

GENCORP INC.  
CODE OF BUSINESS CONDUCT

Preamble:

Directors, officers and employees of GenCorp<sup>1</sup> must adhere to appropriate legal and ethical practices. Their conduct must not only be within the limits of the law, but must go beyond strict legal compliance to avoid any improper action that could discredit GenCorp.

All U.S. and non-U.S. employees of GenCorp and its subsidiaries must be aware of, and conform to, the laws and ethical requirements that govern our business. Any improper activity, such as bribes, kickbacks, illegal political contributions, fraud, personal use of proprietary or inside information, improper disposal of waste or other conduct that violates applicable laws and regulations enacted to protect the environment, and false recordkeeping is forbidden.

Other activity which would cause the Company, or its customers embarrassment, adverse publicity, or public censure should be avoided, regardless of whether or not it violates the law. Employees are expected to act with integrity and use sound judgement to avoid inappropriate conduct.

Knowledge of Rules:

Every GenCorp employee is accountable for knowing and understanding the legal rules and Company policies that relate to the performance of his or her duties. Questions or concerns about applicable rules should be brought to the attention of a supervisor or the Senior Vice President, Law; General Counsel or designee before taking any action. The rules that follow provide the direction you need to make ethical decisions and sound judgements in sensitive or questionable situations.

Business Entertainment:

We abide by the established practices in the markets we serve. In industrial and commercial fields, reasonable customer hospitality (lunch or dinner, golf outings, or inexpensive gifts) is acceptable practice. Federal government practices and policies, however, are the exception and tend to be very strict. The offer, delivery, or promise of a gift or favor to officers or employees of the U.S. Government for the purposes of

---

<sup>1</sup> Every reference in this Code of Conduct to "employees" shall also include "directors" and "officers" of the Company. Moreover, the term "officers" includes those persons duly elected by the Board of Directors, including the Company's chief executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.

influencing official acts, or rewarding performance of such acts, is a criminal offense punishable by fine and/or imprisonment. State law also forbids commercial bribery, and gifts to union officials and organizers are forbidden by the National Labor Relations Act.

GenCorp employees must also comply with various laws and rules of federal and state agencies and departments, as well as customers, which can differ regarding the acceptance of gratuities. In unclear cases, employees should seek legal advice from the Senior Vice President, Law; General Counsel or designee. If in doubt, it is best not to offer gratuities.

In no instance should an employee offer to provide to any officer or employee of any customer, supplier, or individual, anything that their employer prohibits them from receiving. When dealing with personnel of foreign, state, or local governments, the same constraints apply.

Entertainment costs should be reasonable. Under no circumstances should entertainment of any guests by GenCorp personnel consist of lavish affairs, extravagant trips, or expensive gifts that could embarrass the Company or the recipient.

#### Political Contributions:

GenCorp employees are free to support the parties or candidates of their choice with their own funds. GenCorp funds generally cannot be used to make a political contribution, either directly or indirectly. In almost all cases, it is illegal or improper for GenCorp to reimburse any employee for a political contribution. In rare instances where a political contribution by GenCorp would be lawful (e.g. state ballot propositions, some local elections, and in some foreign countries), formal prior approval is required by GenCorp's Senior Vice President, Law; General Counsel and Vice President, Communications.

#### Bribes, Kickbacks and Payoffs:

No payment, or arrangement of any kind is allowable if it is illegal under United States law, or the law of any country affected by the payment or arrangement. Nor is any payment allowed, even though it may be technically legal, which could embarrass the Company. This applies to all payments, direct or indirect, such as commissions, fees, or other types of payments to an attorney, salesman, agent, consultant, individual or other entity when part of the payment is to be used as a bribe, kickback, or other illegal offering. In certain situations, custom or etiquette may sanction the giving of relatively small gratuities (e.g. tips) to lower-level foreign government employees for performing purely ministerial (i.e. non discretionary) duties. All such "gifts" must be approved by the Senior Vice President, Law; General Counsel or designee.

Conflict of Interest:

A. Personal Conflicts

Employees may engage in activities outside of GenCorp which do not conflict or appear to conflict with, or impair performance of their Company duties. Employees must ensure that all business decisions are made on sound GenCorp business principles and not on private interests which could influence, or appear to influence objective decisions.

Employees should not have a financial interest in organizations that provide goods and services to GenCorp. Arms length modest investments in publicly traded stocks of those companies is permitted.

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict must be communicated to the Senior Vice President, Law; General Counsel, who will take steps to ensure that a member of the Law Department who is uninvolved in the circumstances giving rise to the potential or actual conflict of interest will review the matter

B. Executive Loans

Employees shall not cause the Company to extend credit or arrange for the extension of credit in the form of a personal loan to any director or officer.<sup>2</sup>

C. Hiring of Employees of Independent Auditor

Employees shall not cause the Company to hire, in the capacity of chief executive officer, controller, chief financial officer, chief accounting officer or equivalent position, any individual who was employed by the Company's independent auditor and who participated in any capacity in the audit of the Company within the one-year period prior to the date of hire.

Employees shall not cause the Company to appoint as its independent auditor any registered public accounting firm with whom an individual serving in the capacity of chief executive officer, controller, chief financial officer, chief accounting officer or equivalent position for the Company was employed within the one-year period prior to such appointment.

---

<sup>2</sup> A loan made under the GenCorp Key Employee Corporate Loan Program prior to July 30, 2002 may remain in effect in accordance with its terms provided that there is no material modification or renewal of such loan on or after that date.

Acceptance of Gratuities:

No GenCorp employee may solicit or accept from any supplier or potential supplier any gratuity or entertainment when the value is considered excessive and thought to exceed appropriate business practice. Suppliers are not to be solicited to support any Company-sponsored function. Sound judgement must be used when receiving unsolicited gratuities or other material. If in doubt regarding whether or not the receipt of an item meets accepted and appropriate business practice, an employee should have the item reviewed by the Senior Vice President, Law; General Counsel or designee and if appropriate, it should be returned to the contributor.

Reciprocal Arrangements:

Purchasing decisions and decisions to place any supplier on a bidding list must be based solely on considerations of quality, price, service, financial responsibility and maintenance of adequate and reliable sources of supplies. It is improper for any GenCorp employee to coerce suppliers to buy or use any goods or services sold by GenCorp. Reciprocal sales or purchase agreements are strictly prohibited.

Confidentiality:

During employment or any time after leaving the Company, employees will not use or divulge any data, trade secret or confidential information of the Company, its customers or its suppliers without the prior written consent of the Company. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, its customers or its suppliers, if disclosed.

Confidential, proprietary information should be distributed on a need-to-know basis only. Employees must have adequate information about the Company's operations as it relates to their jobs to enable them to carry out their work successfully. However, confidential, proprietary information should not be distributed indiscriminately. If any employee has a question as to whether disclosure is authorized, the employee should check with a supervisor before distributing such information.

Confidential, proprietary information will not be discussed with people who are not Company employees unless they need to know the information and have signed an appropriate confidentiality agreement. Upon leaving the Company, or at the Company's request, employees agree to return all materials relating to the Company's business which were in their possession or under their control while they were employed at the Company.

Corporate Opportunities:

Employees are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company.

Use of Company Assets:

Employees are responsible for ensuring that corporate assets are used only for valid corporate purposes. Company assets are much more than our equipment, inventory, corporate funds or office supplies; they include concepts, business strategies and plans, financial data, intellectual property rights and other information about our business. These assets may not be improperly used to provide personal gain for employees or others. Employees should not perform outside work, or engage in any activity not connected to their job duties or obligations at the Company, on Company premises or during work hours. Incidental personal use of Company assets such as telephones and personal computers shall be governed by specific directives issued by the Company or by the applicable subsidiary or business unit.

Fair Dealing:

Every employee shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of any person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Disclosure:

Employees of the Company and its subsidiaries, as well as members of the Board of Directors and any Company representatives who regularly communicate with outside individuals concerning the Company, will ensure that communications to the public about the Company are (i) full, fair, timely, factual, accurate and understandable and (ii) meet all legal requirements. This policy applies to all disclosures of material information about the Company included in reports and documents that the Company files with the SEC as well as in other written disclosures, oral statements, visual presentations, press conferences and media calls.

Insider Trading:

No director, officer or other employee of the Company who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities, (a) buy or sell the common stock of the Company (other than pursuant to a pre-approved trading plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. In addition, no director, officer or other employee of the Company who, in the course of working for the Company, learns of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material.

Waivers:

A waiver of a provision of the Code of Business Conduct or a Policy for any officer or director may be granted only by the Board of Directors or a committee of the Board of Directors and must be promptly disclosed to shareholders in accordance with applicable law. A waiver for any other employee may be granted only by the Senior Vice President, Law; General Counsel.

Disciplinary Action:

Appropriate disciplinary action will be taken against any employee who violates GenCorp's Code of Business Conduct, which could include discharge, criminal prosecution or initiation of civil litigation. Action may be particularly severe for those employees in positions of responsibility who knew or reasonably could have known of suspected violations. Any employee who believes that another GenCorp employee may be in violation of the Code of Business Conduct or a related Policy of the Company has an obligation to bring the situation to the attention of that employee, to an appropriate supervisor, the Senior Vice President, Law; General Counsel or designee.

Code of Business Conduct Phone Line:

If you have questions or concerns regarding legal and ethical practices, or if you believe there may be a situation involving a potential violation, you are encouraged to call the Code of Business Conduct Phone Line: 888-736-9839. [Outside the United States and Canada, use 770-613-6314.]

Retaliation:

The Company will not permit retaliation for reports made in good faith about violations of the law, rules, regulations, the Code of Conduct or related Policies of the Company.