994. International phone numbers for ConcernLINE can be found at the back of this book. ConcernLINE is available seven days a week, 24 hours a day and is staffed by trained professionals. Translators also are available.

In addition to the ConcernLINE, we have established an Ombudsman—a Tyco employee who is an independent, impartial, and totally confidential resource for our employees, suppliers, investors or customers to raise and address compliance concerns. The primary function of this office is to ensure that all compliance issues, raised through any of the channels offered to you in this guide, are resolved quickly, fairly, and at the proper level in the organization. The direct line to the Office of the Ombudsman is 877-232-4121.

For a complete set of corporate workplace policies, including detailed policies related to topics in this booklet, visit <http://tyconet.tyco.com>.

GETTING *started*

Questions to Ask Yourself

Every employee is expected to understand and comply with Tyco's Guide to Ethical Conduct, as well as those policies, practices, and regulations that affect his or her job, and to report any violation. All reports of violations will be taken seriously and addressed promptly.

If you are unsure of the appropriateness or ethics of any activity, ask yourself the following questions:

- ▶ Does it comply with the law, Tyco's Guide to Ethical Conduct, and Tyco's compliance policies and procedures?
- ▶ How would our customers, shareholders, and the general public look upon it?

Reporting a Concern

When in doubt, ask for guidance. If you have a question, wish to discuss an individual situation, or want to report a known violation of this guide, talk with your supervisor, your local Human Resources representative, or contact either:

- ▶ Tyco's toll-free ConcernLINE at 800-714-1994. International phone numbers for ConcernLINE can be found at the back of this book; or
- ▶ The Corporate Law Department; or
- ▶ The Office of the Ombudsman at 877-232-4121.

All reports are handled confidentially and, if you wish, anonymously. Once your call is received, your information will be referred to the appropriate Tyco representative and resolved as quickly as possible.

The company does everything possible to handle complaints in a sensitive way. The company also acts to protect you from any revenge or retaliation as a result of reporting violations.

Duty to Report/Failing to Call

You have a duty to report any violations of this guide and, while you may initially be reluctant to "get involved," it's important to note that failure to report violations can have substantial consequences. In addition to the possibility of being held personally liable for the legal or ethical violation (which may result in fines or even jail time), you may be subject to disciplinary proceedings, including termination. So, when in doubt, speak up.

Violations may result in disciplinary action, up to and including termination and legal prosecution. As with all disciplinary matters, principles of fairness and equity always apply.

Annual Acknowledgment

You will be required to sign a statement annually that you have read and understand Tyco's Guide to Ethical Conduct. This statement also requires you to state that you are in full compliance with the code.

In addition, from time to time, your manager will discuss the importance of complying with Tyco's Guide to Ethical Conduct with you and your co-workers.

This information supplements any corporate/division policies related to the areas discussed in this guide. This guide applies to our international locations and was written to ensure that the laws within your location have been considered. This guide offers general guidelines only and is subject to local law. It is not intended to be all inclusive.

Table of Contents

| | |
|--|-----------|
| Equal Employment | 4 |
| Harassment-Free Workplace | 6 |
| Substance-Free Workplace | 8 |
| Health, Safety, and the Environment | 10 |
| Political Activities | 12 |
| Conflicts of Interest | 14 |
| Gifts | 16 |
| Fraud | 18 |
| Antitrust | 20 |
| Proprietary and Confidential Information | 22 |
| Inside Information and Trading Tyco Securities | 24 |
| The Media and Financial Community | 26 |
| E-Mail, the Internet, and the Use of Company Property | 28 |
| Record-Keeping, Financial, and Export Controls | 30 |
| ConcernLINE Toll-Free Calling Instructions | 33 |
| AT&T Access Codes | 34 |

EQUAL *employment*



Providing Opportunity for All

As a company, we expect that all employees treat one another with respect and dignity. Every employee has a unique role in making Tyco a more inspiring and rewarding place to work. Our values are richly embedded in this commitment and are backed by many of the policies and practices outlined in this book.

Equal opportunity and fair treatment extends to all employees. Tyco specifically prohibits discrimination on the basis of age, color, disability, ethnicity, marital or family status, national origin, race, religion, sex, sexual orientation, veteran status, or any other characteristic protected by law. These principles extend to all employment decisions, including:

- ▶ Recruiting, hiring, and training;
- ▶ Promotions, pay, and benefits; and
- ▶ Transfers and workforce reductions.

All of these types of decisions are based on the individual applicant or employee's qualifications as they relate to the particular job.

In addition to complying with U.S. Equal Employment Opportunities (EEO) laws, Tyco complies with all other applicable civil rights, human rights, environmental and labor laws.

Tyco is committed to providing an environment that values diversity with a conscious desire to achieve understanding, respect, inclusion and continuous learning.

A Worldwide Commitment

Our values show our commitment to being a good global citizen and acting in a socially responsible way in the communities where we live and work — all across the globe.

We require Tyco business units to provide clean and safe working environments and conditions, forbid child labor at our facilities, and require that employees receive all benefits mandated by applicable laws. Regardless of where you work, Tyco prohibits business units from engaging in activities that do not maintain individual dignity and respect, even if permissible under applicable law.

Fair Treatment Violations Look Like ...

Harvey, an employee whose disability requires him to use a wheelchair, is not invited to make the client presentation of the marketing campaign he has authored. The reason, he is told, is because it was felt that the client would be more comfortable with someone who is not in a wheelchair.

Esther, a customer service representative, is fired after she explains that she cannot work Friday afternoons because she honors her religious observations.

Reza is a computer analyst. Every day at noon, Reza leaves his desk and goes into the lavatory to pray. His co-workers have complained, and Reza's manager has told him to stop.

HARASSMENT-FREE *workplace*



Teamwork Starts with Respect

Promoting teamwork and excellence demands a working environment that is free from discrimination, harassment, or other intimidating personal behaviors. All Tyco facilities worldwide maintain a professional and harassment-free working environment – they are places where employees act with respect for one another and for those with whom we do business.

The following behavior is expressly prohibited:

- ▶ Unwelcome conduct — whether verbal, physical, or visual — that is based on a person’s protected status, such as race, color, religion, sex, age, national origin, citizenship status, disability, sexual orientation, veteran status, or any other protected status;
- ▶ Abusive language, physical aggression, deliberately causing injury to another, or any disorderly conduct or malicious disturbance. This includes intimidation or harassment of others;
- ▶ Sexual harassment. This includes unwelcome sexual advances, request for sexual favors, as well as other physical, verbal, or visual conduct based on sex when:
 - Submission to the conduct is an explicit or implicit term or condition of employment; or
 - The conduct has the purpose or effect of unreasonably interfering with the individual’s work performance by creating a hostile, offensive, or intimidating working environment.

Sexual harassment is conduct based upon sex, whether directed toward a person of the same or opposite sex.

In addition to covering employees, our harassment-free workplace policy extends to business associates, such as outside vendors, professionals, and other providers of goods or services to any Tyco unit worldwide. Note that this policy applies to both work-related settings and activities outside of the workplace.

Harassment Looks Like ...

Billy has a habit of telling jokes — sex jokes, black jokes, Polish jokes, Jewish jokes, jokes about everyone. In fact, the jokes are interchangeable. He even has sent them via e-mail on the company’s distribution list.

The entire team jokes about Tom being gay. Tom has never complained and doesn’t seem to mind, but when Mark is assigned to work with Tom, the jokes turn on Mark. Now that Mark receives the brunt of the jokes, he tells his supervisor he wants to be reassigned. His supervisor complies with Mark’s request.

SUBSTANCE-FREE *workplace*



For the Well-Being of All Employees

Substance abuse — whether alcohol or drug abuse — poses a serious threat to the safety, health, and productivity of our organization, employees, and customers. Tyco has a drug/alcohol-free workplace policy that extends to locations worldwide and applies to employees, vendors, customers, and guests.

Our substance-free workplace policy prohibits:

- ▶ The use or possession of alcohol, illegal drugs, and other controlled substances in the workplace. Their presence will not be tolerated under any circumstances. (Possession of prescription medication for medical treatment is permitted); and
- ▶ Being under the influence of alcohol, illegal drugs or any other controlled substance on the job.

Functions Involving Alcohol

There may be company-sponsored events where management approves the serving of alcoholic beverages. In these cases, all appropriate liquor laws must be followed, including laws regarding the serving of alcohol to those under the legal drinking age. Consistent with our policy, intoxication and excessive drinking at these events is prohibited.

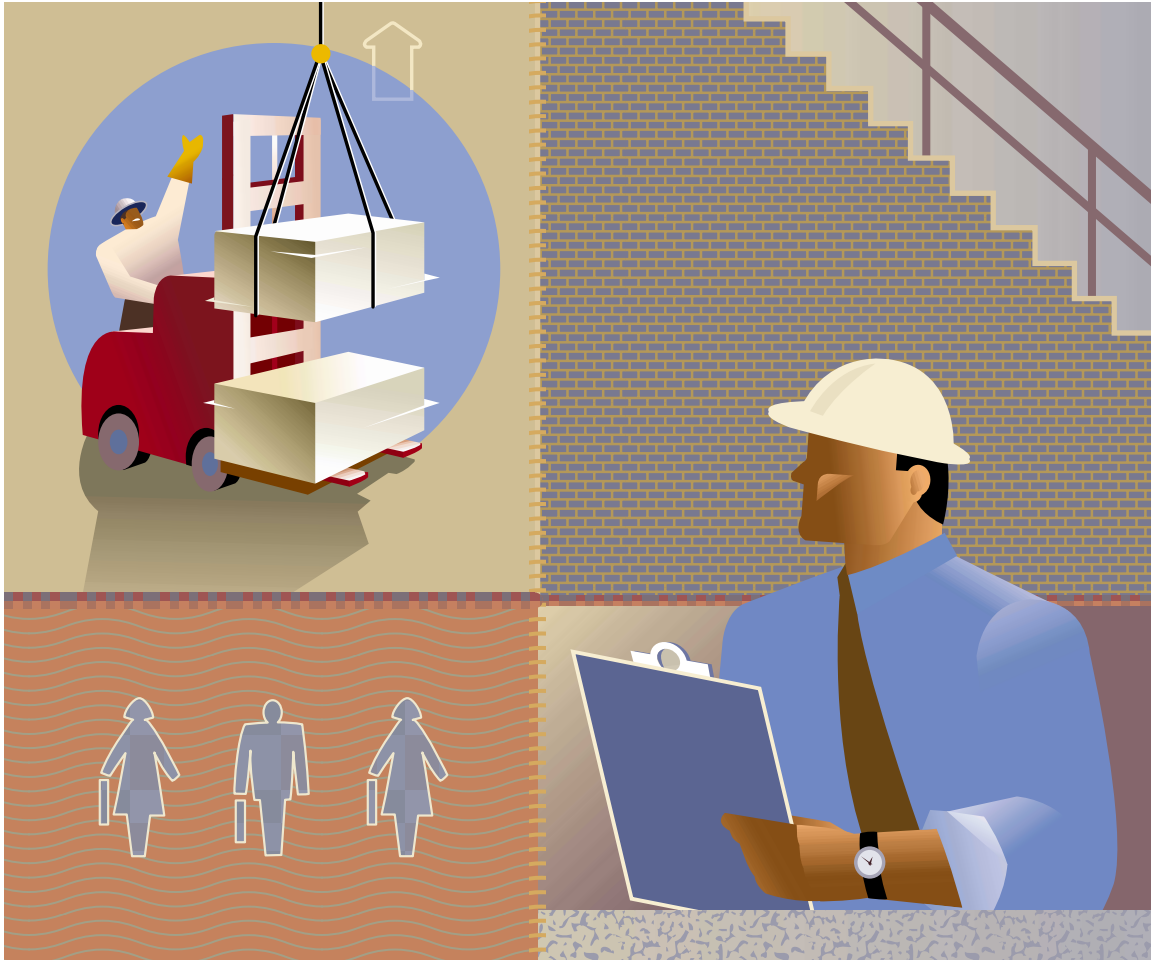
Substance Abuse in the Workplace Looks Like ...

Carla, a sales representative, frequently entertains customers at lunch. She regularly has two or three drinks and returns to work with a little “buzz.”

Roy keeps a bottle of liquor in his desk drawer for a little “pick me up” after a hard day.

Connie takes double the physician-prescribed amount of a muscle relaxant just to get through the “tough times.”

HEALTH, SAFETY, and the *environment*



Making Workplace Safety a Priority

Having a safe workplace is one of the most important benefits we offer to our employees and their families. We are committed to ensuring a safe working environment for all employees. We do this by following strict safety and health rules and practices, including:

- ▶ Prohibiting the possession of weapons and other dangerous devices by Tyco employees, contractors, vendors, and visitors at all times on the company's or customers' property;
- ▶ Not tolerating any threats of harm — either direct or indirect — or any conduct that harasses, disrupts, or interferes with another employee's work or performance or creates an intimidating, hostile work environment;
- ▶ Rigorously adhering to the established safety procedures, following safety practices and avoiding short cuts;
- ▶ Requiring every Tyco business to have an active safety program that is strongly supported by its management team.

While compliance with all applicable laws, regulations, and record-keeping requirements is mandatory, Tyco seeks to exceed the minimum legal standards. It is our intent to avoid all injuries and to be recognized as an industry leader in safety.

A Word About Our Environment

Tyco conducts its worldwide operations in a manner that conserves and protects natural resources and environments. All Tyco entities conduct their operations in compliance with applicable environmental laws and regulations in the jurisdictions where we do business.

Unsafe Behavior Related to Health, Safety, and Environmental Issues Looks Like ...

To save money at his plant, Sam provides half the number of safety goggles as there are employees on the line and instructs them to share.

Piette, the plant operations manager, instructs her people to dump used machine oil on unused acreage at the back of the facility.

Al, the plant manager, allows the contractor responsible for the removal of organic waste material to dump it in a local lake.

If you become aware of any actual or potential safety or environmental hazard, or if you have a safety concern, immediately notify your supervisor or unit manager. You may also call the Tyco ConcernLINE at 800-714-1994 or the Office of the Ombudsman at 877-232-4121 or the Corporate Law Department. International access codes can be found on page 34.

POLITICAL *activities*



A Personal Matter

While Tyco encourages employees to be informed voters and involve themselves in the political process, that participation is entirely voluntary and must be made on personal time. In addition:

- ▶ Employees may not make any contribution of company funds, property, or services to any political candidate, party, or committee without the prior approval of Tyco's Corporate Law Department;
- ▶ Employees may not pressure or solicit other employees to make political contributions or participate in support of a political party or candidate;
- ▶ Cooperating with or participating in political or economic boycotts is illegal in some countries and may be subject to civil and criminal penalties. Employees who wish to participate in or support a boycott must first consult with Tyco's Corporate Law Department; and
- ▶ Tyco employees must comply with all national, state, and local laws regulating participation in political affairs. This includes contributions to political parties, national political committees, and individual candidates.

Inappropriate Political Activity in the Workplace Looks Like ...

Nancy distributes fliers, sponsoring a political candidate running for local council, in the cafeteria at work.

Tom, a team leader, uses company e-mail to solicit support for his cousin who is running for state representative.

Timothy distributes ticket purchase forms for a customer's favorite political fund-raiser.

CONFLICTS of *interest*



Know Where Your Loyalties Lie

As a Tyco employee, you make business decisions every day. It's important that each decision, and any related action, be based on the needs of the company — not on personal interests or relationships.

Every day, each of us works with suppliers, customers, consumers, and others who do business with Tyco. It's essential that you avoid even the appearance of conflicts of personal interest and those of the corporation.

For purposes of this policy, a conflict of interest is any interest that conflicts with the purpose, policies, or operations of your service with Tyco. The appearance of a conflict is what a reasonable person might view as a potential conflict. Conflicts apply equally to business relationships and personal activities.

Other Business or Financial Interests

Conflicts of interest don't end when you leave the office. You must manage all business relationships that you may have with your Tyco responsibilities in mind. Even outside the office, work to avoid any situations that might lead to a conflict — or the appearance of a conflict — between yourself and your work at Tyco.

In addition, if you or an immediate family member has any significant financial interest in a Tyco supplier, customer, consultant, or competitor, you must notify your local Human Resources representative. Immediate family members include your spouse/domestic partner, as well as your or your spouse/domestic partner's parents, siblings, children, grandchildren, grandparents, aunts, uncles, nephews, and nieces.

The company will work with you to determine the appropriate course of action.

Involvement in Other Organizations

If you serve as a director, officer, or consultant with any company that does business with Tyco, you must notify your local Human Resources representative. This policy includes volunteer positions, e.g., positions that are unpaid.

Conflicts of Interest Look Like ...

A senior executive is also on the board of directors of a corporation that supplies his company with services. The executive has not made it known to the company that he is on the other company's board.

Joseph is an employee whose sister operates a vending machine company. He learns that his plant will soon be choosing a new vending service. Joseph gives his sister the terms of the best proposal received so far. She then submits a better proposal on behalf of her company.

Maria, a supervisor, is responsible for filling an open position in her department. Maria's cousin is well qualified and looking for a job. Instead of turning the hiring decision over to her manager, Maria hires her cousin as her direct report.

gifts



Appropriate Giving and Receiving

It is inadvisable to accept or give any gifts or offers from anyone Tyco does business with. If the gift or offer is of significant value, accepting it can create the appearance of a conflict of interest. It could be suggested or inferred that the gift-giver might receive favorable or preferential treatment — such as purchase orders or better prices, terms, or conditions of sale.

This policy extends to vendors, suppliers, and customers, as well as entities or individuals currently doing or seeking to do business with any Tyco entity.

Generally, acceptable gifts are:

- ▶ Infrequent and not excessive in value; and
- ▶ Small enough so that you or the company are not embarrassed to discuss them.

Never give to or receive a gift from a U.S. or foreign government official.

Tyco requires employees to disclose on a gift-reporting form, any business gift, favor or entertainment (other than business meals), given or received, that has a value of more than US \$50. This form is available from your Human Resources Department.

Beware of Bribes

While Tyco is careful about the companies it does business with, there's always a risk that a business associate may try to "buy your favor" — a nice way of saying bribery. Any bribe or improper payment is prohibited. In addition to cash payments, bribes include:

- ▶ Kickbacks or kickback schemes;
- ▶ Unexplained rebates; and
- ▶ Payments for advertising or other disguised allowances or expenses.

Business Relationships

It's important that all relationships with suppliers, customers, and other parties be based on lawful, efficient, and fair business practices. Reasonable business entertainment that is in the best interests of the company is allowed. Such entertainment must always be conducted in an appropriate and lawful manner.

Doing Business with Government Organizations

The sale of goods and services to U.S. governments is heavily regulated. Tyco employees involved in sales to governmental customers must take the necessary steps to ensure that all government-related transactions and relationships comply with applicable laws and regulations.

Foreign Corrupt Practices Act

Tyco complies with the U.S. Foreign Corrupt Practices Act. Among other things, this act prohibits employees from bribing any public official, government, or other individual — regardless of nationality or local custom — to secure any concession, contract, or favorable treatment for Tyco or the employee. Bribes include any kickbacks or other unlawful payments.

Bribes and Inappropriate Gifts Look Like ...

Andreas, a project manager, is waiting for a permit for the expansion at his facility. An official at the local zoning board informs him that things could move more quickly if he paid an "express fee."

Helen, a medical device representative, hosts her client, a doctor, in a weekly tennis game every Saturday at her country club.

A supplier bidding on a contract offers Teresa a fee to provide him with the amount of the lowest bid she has received so far.

Contact your manager, Human Resources representative, or the Corporate Law Department for specific questions regarding gifts or details on dealing with state, local, or government customers.

fraud



Know How to Identify and Avoid It

Fraud — or the act or intent to cheat, trick, steal, deceive, or lie — is both dishonest and, in most cases, criminal. Intentional acts of fraud are subject to strict disciplinary action, including dismissal and possible civil and/or criminal action.

It's important to understand what fraud can entail, so you can recognize it and avoid mistakes. Some examples include:

- ▶ Submitting false expense reports;
- ▶ Forging or altering checks;
- ▶ Misappropriating assets or misusing company property;
- ▶ Unauthorized handling or reporting of transactions;
- ▶ Inflating sales numbers by shipping inventory known to be defective or non-conforming; and
- ▶ Making any entry on company records or financial statements that is not accurate and in accordance with proper accounting standards.
(For more information on company records, see page 25.)

Fraud Looks Like ...

Jordan's client takes him out for dinner after he makes a sales presentation at the client's company. Jordan then expenses the same US \$65 dinner.

Yin, a software-training specialist, makes copies of software programs for use on her computer at home and gives copies to all her family and friends.

Sophia, a comptroller, loans her employees money from the company, charges them interest, and deposits their repayments into her personal bank account.

These are just some examples. If you experience or witness other activities you think may be fraudulent, notify your local Human Resources representative or call the ConcernLINE at 800-714-1994, or the Office of the Ombudsman at 877-232-4121, or the Corporate Law Department immediately. International access codes can be found on page 34.

antitrust



Encouraging Healthy Competition

Employees working in marketing, sales, purchasing, or acquisitions need to be especially aware of antitrust- and trade-regulation requirements. This also applies to those who participate in trade associations or industry standard setting groups.

Antitrust law is designed to ensure that competition remains vigorous and free from collusion. Antitrust issues are very complex. Determining what actions are improper often depends on the structure of the market and a number of other factors.

To avoid even the perception of unlawful conduct, employees should avoid:

- ▶ Discussing with a competitor prices, costs, production, products and services, bidding practices, other non-public business matters, sales territories, distribution channels or customers;
- ▶ Restricting the right of a customer to sell or lease a product or service at or above a certain price.

In addition, the following practices should not be engaged in without prior review by the Corporate Law Department:

- ▶ Conditioning or “tying” the sale or lease of a product or service on the sale or lease of another product or service;
- ▶ Conditioning the purchase, sale or lease of a product or service on a reciprocal agreement with a customer or supplier;
- ▶ Entering into an exclusive dealing arrangement with a customer or supplier;
- ▶ Limiting a customer as to the territories in which, or the customers to whom, a product or service can be resold or leased;
- ▶ Discriminating as to the prices or allowances offered to competing customers.

Antitrust Violations Look Like ...

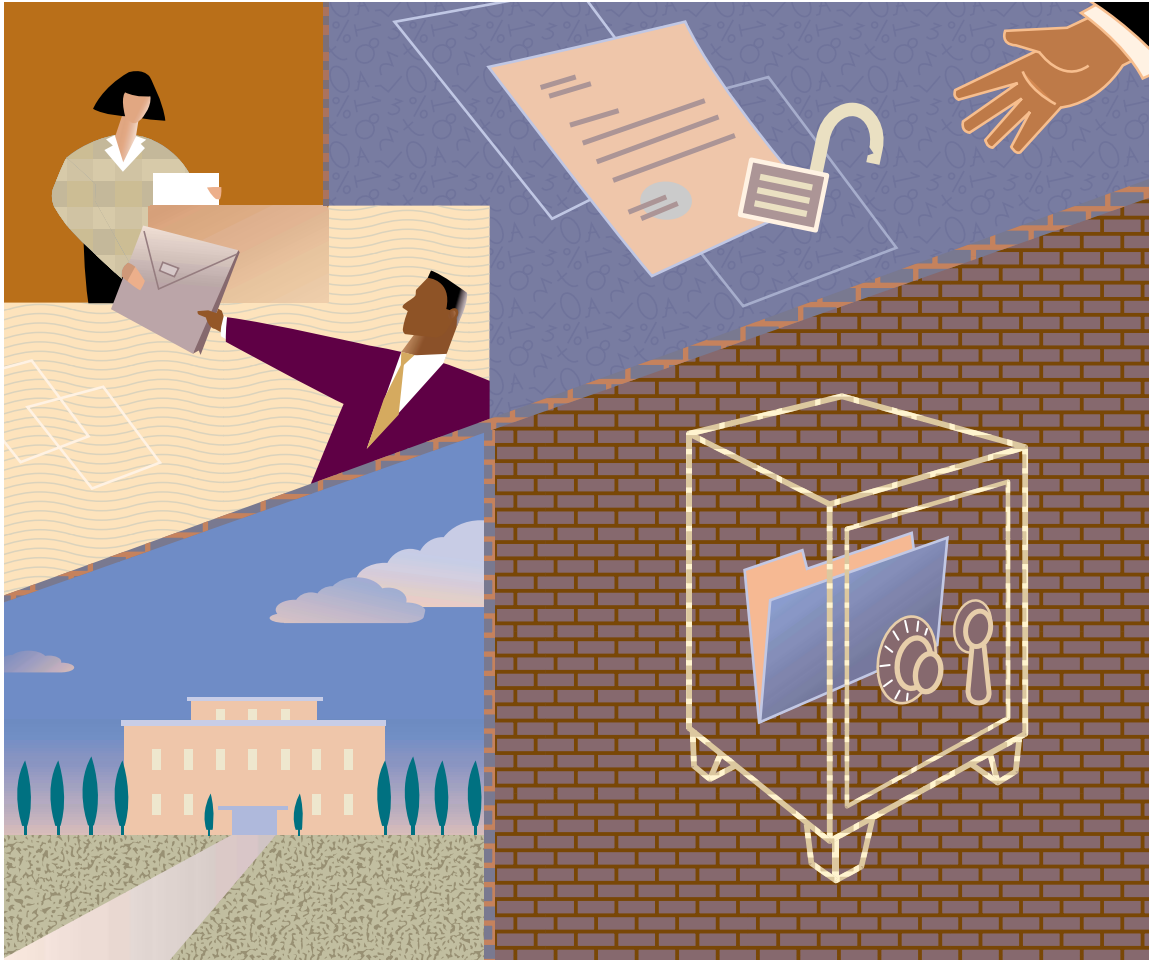
A Tyco electronics manufacturer and a competitor agree to offer a US \$500 rebate on the purchase of a new system. Afterward, both companies offer such a rebate.

Several plastics companies confer and agree to set and keep their prices high.

Sales representatives at competing companies talk over drinks and agree to split customers within the territory in order to maintain “turf.” Business now becomes, “Stay off our turf and we’ll stay off yours.”

Tyco’s Corporate Law Department can provide you with specific rules applicable to your business. For details, contact the Corporate Law Department, or the Office of the Ombudsman at 877-232-4121. International access codes can be found on page 34.

PROPRIETARY and CONFIDENTIAL *information*



Protecting the Company's Knowledge

Tyco's business information is very valuable and needs to be protected. You are expected to respect the company's proprietary and confidential information by:

1. Maintaining strict confidentiality of information safeguarded to you; and
2. Not sharing that information with anyone — even a co-worker — who does not need to know about it.

Examples of confidential and proprietary information include:

- ▶ Written and oral agreements between the company and employees, agents, strategic partners, and/or other third parties;
- ▶ Intellectual property — such as trademarks, patents, and copyrights;
- ▶ Company financial information;
- ▶ Proprietary software or company-owned software modifications, templates, worksheets, or other programs;
- ▶ Financial and other information about potential acquisitions;
- ▶ Drawings for current or potential new products;
- ▶ Customer lists and agreements, market share data, supplier agreements, and other files.

In addition, information provided to Tyco in good faith by our customers and suppliers must be treated with the same degree of confidentiality.

Ownership of Intellectual Property

Any technical innovations, discoveries, system designs, or technical enhancements that an employee designs or conceives while at Tyco are the sole property of Tyco. The employee must disclose such discoveries and innovations to Tyco.

Your obligations to confidentiality extend beyond your tenure at Tyco. Even after you leave Tyco, you may not disclose or in any way provide confidential information. At the same time, you may not disclose confidential information that you may have obtained at a previous employer, including, but not limited to, trade secrets.

Improper Use of Proprietary Information Looks Like ...

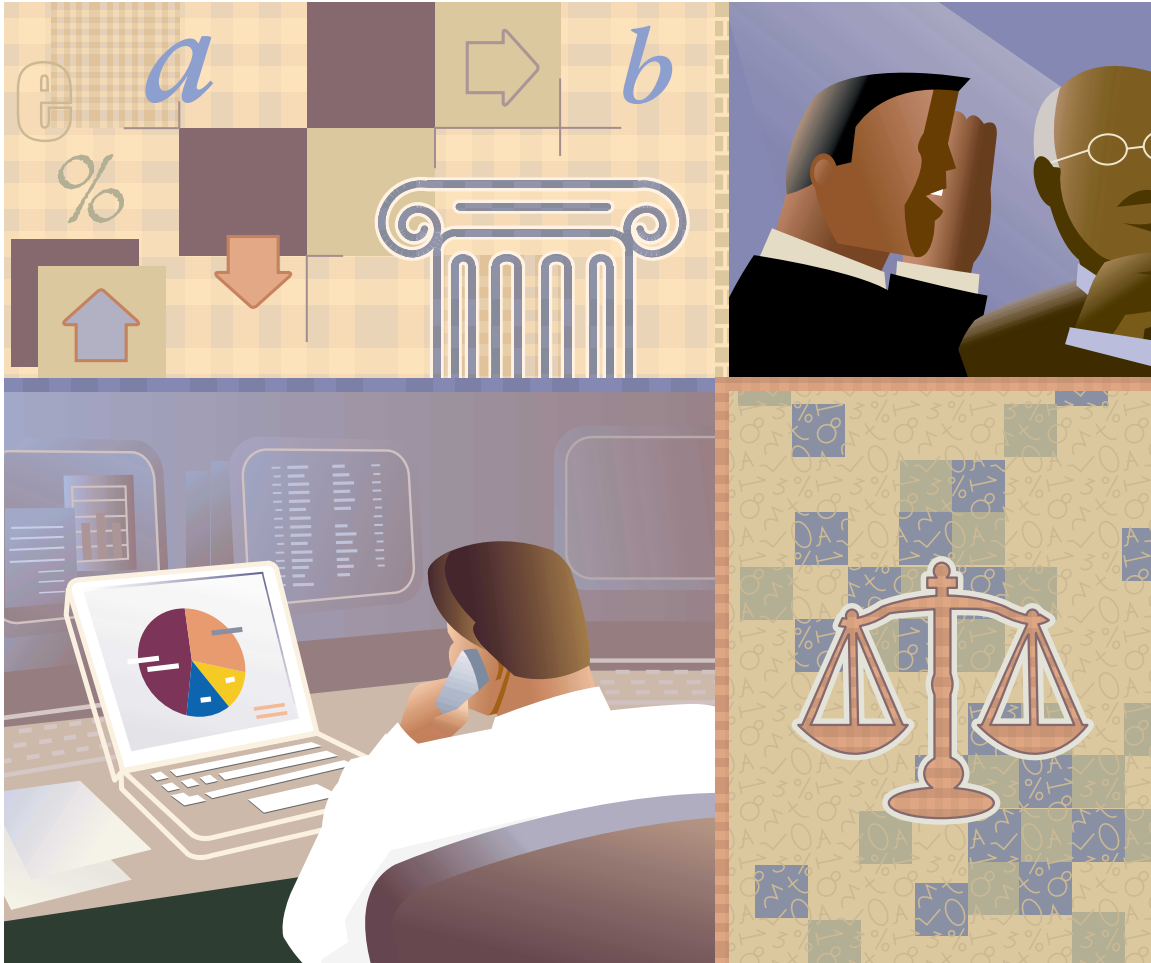
Samantha uses a process she learned from her brother-in-law's work. Her brother-in-law's company has never publicly revealed the process.

Karla, an assistant to the engineering manager, copies designs of a new electronic relay and gives them to her friend who applies for a patent under his name.

Leo, an employee of a fire protection installation company, is responsible for gathering data about the company's customers. Leo provides this information to his friend's brother who runs a fire protection industry marketing firm.

Should you have any questions, seek guidance from Tyco management or Tyco's Corporate Law Department. You can contact the Corporate Law Department, or the Office of the Ombudsman at 877-232-4121. International access codes can be found on page 34.

Tyco securities



Know the Rules to Protect Yourself

U.S. securities law has strict requirements regarding how we use and disclose company information. In the course of your job here at Tyco, you may be privy to non-public information about Tyco, its customers, suppliers, or acquisition targets.

For purposes of this policy, it's important to understand the following terms:

- ▶ "Material" information is information of such importance that it can be expected to affect the judgment of investors as to whether or not to buy, sell, or hold the securities in question;
- ▶ "Nonpublic" means the information is not generally available to the public;
- ▶ Insider "tipping" may include inadvertent or overheard statements.

Tyco's policy and U.S. law prohibits employees from buying or selling Tyco stock or any other kind of public security as a result of inside information. It is also illegal and unethical to provide such information about Tyco to other individuals or companies so that they may gain. Lastly, employees are prohibited from trading in stock of customers and suppliers as a result of inside information.

Tyco's directors and many senior-level employees have additional disclosure requirements (e.g., being required to obtain approval from Tyco's Corporate Law Department before trading in Tyco securities). All of these policies are designed to help employees avoid the inadvertent disclosure of information or illegal securities trades.

Improper Use of Inside Information Looks Like ...

Heidi, a lawyer, learns that her company is in negotiations to purchase a smaller organization with the missing technology her company needs. She purchases convertible bonds in the company to be acquired.

Neal, an engineer, learns that his company is considering merging with another company to improve global representation. Neal immediately calls his family and encourages them to purchase additional company stock.

Three days before the public announcement of the quarterly earnings, Larry overhears that Wall Street will be disappointed with his company's quarterly results. On his way home from work that evening, Larry calls his broker to sell all his company stock.

■ **Direct all questions regarding securities trading to Tyco's Corporate Law Department or Human Resources Department.**

The MEDIA and FINANCIAL *community*



Our Reputation Depends on Our Public Appearance

Communication with the news media is an important part of Tyco's communications program. However, as a public company, Tyco has certain regulatory and legal obligations regarding how it makes significant events available to the public.

In general, communications with the news media — including financial press and financial analysts — should be directed to your divisional and/or the Corporate Public Relations office. Media request for information might include:

- ▶ Speculating on changes in the company's stock price;
- ▶ Rumors about a merger, acquisition, or other significant business event;
- ▶ Spreading rumors about management changes;
- ▶ Questions about new products, policies, processes, or strategies.

A Word About Internet Postings and Chat Rooms

In today's electronic age, posting information on Internet bulletin boards or even communicating in chat rooms (other than internal/company-provided spaces) is the same as "speaking to the media."

Employees should not use these forums to discuss matters or opinions related to the company or any of its industries, or to respond to comments about the company.

If you see a comment or posting of concern, you are encouraged to bring it to the attention of your division's Public Relations Department or the Corporate Law Department.

Improper Responses to Requests for Information Look Like ...

Elizabeth, the comptroller's administrative assistant, receives a phone call from a reporter who asks, "Is it true that you are about to sell off a division?" She replies, "I don't know, but you'll know as soon as I know."

Louisa, a marketing manager, gives an interview with her local newspaper and describes the consumer division's exceptionally strong sales as the reason behind the company's soaring stock prices.

A trade reporter asks Ernie, a process application engineer, how his group got the idea for the new line of products. Eric describes the exciting new product-development process in detail.

E-MAIL, the INTERNET, and the USE of COMPANY *property*



Limiting Use to Business Purposes

All communications data and information sent or received using company property while you are employed at Tyco are company property and are not private communications. Tyco owns and/or controls access to all communication equipment, including computers, software, e-mail, voice mail, conferencing equipment, and office supplies. Tyco reserves the right to monitor all communications, including Internet usage.

Tyco's company property — its buildings, vehicles, equipment, and supplies — is in place to enable employees to perform the business-related duties that their positions require. The use of company property is for the sole purpose of conducting business-related tasks.

Incidental Personal Use

The company recognizes that you may need to use company equipment and/or communications from time to time for personal use. In general, this is allowed, provided such use:

- ▶ Is limited in duration or extent;
- ▶ Does not adversely affect your attention to or completion of your job responsibilities;
- ▶ Does not result in any significant incremental cost to the company;
- ▶ Does not contain pornographic or offensive material, discriminatory or harassing language or derogatory references to age, color, disability, ethnicity, marital or family status, national origin, race, religion, sex, sexual orientation, veteran status, or any other characteristic protected by law;
- ▶ Does not otherwise violate the Tyco's Guide to Ethical Conduct, particularly the sections related to conflicts of interest and/or disclosure of confidential information.

Software

In general, the only software that should be loaded on your computer is that which the company has approved and purchased. In many cases, it is illegal to copy, download, or distribute software or other materials or files that are protected by copyright.

Even so-called "free-ware" or "share-ware" — electronic programs and files available at no cost from the Internet — are prohibited, as they can serve as source materials for disabling computer viruses.

Improper Use of E-Mail, Internet, and Other Company Communications Looks Like ...

Bruce receives a joke with sexual overtones from an old college friend on his work e-mail. He passes it along to co-workers.

Upset that she has been temporarily laid off, Donna goes to a widely used financial bulletin board on the Internet and posts a long message about how her company has mistreated her.

Bill's former company used a proprietary Excel® spreadsheet to allocate bonuses among employees. Without permission from his prior company, Bill uses that spreadsheet to create a similar tool for his new employer.

RECORD-KEEPING, FINANCIAL and EXPORT *controls*



The Information by Which We Are Measured

Accurate, timely financial records and export controls provide the core information that is necessary to manage our business. These records and export controls also are essential to fulfilling obligations to our shareholders, governments and the general public at large.

In general, all internal and external financial records and information must follow:

- ▶ U.S. generally accepted accounting principles; and
- ▶ Effective internal controls, including procedures to protect the company's assets.

Note that financial information can be made available outside the company only with proper prior authorization.

Accuracy of Company Records

All business transactions must be properly authorized as well as completely and accurately recorded on the company's books. Procedures for doing so must comply with Tyco's financial policy and follow Tyco's policy for authorization and documentation, as well as follow generally accepted accounting practices.

Budget proposals — and other financial evaluations and forecasts — must fairly represent all information relevant to the decision. In addition, no unrecorded cash funds or other asset accounts will be established or maintained for any purpose.

Misapplication or improper use of corporate or customers' funds or property — or false entry to records by employees or others — must be reported to the Corporate Law Department and/or the Office of the Ombudsman. Any such behavior may result in disciplinary action, up to and including termination.

Communicating Accurate, Timely Information

In all interactions and communications — whether with customers, suppliers, government agencies, or others inside or outside of the company — you are expected to be truthful and forthright. This includes:

- ▶ Making accurate statements, not misrepresentations or statements intended to mislead or misinform; and
- ▶ Responding promptly, accurately, and with full disclosure to requests from governmental agencies for information or documents.

Note that all such requests should be reported immediately to Tyco's Corporate Law Department. The Corporate Law Department will determine the appropriate response and give the necessary authorization prior to any employee's providing documentation to outside parties.

Improper Financial Records and Poor Controls Look Like ...

Tim, an accounting clerk, is asked by his supervisor to charge ordinary operating expenses against a special accounting reserve. When he objects that this is improper and would artificially inflate income numbers, he is told that the annual bonuses of the entire team depend on making income targets. He is also told that if he won't book the income as directed, his supervisor "will find someone else who will."

Dan, a director in the company, instructs his direct reports to expense equipment purchased for his own use/benefit on their monthly travel and expense report. This practice bypasses the approval process in place.

Improper Financial Records and Poor Controls Look Like ...

Kevin, an IT administrator, implements a password system that requires password rotation every 90 days for key individuals in the company. All other computers have no password system. He reasons only the VIPs' computers need to be protected.

Karen, an accounting clerk, is told by her supervisor to book an adjustment to accrued liabilities to build-up reserves for a "rainy day."

José's supervisor has instructed all the accounts payable staff to postpone recognizing the expenses incurred for selected projects to improve the company's quarterly financial results.

Record-Keeping and Retention

To help maintain the integrity of your business unit's record-keeping and reporting systems, you must know your area's records retention procedures, including how data is stored and retrieved. It is your responsibility to know how to document and transact any entries or records that you are responsible for.

All employees are expected to comply fully and accurately with all audits, including responding in a timely fashion to requests for:

- ▶ Special record-keeping or retention of documents; and
- ▶ Documents or other material from or on behalf of Tyco's auditors, Human Resources Department, Corporate Law Department, or management.

Saving Documents and Files

Tyco's document retention policy currently specifies that all documents must be retained for legal and business purposes. Specifically,

- ▶ No document — including originals, drafts, duplicates, as well as computer files, disk drives, hard disks, floppy disks, CD-ROMs, or any other media — may be destroyed, altered, or removed from any file or premises where it is stored other than in accordance with Tyco's established document retention policy.
- ▶ Communicating false or derogatory information — as well as altering or the unauthorized destruction of any document — is a violation of company policy and, in many cases, illegal. Employees doing so are subject to strict disciplinary action, including termination, as well as referral to appropriate authorities.

Error Reconciliation

It is Tyco's policy to advise customers and suppliers of any clerical or accounting errors — and to promptly correct such errors through credits, refunds, or other mutually acceptable means.

Export Control

Tyco complies with all export control laws of the United States and all other jurisdictions in which we operate worldwide. Tyco's policy on export/import controls and economic sanctions contains specific guidelines regarding:

- ▶ Obtaining proper export authorization;
- ▶ Establishing eligibility of export recipients;
- ▶ Executing and delivering required documentation; and
- ▶ Record retention for the above.

ConcernLINE Toll-Free Calling Instructions

Instructions for Callers in the United States, U.S. Territories and Canada

Callers in the U.S., U.S. territories and Canada may access the ConcernLINE by dialing 800-714-1994.

Instructions for Callers Worldwide

Callers outside the U.S. and U.S. territories may access the ConcernLINE in the following manner:

- Step 1** Make sure you have an outside line. If using a public phone, make sure it can be used to make international calls.
- Step 2** Enter the AT&T direct access number for the country you are calling from (see table at right for access numbers).
- Step 3** When you hear the English-language voice prompt or series of tone prompts, dial 800-714-1994.
- Step 4** A ConcernLINE specialist will answer your call. If you do not speak English or prefer to have an interpreter assist you in speaking with the ConcernLINE specialist, immediately tell the specialist which language you speak. The specialist will then begin conferencing in an interpreter. As this happens, you will hear music and you should remain on the line. You will then hear a recorded message in your language confirming that an interpreter will come on line shortly. An interpreter will then join your conversation to assist you and the specialist in completing the call.
- Step 5** If you are unable to access the ConcernLINE by following steps 1 through 4 above, you may do so by making a collect call to the ConcernLINE. To make a collect call, follow your country's protocol for reaching an international operator. Tell the operator you would like to make a collect call to the United States and provide the number 00 1-704-556-7046. When the operator asks for your name, say that you are a Tyco employee. The ConcernLINE specialist will accept your call. If you do not speak English or prefer to have an interpreter assist you, follow Step 4 above.

Tyco employees may also write to the ConcernLINE at the following address:

Tyco ConcernLINE
PMB 137
4736 Sharon Road, Suite W
Charlotte, NC 28210 U.S.A.

Where to Go for Help:

- ▶ Tyco's toll-free ConcernLINE (800-714-1994)
- ▶ The Office of the Ombudsman (877-232-4121)
- ▶ Or you can contact:
 - Tyco's Corporate Human Resources Department
 - The Corporate Law Department
 - Tyco's Senior Vice President for Corporate Governance

SIGNATURE *sheet*

I hereby certify that I have read and understand the information set forth in the Tyco Guide to Ethical Conduct and will comply with these principles in my daily work activities. I am not aware of any violation of these principles.

Date: _____

Name (print): _____

Employee ID: _____

Division: _____

City, State/Province, Country: _____

Signature: _____

tyco

www.tyco.com

Tyco International Ltd

The Zurich Centre

Second Floor

90 Pitts Bay Road

Pembroke, HM 08, Bermuda