



Rockwell Collins Supplier Handbook

A resource for suppliers

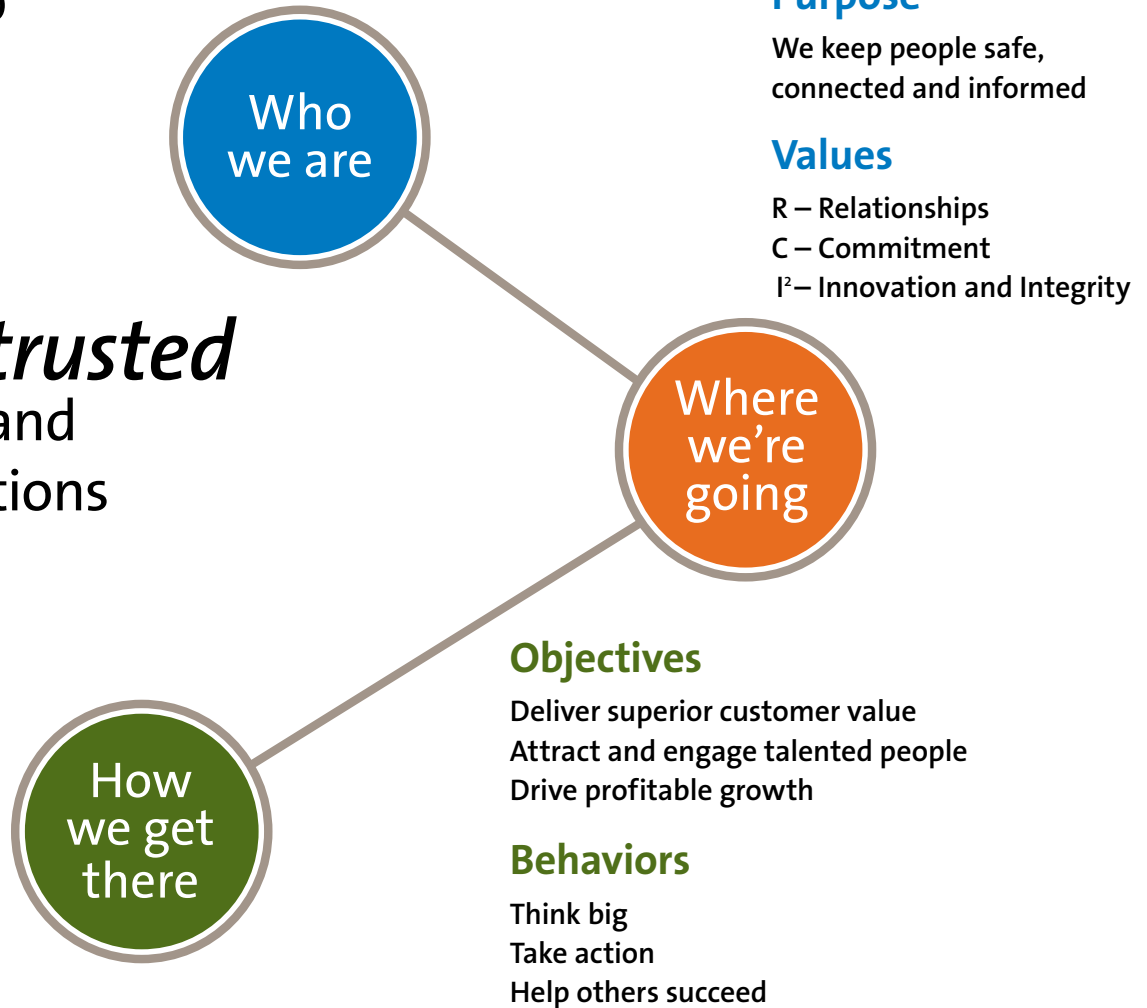
**Rockwell
Collins**

Building trust every day

Our **Vision** roadmap

Vision

***Be the most trusted
source of aviation and
high-integrity solutions
in the world***



Welcome, suppliers.



We couldn't do what we do without you, our suppliers. You are a key part of Rockwell Collins' success – past, present and future. As a current supplier, you are an integral member of our team. We value our relationship with you and want to provide you with all the tools and information you need to make that relationship as successful for you as it is for us.

If you are a potential supplier, we look forward to seeing how we might work together in mutually beneficial ways.

Rockwell Collins prides itself on being a consistently high-performing company. We never take that for granted, and always strive to find ways to increase that performance – including continuous process improvement through Lean ElectronicsSM, as well as improving quality. Our goal is always to meet and, whenever possible, exceed our customers' expectations.

We hold ourselves to the highest ethical business and environment, safety and health standards. Because you are part of the team, we will hold you to the same standards. We will never expect more from you than we expect from ourselves. But with ever-increasing customer expectations and heightening competition, we know that we need to raise the bar.

To better gauge where that bar needs to be, we have changed how we measure customer satisfaction. It now includes all the elements of how a customer measures our performance.

Another ongoing change for us is the expansion of our global footprint. We are pursuing opportunities with new and existing customers in developed and developing countries, placing special emphasis on emerging markets around the globe. This will provide new opportunities for our suppliers as well.

Some things will never change. We will always seek innovative ways to help our customers go where they want to go. We welcome and encourage innovative thinking from our suppliers and other team members. It's one reason we are committed to strengthening diversity within our supplier base – different perspectives foster better ideas.

These are just some of the ways we will follow through on our promise – to our customers and to you – to continue building trust. Every day.

A handwritten signature in black ink, appearing to read "Bruce M. King".

Bruce M. King
Senior vice president, Operations



*"Coming together is a beginning,
staying together is progress, and
working together is success."*

- Henry Ford



A resource for working together.

This handbook will acquaint you with our company and our supply-chain expectations. It's your guide to the processes of the valued business relationships we have with our suppliers. By understanding how we can best collaborate, we can accomplish goals that will benefit us all. These goals include providing:

Superior customer value – We will be better than our competitors at delighting our customers. We will add value by providing products and services that are safer, more efficient to operate and that will improve our customers' capabilities to address their goals.

Sustainable and profitable growth – We will maintain profitable growth over the long term that will keep us stable even in times of economic downturn.

Global leadership in served markets – We will set the standard as leaders in our markets. Our customers ultimately will reward us with a greater share of the market because of the superior customer value we provide.

Talented and motivated people – We will retain and attract the brightest, most talented people and create an environment where they are motivated to use their talents to the maximum extent.

About our company

Rockwell Collins is a leader in aviation and high-integrity solutions for commercial and military customers around the world. Every day, we help pilots safely and reliably navigate to the far reaches of the earth; keep warfighters aware and informed in battle; deliver millions of messages for airlines and airports; and help passengers stay connected and comfortable throughout their journey.

As experts in flight-deck avionics, cabin electronics, cabin interiors, information management, mission communications and simulation and training, we offer a comprehensive portfolio of products and services that can transform our customers' futures.

Rockwell Collins is represented by 30,000 employees spanning 150 countries worldwide, providing trusted solutions and service.

Learn more

Visit rockwellcollins.com to:

- › Get familiar with our core competencies and key customers
- › Sign up for email alerts and news-release RSS feeds
- › Review our latest financial performance

Connect with us via social media:

- › Facebook – facebook.com/rockwellcollins
- › Twitter – twitter.com/#!/rockwellcollins
- › LinkedIn® – linkedin.com/company/rockwell-collins
- › YouTube – youtube.com/rockwellcollinsvideo

Operations at Rockwell Collins.

The Operations organization at Rockwell Collins oversees the manufacturing capabilities of our company, helping to ensure that we can deliver fundamental benefits to customers and advantageously deploy our assets. It manages the processes associated with delivering our full range of complex products and systems, from design through production.

With its emphasis on quality and efficiency, Operations enhances our manufacturing capabilities. Just one example is our low-volume, high-mix schedule flexibility of automated circuit card assembly.

To support Rockwell Collins' mission, Operations follows a strategic framework that provides a map for achieving operational objectives. These include:

- ▶ Promoting exceptional customer satisfaction through a commitment to providing the highest quality products and services from across the enterprise
- ▶ Improving cash flow and cost performance
- ▶ Developing and sustaining a talented, motivated and global workforce

Material & Supply

Within Operations, the Material & Supply organization leads our global supply chain teams by working closely with our customers and supply base. Bringing professional skills and knowledge of supply chain management to each program, Material & Supply ensures the best overall value to the Rockwell Collins customer. These teams live our brand promise of building trust every day by:

- ▶ Conducting business in an ethical manner
- ▶ Cultivating innovative thought and perspectives through greater workforce and supplier diversity
- ▶ Integrating Lean processes to drive efficiency
- ▶ Holding ourselves and our suppliers accountable for performance
- ▶ Promoting and maintaining good stewardship over the environment, safety and health



Listening to our suppliers

The Supplier Alliance Advisory Council (SAAC) plays an important role in helping Rockwell Collins evaluate and test new supply chain strategies.

We collaborate with SAAC members to identify industry best practices to establish strategic initiatives that drive overall supply chain performance.

SAAC membership includes Rockwell Collins executives and approximately 14 senior leaders from key/core suppliers. SAAC members meet quarterly and each SAAC member serves a three-year term.



Respect for all: Our code of ethics and business conduct.

At Rockwell Collins, our commitment to doing business with the highest ethical standards includes interactions between our employees and suppliers. We encourage you to use our Standards of Business Conduct booklet as a resource for doing business with us, and to understand the standards our employees must meet when doing business with you. You can find the booklet online at: rockwellcollins.com/Our_Company/Ethics.aspx

What we'll expect from you

We choose suppliers in part because they demonstrate high standards of ethics and business conduct. This means we expect our suppliers to comply with all laws and regulations, follow our Standards of Business Conduct or their own code of ethical conduct, respect human rights and promptly report suspected or actual violations of appropriate business conduct to the Rockwell Collins Ethics & Business Conduct Office.

An ethics plan and safeguards

Our suppliers are encouraged – and may be required in accordance with U.S. Federal Procurement Regulations – to:

- Implement and maintain a written code of business ethics and conduct

- Establish a business ethics and conduct training program for employees
- Maintain an internal control system to facilitate timely discovery and disclosure of improper conduct, and ensure corrective measures are promptly instituted
- Create channels for employees to ask questions or report actual or suspected violations of law, regulation or the suppliers' code of business ethics and conduct, or the Rockwell Collins Ethics & Business Conduct Office

Human rights

Rockwell Collins is committed to ensuring that we uphold fundamental human rights and believe that all human beings around the world should be treated with dignity, fairness and respect. Our company will only engage suppliers who demonstrate a serious commitment to the health and safety of their workers and operate in compliance with human rights laws.

This means that Rockwell Collins:

- Does not use or condone the use of child or slave labor or human trafficking
- Denounces any degrading treatment of individuals or unsafe working conditions
- Supports our products being free of conflict minerals

Voicing your concerns

If you see or suspect an ethical or legal violation, or if you feel pressured into making such a violation, the Rockwell Collins Ethics & Business Conduct Office is a safe, responsive avenue for you to ask questions and report concerns.

Rockwell Collins Ethics & Business Conduct Office

International and domestic:

+1.319.295.7714

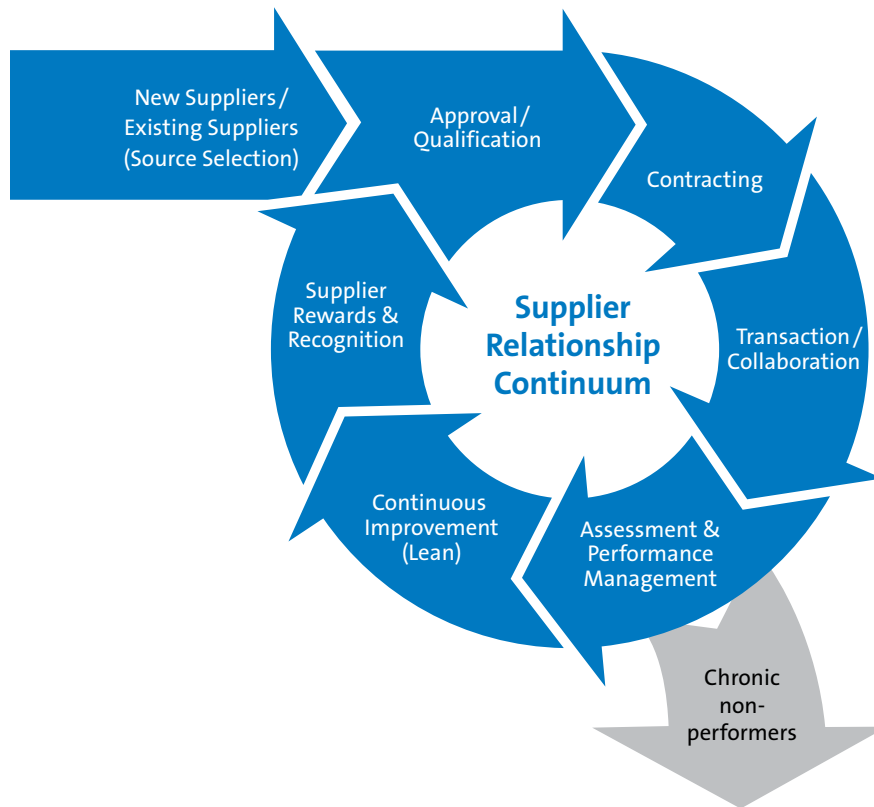
Toll-free: 866.224.8137

email: ethics@rockwellcollins.com

Our supply chain management process.

The goal of the supply chain management process is a shared accountability by both Rockwell Collins and our suppliers in creating strong business relationships. These relationships are characterized by mutual innovation, collaboration, integration, performance and continuous improvement.

We use our supplier relationship continuum process to drive how we work together. It's through this process that we assess, award, contract and performance-manage our suppliers. It's critical that our suppliers understand our process and align with it. This enables all of us to maximize our collective effectiveness.





Encouraging supplier diversity

Small and diverse businesses help drive innovation within the supply chain. It's one reason we give these businesses the maximum practicable opportunity to provide goods and services. Businesses are considered small and diverse if they are:

- *Classified as a small business*
- *Certified in a historically underutilized business zone*
- *Owned and operated by socially and economically disadvantaged individuals, minorities, women, veterans and individuals with disabilities*

Register your business with us by submitting your capabilities and company overview [here](#). You may submit any questions to supplierdiversityoffice@rockwellcollins.com.

How we select our suppliers.

Rockwell Collins chooses suppliers based on best overall value. The performance record of a potential supplier must meet minimum standards. Please refer to page 12 of this handbook for a summary of our performance expectations.

Areas of focus for you

In everything we do for customers, our aim is to exceed their expectations for quality, technology, responsiveness and cost. As a Rockwell Collins supplier, you are a key part of our ability to deliver on this goal. That's one reason we evaluate your goods and services at all points along the supply chain management process.

In selecting suppliers, we take into account several types of value that the supply base can bring to our customers. These include:

Technological innovation – We put our technology and innovation to work to advance our aerospace and defense customers in their industry. Our supply chain is an integral part of delivering these smart communications and aviation electronics solutions to the marketplace.

Total customer value – Our supply base can increase value to our customers not just through price, but also with other cost-saving solutions such as size, weight and power reduction, consignment inventory, smaller batch size and additional testing of product, to name just a few.

Seamless integration – Because working together is part of the Rockwell Collins brand, we place high importance on rewarding our suppliers for applying the collaboration and integration tools we make available.

The Rockwell Collins Supplier Portal at supplycollins.com is the tool you'll use to work seamlessly with us. Learn more on page 11.

We use SAP Ariba for procurement solutions. It simplifies complexities and processes while increasing automation in our supply base. Suppliers maintain their Customer-Requested Profile in SAP Ariba for inclusion in future sourcing activities. Information includes company name, contact and banking information, and small business status. You must maintain your Customer-Requested Profile to ensure your company remains eligible to receive important information such as requests for information (RFIs) and requests for proposals (RFPs) from Rockwell Collins. For more information on SAP Ariba, please contact rc-ariba@rockwellcollins.com.

Integration doesn't stop there, though. We want our suppliers to take initiative in the relationship with our supply chain management team. This means being proactive and responsive, sharing accountability in creating mutual success. In addition, we want to maximize our suppliers' global footprint, which enables us to better meet our customers' global needs.

Getting approved and qualified as our supplier.

The supplier approval process begins when you complete a Rockwell Collins Supplier Quality Assessment. Results from this evaluation establish the expectations for a supplier's quality system being accepted. Our quality system, RC9000, uses AS 9100 as its base. It defines minimum requirements for products and services for use in Rockwell Collins products.

Based on our assessment of your quality system, we would determine if a visit to your company to complete an on-site compliance validation and verification would be necessary.

During the supplier approval phase, you might be required to undergo a much more in-depth Supplier Capability Assessment. We use this assessment to evaluate suppliers in the following key areas: financial stability, engineering processes, program management and manufacturing capabilities.

Each supplier receiving this assessment will be provided a rating and feedback based on our collective evaluation. Feedback will include action plans to improve the supplier's capabilities and lower performance risks.

Once our assessments have been completed and the product is approved for shipment, we then use first article inspections to qualify your materials. On occasion, we will use independent testing, a common practice to validate piece-part specifications, including commercial off-the-shelf items.

The supplier approval process for indirect goods and services (those goods or services used internally at Rockwell Collins) is based on the supplier's specific capabilities and commitments to meeting our business requirements.





Working together – the contracting process.

Your contract as a Rockwell Collins supplier will define the specifics of your business relationship with us. Because it's likely that your contract will be performance based, it will address our expectations for your performance. It also will cover a number of other areas, which could include but are not limited to:

- Various forms of risk as they relate to the supply of products or services
- Ownership of any intellectual property created during the life of the contract
- Purchase orders
- Statement of work
- Technical drawings or specifications
- Strategy for part obsolescence management
- Robust supply-chain controls specific to counterfeit electronics

If you have technical or business performance clarity concerns, please contact your Procurement professional, who can help you immediately resolve them.

To protect the relationship and interests between you and Rockwell Collins, please note that only Procurement professionals within our Procurement and Subcontracts departments have the sole responsibility to authorize our suppliers to perform work and/or execute a contract.

How we communicate with our suppliers.

Our Supplier Portal, an online resource

The Rockwell Collins Supplier Portal is a web-based source of tools and information exchange for business-to-business integration. As our supplier, you'll use the portal as your primary way of doing business with us. It will be the main tool for communications between Rockwell Collins and you.

The portal will provide you with critical information in such areas as:

Material management – Maintaining flow to the factory floor as well as exceptional quality and delivery are essential to providing high customer value. Through the portal, you can access the applications you need to effectively meet your Rockwell Collins customer requirements.

Order management – Review, coordinate and confirm your demand plans and forecasts directly inside our MRP tool. Using this tool, you can manage material delivery dates and quantities to ensure your commitments are made every time, on time.

Your performance – Review your performance metrics through our supplier Scorecard application within the portal. You can track your performance as well as respond to and manage your effectiveness at meeting customer needs.

New information – Our Supplier Portal delivers key communications to you about us and

our industry. Check the portal's SupplyCollins Messages section often for updates about enhancements to portal applications, changes in industry standards or Rockwell Collins delivery locations, key announcements around outages or important events and more.

Risk management – Every year, our supply chain experiences disruptions to its material flow that could have been avoided. Risk management is a critical component to protect material availability and achieve our supply chain objectives.

We've elevated our focus on supply chain risk management by adopting a maturity model in which we capture and assess every known risk event. This allows us to have a more coordinated enterprise approach, with scenario planning and supply chain risk playbooks. Supply chain risk playbooks are available internally and externally for our suppliers on the Supplier Portal.

SAP Ariba, our online procurement solution

We use SAP Ariba as another primary tool to offer procurement solutions to our supply base. By maintaining your Customer-Requested Profile Information, you'll have the opportunity to be included in future sourcing activities. Maintaining your Customer-Requested Profile is the only way to ensure that your company remains eligible to receive important information from Rockwell Collins, such as RFIs and RFPs. For more information on SAP Ariba, please contact rc-ariba@rockwellcollins.com.



Supplier Portal 101

It's easy to get started on our Supplier Portal. First, visit: supplycollins.com

Click on the "Register" link at the upper-right section of the page. Then fill in the required fields, create a password and click "Submit" to send your request for a Supplier Portal account. If you have any questions at any time, there's someone at our help desk ready to assist you.

Supplier Portal 24-hour help desk
888.721.3094 (toll free)



How we'll assess your performance.

The high performance of our components, systems and service is critical. Not just in terms of keeping our customers happy and staying ahead of the competition but, in many cases, keeping end users safe. Whether it's in the battlespace, in commercial airspace or anywhere else, people rely on our solutions to perform.

As our supplier, your performance is as critical as ours. We will hold you to equally high standards, and we will outline the performance expectations that each of our suppliers must meet.

Performance expectations summary

Quality	<ul style="list-style-type: none">› Defective parts per million and defect occurrences: We expect zero defects or a 30 percent year-over-year improvement› Corrective action effectiveness: timely and sustainable corrective actions
Delivery	<ul style="list-style-type: none">› On-time delivery: 99 percent› Stock-outs: Collaborative approach to achieve zero stock-outs
Total cost of ownership	<ul style="list-style-type: none">› Inventory management: Participation in supplier-managed inventory programs› Cost: Collaborative cost-reduction ideas provided to reduce overall cost annually› Lean Electronics: Active continuous improvement focus to improve cost and reduce waste› Certified quality management system that proactively addresses product quality
Technology	<ul style="list-style-type: none">› Technology: Openly share technology road maps and collaborate to introduce new technology solutions› New design support: Aggressive size, weight and power objectives
Customer support	<ul style="list-style-type: none">› Risk management: Proactive management to ensure risk to material availability and quality is mitigated› Obsolescence: Provide 12 months of advance notice as well as provide alternatives› Business/product changes: Provide 12 months of advance notice of business-, process- or product-level changes› Integration: Use Supplier Portal to manage quotes, purchase orders and performance scorecard

Please contact your Procurement professional if you have questions regarding any of these expectations.

Rockwell Collins Trusted Supplier Program.

When we work together to bring innovative, high-value products and services to the marketplace, we all reap the rewards – our customers, you and us.

We also have formal avenues for encouraging high performance in our suppliers, contributing to their growth and recognizing their contributions.

Rockwell Collins Trusted Supplier Program

The program's top three levels recognize and reward high-performing suppliers who excel in key areas.

- ▶ **Platinum Premier** – Suppliers meeting the highest level of quality, delivery and business alignment. Rewards may include: business growth opportunities such as collaboration with top-level Rockwell Collins leaders; an invitation to the Supplier Conference and a supplier press release.
- ▶ **Gold Elite** – Suppliers meeting high levels of quality and delivery, along with close alignment to our business, may expect extra opportunities through our sourcing decisions and access to our Preferred Engineering Supplier/part list.
- ▶ **Silver Select** – These suppliers meet our quality and delivery expectations and are seeking alignment with our business. Rewards may include consideration for future growth through sourcing decisions and access to our Preferred Engineering Supplier/part list.
- ▶ **Underperformer** – These suppliers are not meeting quality or delivery expectations and may not be working business alignment opportunities. These suppliers are expected to be showing improvement with clear plans and milestones for recovery. Suppliers in this category will require additional oversight and leader approval for new business offerings.
- ▶ **At Risk** – Suppliers in this category are severely underperforming in quality and delivery. These suppliers may be restricted from new quotes and awards.

Supplier Conference

We share our strategic direction with approximately 200 key suppliers and recognize their significant contributions during the conference. Performance, business integration and strategic value are key discriminators for supplier invitation and recognition.

One of the most prestigious recognitions of the conference is the President's Award. It recognizes one supplier that best meets our high-performance criteria.



Using Rockwell Collins in supplier marketing

Suppliers that have earned recognition from us, or that simply want to promote their association with Rockwell Collins, sometimes create marketing or public-relations materials and would like to refer to us in them. Here are some basic guidelines for usage:

To use the Rockwell Collins logo in any supplier or other third-party materials, you'll need our written approval. To learn more, call us at +1.319.295.8151. For supplier or third-party press releases, we reserve the right to review and edit them. Submit your press release to our media relations team for approval. Call us at +1.319.295.0591 to learn how.



Continuous improvement and you.

Since 1998, Rockwell Collins has applied Lean Electronics principles as the fundamental continuous improvement philosophy in fulfilling our customer expectations.

The value of Lean in our supply chain management is clear, measured by Operations-relevant improvements on our Enterprise Scorecard. These include operational efficiencies such as a lower cost of waste, as well as higher customer satisfaction overall.

We encourage all our suppliers to join us in implementing Lean or Six Sigma principles within their facilities and supply chains to improve processes and gain efficiencies. To help, we've created a Lean Supply program, available to all members of our supply base. You can explore this and other available Lean resources within our company by contacting your Rockwell Collins Procurement professional.

By empowering our suppliers and employees to recognize problems and apply the appropriate tools to solve them, we all can continue to improve efficiencies and increase customer satisfaction.

More Lean resources

Lean experts are available on a contract basis through the National Institute of Standards and Technology's Hollings Manufacturing Extension Partnership, also known as MEP. This nationwide partnership provides technical expertise to assess supplier challenges and identify opportunities for improvement.

Wisconsin-based suppliers also can contact an MEP affiliate, the Wisconsin Manufacturing Extension Partnership (WMEP), for assistance implementing Lean principles into their processes.

MEP: www.nist.gov/mep

WMEP: www.wmep.org

"Rockwell Collins has been a valued partner to MACOM for many years. We have continued to build our strategic relationship through close collaboration for developing products which meet the increasing demands of today's more complex hardware and systems. MACOM appreciates Rockwell Collins' recognition for this award and we are committed to raising the bar going forward so we can grow and succeed together."

- Greg Baker

SVP and GM, RF and Microwave Products
MACOM

President's Award winner

Rockwell Collins 2014 Supplier Conference

Optimizing our supply chain – together.



Developing successful business relationships involves understanding each other's goals and finding ways to work together for our collective success. When we do this, we not only help each other be successful – we

help our customers be successful.

This supplier handbook is designed to give you an understanding of our business and culture, what we expect from our suppliers and how we can help you grow your business. By joining us in building strong working relationships, you're helping to create a collaborative environment where we can all benefit.

This is important now more than ever as customer expectations have never been higher and competitors take advantage of every opportunity possible to grab market share. We must understand that we cannot continue to conduct business as we have in the past and expect continued growth. We must bring transformational change to our supply chain by exploring innovative ways to optimize processes and tools that add value, elevate performance and deliver the highest quality goods and services.

Our suppliers must accept this challenge of delivering higher performance in new and innovative ways, especially in driving higher material quality and reducing inventory variations. However, you are not alone on that journey – collaborating with us will be key in delivering continuous improvement resulting in gains in efficiency that afford new opportunities for both of us.

Just as you come to know us better, we will work to understand your strengths and challenges. We will provide you with feedback, resources and incentives to excel. When you do, we've put a recognition program in place to reward your performance in new ways.

If you have any questions on any supplier-related topic, please don't hesitate to contact your Rockwell Collins supply chain representative. This representative is there to help you be successful.

Building trust with you is critically important to us. When you become our supplier, you're part of the Rockwell Collins team, and we welcome the chance to be successful together.

A handwritten signature in black ink, appearing to read 'Wayne Flory'.

Wayne Flory
Vice president, Material & Supply



"Rockwell Collins' culture of continuous improvement and their alignment with their supply chain have nurtured innovative solutions. As a strategic and preferred partner, Geater appreciates Rockwell Collins embracing their core values while 'building trust every day.' The Geater team feels blessed to be recognized by Rockwell Collins with these awards."

- Jerry Bitterman
Chief Executive Officer
Geater Machining and Manufacturing, Co.

President's Award Winner
Mechanical Supplier of the Year
Innovation Pillar Award Winner
Rockwell Collins 2016 Supplier Conference

Building trust every day.

Rockwell Collins delivers innovative aviation and high-integrity solutions that transform commercial and government customers' futures worldwide. Backed by a global network of service and support, we are deeply committed to putting our solutions to work for you, whenever and wherever you need us. In this way, working together, we build trust. Every day.

For more information, contact:

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