OUR MISSION

MODEC delivers and safely operates high-quality, innovative floating solutions for the offshore industry.

OUR VISION

To be the global leader in delivering and operating innovative and reliable floating solutions by cultivating diverse and talented teams that work with integrity, communicate openly, serve the community and protect the environment.
A Message from Our President & CEO

Since our founding in 1968, our success has been based on hard work and an unwavering commitment to honesty and integrity in everything we do. Today’s business environment is complex and much has changed in recent years. We have also changed and grown in significant ways. But one thing that will never change is our belief that maintaining our good reputation depends on each of us being personally responsible for our conduct. Our Code of Business Conduct and Ethics provides information about our personal and corporate responsibilities, including complying with the law and applying our good judgment each and every day.

An important step in meeting our day-to-day compliance and ethics responsibilities is to be mindful of our responsibilities to one another, to our business partners, to our shareholders and to the communities where we work and live.

Of course this Code cannot answer all of your questions or address every situation, which is why we have designated personnel and resources to answer questions and to follow-up when problems occur. If you are unsure of what to do in particular circumstances or you are concerned that this Code or our policies are being broken, you have a responsibility to bring that to our attention. A problem cannot be resolved unless it has been identified.

I believe the quality of our people and our commitment to compliance and ethics will not only enable us to succeed today but will also help us realize our Vision: To be the global leader in delivering and operating innovative and reliable floating solutions by cultivating diverse and talented teams that work with integrity, communicate openly, serve the community and protect the environment.

Serving as President & CEO of MODEC, Inc., I take a lead in reaffirming my commitment to compliance and following these policies, and I trust all of my MODEC group colleagues will follow my lead.

Yuji Kozai
President & CEO
MODEC, Inc.
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The strength of the MODEC Group companies is measured by more than financial or operational success; it is also measured by our values as embedded in this Code, and our commitments to compliance, human rights, safety and environmental stewardship.

We take pride in performing our business in compliance with all legal requirements and the highest standards of Integrity. Integrity means doing the right thing. It is the foundation of our success. As individuals, our personal integrity means that others can trust and respect us and know that we will be honest, fair, and forthright. As a company, integrity means that we will always honor our commitments and be a reliable business partner and trusted neighbor. Integrity protects our reputation and enables us to thrive, even in today’s complex and competitive global business environment.

Using Our Code of Business Conduct and Ethics

This Code of Business Conduct and Ethics (the “Code”) has been developed to ensure that all directors, officers, and full-time and part-time employees (collectively “Employees”) of the MODEC Group companies (“MODEC”) adhere to the legal and ethical standards that apply to our operations, our work environment, our business relationships, and our values. It is designed to help when you have questions about what to do in specific situations. But of course, it cannot address every situation you may face and is not a substitute for your good judgment and common sense.

Understanding and following this Code, we help ensure that our business activities and decisions are consistent, not only with law.
and regulations, but also with ethical business standards. As you use this Code, remember that on its own it is only words. Giving life and meaning to these words depends on each of us using our best judgment and asking for help when we need it.

**Compliance with Laws and Our Standards**

We are committed to complying with all applicable laws, regulations, and statutory obligations in the countries where we operate. We also act in accordance with the highest ethical standards underscored by MODEC’s values, which include respect for human rights, openness, honesty, and safety in all we do.

It is important that each of us is aware of and complies with the relevant laws and regulations that apply to our work, that we never engage in conduct that violates applicable laws and regulations, and that we comply with any contract-specific requirements relevant to a project. Not only should we be vigilant in our compliance with all applicable laws and regulations, we should also be alert to changes in the law or new requirements that may affect our business and contract-specific obligations.

The Board of Directors of MODEC, Inc. ("Board") is responsible for ensuring that MODEC and its subsidiaries are in compliance with the applicable laws and ethical standards that may impact our business operations or public image. The MODEC Group Compliance Committee ("Compliance Committee"), established by the Board, is responsible for monitoring and overseeing management implementation of the Company’s Compliance & Ethics Program. The MODEC Group Chief Compliance Officer and Compliance Committee will provide support and guidance to MODEC management and monitor employee’s compliance with the Code. MODEC supervisors are responsible for actively promoting compliance with the Code.

**Application of this Code**

This Code provides the ethical guidelines and expectations for conducting business on behalf of MODEC. This includes the operations of the MODEC Group companies, as well as any joint venture partnerships controlled by MODEC, including special purpose companies ("SPCs") and consortia. The Code applies to all Employees and, where applicable, to suppliers, vendors, contractors, temporary workers, and other personnel of MODEC.

Third party intermediaries (like agents and consultants) and certain business partners serve as an extension of MODEC. Their conduct and behavior, while carrying out business dealings with MODEC or on behalf of MODEC, can have an impact on us and our reputation. For this reason, they are expected to conduct their businesses in a legal and ethical manner and to adhere to the spirit of the Code and agreed upon contractual obligations.
**Accountability and Discipline**

Failure to comply with this Code is a serious matter. Violating relevant laws, regulations, or this Code, or otherwise engaging in illegal, improper, or unethical conduct, will result in disciplinary action as appropriate, up to and including termination of employment.

MODEC will take appropriate disciplinary action against any Employee, agent, contractor, or business partner whose actions are found to violate this Code or any other policies of MODEC. Disciplinary actions may include immediate termination of employment or business relationship. Where MODEC has suffered a loss, we may pursue legal remedies available to us against the individuals or organizations responsible. Where laws have been violated, MODEC will cooperate fully with the appropriate authorities.

**Waivers and Amendments**

In extremely limited circumstances, MODEC may find it necessary to waive a provision of the Code; however, MODEC generally will not grant such waivers and will make exceptions only for good cause.

Any waiver of any provision of this Code for any director, executive officer, or senior financial officer (including the principal financial officer, the principal accounting officer or controller) must be approved in writing by the Compliance Committee or by the Board and promptly disclosed as required by law. Any waiver of any provision of this Code with respect to any other employee, agent, or contractor must be approved in writing by the Chief Risk/Compliance Officer.

**Acknowledgement and Agreement**

As a MODEC Employee, you will be required to acknowledge that you have read and understand the Code. By submitting your acknowledgement form, you are also certifying you will comply fully with MODEC’s policies, practices, and standards as described in the Code.
Our Roles and Responsibilities

Guidelines for Decision-Making
Making the right decision is not always easy. There will be times when you will be under pressure or unsure of what to do. Always remember when you have a tough choice to make, you are not alone. Your fellow employees and the resources cited throughout this Code are also available to help.

When faced with a tough ethical decision it may help to pause and ASK YOURSELF THESE QUESTIONS:
- Is it the right thing to do?
- Is it legal?
- Does it comply with our Code, policies and procedures?
- Is it in line with MODEC core values? Does it feel right?
- Have I considered all the consequences?
- Does it expose MODEC to any unacceptable risks?
- Will I be comfortable telling others about my decision?
- Would my supervisor or management agree with my decision?

If these types of questions raise any doubts about whether your decision is ethical, legal, or in compliance with MODEC policies, you should contact your supervisor, your Human Resources Representative, or the Chief Compliance Officer.
Employee Responsibilities

- Always act in a professional, honest, and ethical manner when acting on behalf of MODEC.
- Be familiar with the information contained in this Code as well as MODEC policies. Pay particular attention to the policies that pertain to your job responsibilities.
- Complete all required employee training in a timely manner and keep up-to-date on current standards and expectations.
- Promptly report concerns about possible violations of laws, regulations, this Code, and other MODEC policies to your supervisor or any of the resources listed in this Code.
- Cooperate and tell the whole truth when responding to an investigation or audit. Never alter or destroy records in response to an investigation or when an investigation is anticipated.
- Never violate the Code at a supervisor’s direction; any Employee who receives such a request should notify the Chief Compliance Officer immediately.

Remember: no reason, including the desire to meet business goals, should ever be an excuse for violating laws, regulations, the Code, or other MODEC policies.

Ethical Leadership

If you are a supervisor, you are also expected to meet the following additional responsibilities:

- Lead by example. Supervisors are expected to exemplify the highest standards of ethical business conduct.
- Be a resource for others. Communicate to employees and business partners about how the Code and policies apply to their daily work and listen to your employees.
- Be proactive. Look for opportunities to discuss and address ethics and ethically challenging situations with others.
- Be transparent. Create an environment where compliance is recognized and valued and where everyone feels comfortable asking questions and reporting potential violations of the Code and policies.
- Be responsible. Never ask another or pressure anyone to do something that you would be prohibited from doing yourself.
- Be diligent. Be aware of the limits of your authority and do not take any action that exceeds those limits. Delegate authority only where permissible and never delegate...
authority to any individual who you believe may engage in unlawful conduct or unethical activities.

- Be a steward. If you supervise third parties, ensure that they understand their ethics and compliance obligations.

**Reporting Possible Violations and Asking Questions**

Violating applicable laws, regulations, the Code, or other MDEC policies, or encouraging others to do so, exposes MDEC to liability and puts our reputation at risk. If an ethics or compliance problem does occur, you have an obligation to report it so that an effective solution can be developed.

You are encouraged to speak with the person with whom you feel most comfortable. You may report your concerns to:

- Your supervisor
- Your Human Resources Representative
- The Chief Compliance Officer
- Any member of management
- MDEC Group Compliance Committee
- Board of Statutory Auditors of MDEC, Inc.
- MDEC Ethics Hotline

Any person may report suspected legal or ethical violations on a confidential and anonymous basis by calling the independent, toll-free, MDEC Ethics Hotline (the “Ethics Hotline”) or by using the Ethics Hotline web portal. The Ethics Hotline is available 24 hours a day, 7 days a week, and 365 days a year.

All reported concerns are promptly investigated. MDEC strictly prohibits retaliation against employees who report potential or suspected ethical or legal violations in good faith.

**Contacting the MDEC Ethics Hotline**

When reporting your concern to your supervisor is uncomfortable, use any of the alternative resources listed in the Code or use the Ethics Hotline:

**BY PHONE:** Toll-Free 24 hours a day, 7 days a week, 365 days a year

Country-specific Ethics Hotline telephone numbers are posted in all locations and are available on the Web Portal.

**WEB PORTAL:** www.modec.ethicspoint.com

**QUESTION:** I am concerned that my supervisor won’t do anything about some concerns I have about potential misconduct if I bring them to her attention, or worse, that she will make things difficult for me for raising an issue. But, I have a problem. A co-worker is doing something that I believe to be ethically wrong. What should I do?

**ANSWER:** Take action and speak up. You are required to report misconduct. While starting with your supervisor is often the best way to efficiently address concerns, if you do not believe that it is appropriate or do not feel comfortable doing so, you should talk to another member of management, report your concern using any of the resources listed in the Code, or use the Ethics Hotline.

**Additional Resources for More Information**

For more information on the Ethics Hotline, including procedures regarding the receipt and investigation of compliance and ethics concerns, refer to the Group Compliance and Ethics Reporting Policy and the Group Compliance Committee Compliance and Ethics Investigation Procedures Policy and Flowchart.
Non-Retaliation Policy

Regardless of the type of misconduct reported or the method of reporting, MODEC strictly prohibits any retaliation against anyone who makes a good faith report of potential or suspected violations of laws, regulations, the Code, or other MODEC policies. We strongly urge the reporting of all incidents of discrimination, harassment, or retaliation regardless of the offender’s identity or position.

We take claims of retaliation seriously. All such claims will be thoroughly investigated and, if substantiated, retaliators will be disciplined as appropriate, up to and including termination of employment. If you believe you have been retaliated against, you should report such action using any of the methods described in this Code.

Cooperating with Regulators and Investigations

We must be vigilant in meeting our responsibilities to comply with relevant laws and regulations, and we must always cooperate with government authorities, law enforcement officers, and outside investigators.

In the course of business, you may receive inquiries from regulators or government authorities. Employees must not interfere with or obstruct any investigation conducted by MODEC or any government entity, and should not disclose or discuss any such investigations with unauthorized persons. False reporting to government agencies is strictly prohibited.

As a company, we will fully cooperate with all lawful government investigations. When we are notified of an external investigation, we will take prompt action to preserve documents that may be relevant. We will always cooperate with reasonable governmental requests for information needed in an investigation.

QUESTION: I suspect there may be some unethical behavior going on at my location involving my supervisor. I know I should report my suspicions, and I’m thinking about using the Ethics Hotline, but I’m concerned about retaliation.

ANSWER: You are required to report misconduct and, in your situation, using the Ethics Hotline is a good option. We will investigate your suspicions and may need to talk to you to gather additional information. But if you choose to remain anonymous, no one will try to determine who you are, and we will protect the information you provide to us. After you make the report, if you believe you are experiencing any retaliation, you should report it. We take claims of retaliation seriously. Reports of retaliation will be thoroughly investigated and, if they are true, retaliators will be disciplined as appropriate, up to and including termination of employment.

QUESTION: Why are we expected to cooperate with investigations and inquiries? I would rather not get involved.

ANSWER: When MODEC conducts an investigation, it is because there is the possibility of a violation of our policies or legal requirements. The investigation is necessary to protect individuals, MODEC, and in some cases the public. If employees do not cooperate, it may be impossible to get all the facts and take the right actions. Withholding information or knowingly giving false or misleading information is a serious violation of our duties as employees and could result in disciplinary action.
Human Rights

Our Standard
We respect and support the protection of universal human rights. Human rights are generally defined as basic standards of treatment to which all people are entitled, regardless of nationality, gender, race, economic status, religion, or political conviction.

At MODEC, we conduct our global operations consistent with the spirit that all human beings are born free and equal in dignity and rights and intent that we should act towards one another in a spirit of brotherhood. As part of this commitment, MODEC does not employ underage workers or forced labor (involuntary labor of any kind including prison labor, debt bondage, or forced labor by the government) and will not knowingly partner with a supplier, third party, or business partner that illegally or improperly employs underage workers or forced labor.

Our Responsibilities
- All employees are required to do their part to support and promote human rights.
- Report suspected non-compliance with human rights to your Human Resources Representative.
- Understand and obey local laws.

Additional Resources for More Information
For more information about human rights, talk to your Human Resources Representative.
Diversity and Equal Opportunity

Our Standard
We should always treat others with dignity and respect and value what each of us has to contribute. Our diversity is a key asset. Different backgrounds and points of view help to promote innovation and success. At MODEC, we work to maintain a diverse workforce where personnel are hired, retained, compensated, disciplined, and promoted solely on the basis of their contribution to MODEC and their performance.

MODEC is committed to providing equal employment and career opportunities without discrimination or harassment wherever we do business. We offer equal employment opportunities to all employees, applicants for employment, and qualified individuals regardless of race, color, religion, sex, sexual orientation, national origin, age, disability, military status, or any other characteristic protected by applicable national and local laws or regulations. MODEC will not tolerate discrimination or harassment based on these or any other legally protected categories.

Our Responsibilities
• Treat all co-workers, business partners, customers, and visitors with respect.
• Respect the character and individuality of one another.
• Don’t distribute or display demeaning, insulting, intimidating, or sexually suggestive objects, pictures, or photographs.
• If you supervise others, judge them on performance. Assign work and make on-the-job decisions solely on the basis of qualifications, abilities, and potential. Avoid introducing unrelated considerations into your decisions. Use objective, quantifiable standards.

Additional Resources for More Information
For more information on fair employment practices, refer to the global human resources Code of Employer-Employee Relations Policy and the global human resources Productive Work Environment Policy or talk to your human resources representative.

Harassment-free Workplace & Productive Work Environment

Our Standard
Harassment in the workplace is behavior that is unwelcome and offensive to specific individuals or groups or that unreasonably disrupts their work. We will not tolerate actions, comments, inappropriate physical contact, sexual advances, or any other conduct that is intimidating or otherwise offensive or hostile. No form of harassment will be tolerated, including harassment for the following reasons: race, national origin, religion, disability, pregnancy, age, military status, or sex.

Power harassment – including using the boss–subordinate relationship in the workplace against a specific person – as well as generally making the workplace unpleasant is strictly prohibited. Harassment on the basis of any other legally protected characteristic is strictly prohibited.

QUESTION: One of my co-workers sends e-mails containing jokes and derogatory comments about certain nationalities. They make me uncomfortable, but no one else has spoken up about them. What should I do?

ANSWER: You should report your concerns to your immediate supervisor, your Human Resources Representative, or the Ethics Hotline. Sending such jokes violates our values as well as our policies pertaining to the use of e-mail and our standards on diversity, harassment, and discrimination. By doing nothing, you are condoning discrimination and tolerating beliefs that can seriously erode the team environment that we have all worked to create.
The most common form of harassment is sexual harassment, and special attention should be paid to the prohibition of sexual harassment. Sexual harassment may include a range of behaviors and may involve individuals of the same or different gender.

## Examples of HARASSING BEHAVIORS

- Unwanted sexual advances or requests for sexual favors
- Unwelcome remarks, gestures, or physical contact
- The display of sexually explicit or offensive pictures or other materials
- Sexual or offensive jokes or comments (explicit or by innuendo)
- Verbal abuse, threats, or taunting
- Depiction of harassers as victims or of victims as complainers
- Unwelcome personal letters or emails

All reported occurrences of harassment will be thoroughly investigated in strictest confidence and appropriately dealt with in accordance with local and regional dispute resolution practices and policies, unless special procedures are considered appropriate.

### Our Responsibilities

- Understand and follow MODEC Human Resources policies and procedures.
- Maintain a productive work environment that is professional and free from harassment.
- If possible, be direct, speak up, and tell a person if you are upset by his or her actions or language. Explain why and ask him or her to stop. Make a formal complaint if the matter is serious or if you are uncomfortable taking a direct approach.
- Even if you believe your acts or words are innocent, if someone says you are offending them and asks you to stop, do so at once.
- Don’t distribute or display offensive material, including written, recorded, or electronically transmitted messages (such as email, instant messaging, and Internet materials).
- If you are a supervisor, never use your position of authority to harass or intimidate others.

### Additional Resources for More Information

For more information on preventing harassment, refer to the Global Human Resources Code of Employer-Employee Relations Policy and the Global Human Resources Productive Work Environment Policy or talk to your Human Resources Representative.

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**QUESTION:** While on a business trip, a colleague of mine repeatedly asked me out for drinks and made comments about my appearance that made me uncomfortable. I asked him to stop, but he wouldn’t. We weren’t in the office, and it was ‘after hours’. What do I do if this happens again?

**ANSWER:** This type of conduct is not tolerated, not only during working hours but in all work-related situations, including business trips. Be firm, and tell your colleague such actions are inappropriate and must be stopped. If they continue, you need to report the problem to your Human Resources Representative.

**QUESTION:** I am a supervisor. I just learned that a good friend of mine, who is also a MODEC Employee, has been accused of sexual harassment, and an investigation is being launched. I can’t believe it’s true, and I think it’s only fair that I give my friend a ‘heads up’ so he can defend himself. Don’t I have a responsibility as a friend to tell him?

**ANSWER:** No. As a leader, under no circumstances should you give him advance warning or a ‘heads up.’ Your friend will be given the opportunity to respond to these allegations, and every effort will be made to conduct a fair and impartial investigation. An allegation of sexual harassment is a very serious matter with implications not only for the individuals involved but also for MODEC. Alerting your friend could jeopardize the investigation and expose MODEC to additional risk and possible costs.
MODEC is committed to conducting all business activities in a responsible manner, which assures the health, safety, and security of people, preservation of the environment, quality of the products/services, and compliance with all applicable health, safety, environmental, security, legal, quality, and regulatory requirements in countries where we operate. We achieve this business ethic by utilizing Health, Safety, Environment, and Quality (“HSEQ”) management systems.

HSEQ Management System
The MODEC Group HSEQ Management System is the primary tool used in managing HSEQ compliance activities. MODEC’s HSEQ Management System Code of Conduct requires that you, as a MODEC Employee, must:

- Review and comply with the HSEQ Policy, Standards, and Procedures.
- Conduct your business and activities aligned with and based upon all applicable HSEQ laws, MODEC policies, and customer requirements with an aim toward compliance and customer satisfaction.
- Report all HSEQ incidents immediately to your supervisor or local HSEQ Representative.
- Identify, evaluate, and correct HSEQ risks and conditions while performing your work.
- Have the right to STOP WORK where conditions or practices are deemed unsafe.
- Know your role in the event of an emergency.

Health, Safety, Environment, and Quality
Our Standard
Maintaining a healthy, safe, and secure work environment requires the continuous
cooperation of all employees. MODEC’s commitment to health, safety, and security means more than simply obeying safety rules. MODEC’s policy is to make reasonable efforts to safeguard the security of its property, its employees, and authorized visitors to its premises. Procedures and resources are in place to effectively respond to crisis, emergency, and security situations to protect staff, interested parties, and the environment. We can only achieve our goal of a healthy, safe, and secure workplace through the active participation and support of everyone.

All Employees, contractors, and vendors are expected to understand and follow MODEC HSEQ policies and procedures. We must work together to maintain a workplace free from hazards and security risks, including workplace violence.

**Workplace Violence**

Violence of any kind has no place at MODEC. We will not tolerate any acts or threats of physical violence against co-workers, visitors, or anyone on MODEC property or during company travel or company-sponsored events, including:

- Threatening remarks, obscene phone calls, stalking, or any other form of harassment.
- Causing physical injury to another.
- Intentionally damaging someone else’s property or acting aggressively in a manner that causes someone else to fear injury.
- Threatening, intimidating, or coercing fellow personnel on or off the premises -- at any time, for any purpose.
- Prohibited materials are not permitted on MODEC property, parking lots, alternate work locations maintained by MODEC, or company sponsored events. Prohibited materials include: firearms or other weapons, explosives and/or hazardous materials.

Every threat of violence is serious and must be reported immediately to your supervisor or your Human Resources Representative.

**Our Responsibilities**

- Follow MODEC's HSEQ Management System Code of Conduct
- Be alert to safety risks.
- Maintain a neat, safe working environment by keeping work stations, aisles, and other work spaces free from obstacles, wires, and other potential hazards,
- Wear your Identification badge in clear view at all times while on MODEC premises where badges are issued.

**QUESTION:** I’ve noticed some practices that we do in my area that don’t seem safe. Who can I speak to? I’m new here, and don’t want to be considered a troublemaker.

**ANSWER:** Discuss your concerns with your supervisor or your HSEQ Representative. There may be very good reasons for the practices, but it’s important to remember that raising a concern about safety does not cause trouble, it is being responsible.

**QUESTION:** Are subcontractors working on MODEC premises expected to follow the same Health, Safety, Environmental, and Quality policies and procedures as employees?

**ANSWER:** Yes, absolutely. Managers and supervisors are responsible for ensuring that third parties, subcontractors, and vendors at work on our premises understand and comply with all applicable laws and regulations governing the particular facility, as well as with additional requirements MODEC may impose.
- Participate, as required, in emergency and security annual reviews and regular drills and exercises to validate controls and preventative measures.
- Understand the regulatory requirements and the necessary controls and preventive measures that apply to your work.
- Comply with all government and maritime security regulations.
- Understand your role, responsibility, and authority for responding to emergencies and security threats.
- Promote proper work habits and use good judgment.

Additional Resources for More Information
For more information on maintaining a healthy, safe, and secure work environment, refer to the MODEC Group HSEQ Policy and the MODEC Group HSEQ Standards and Procedures or contact your HSEQ Representative.

Alcohol and Drug Policy
Our Standard
We are committed to providing a safe and productive work environment. An important part of MODEC’s effort is to ensure that all Employees are fit for duty and our workplace is free from the use of illegal drugs or other controlled substances or the abuse of alcohol.

The use, possession, distribution, purchase, sale, offer for sale, manufacture, being under the influence, or otherwise being involved with illegal drugs and from abusive use of controlled substances while on MODEC’s premises is prohibited. MODEC prohibits off-premises abuse of alcohol and controlled substances, as well as the possession, use, or sale of illegal drugs, when these activities adversely affect job performance, job safety, or MODEC’s reputation in the community.

When warranted by workplace conditions or laws of the country of assignment, MODEC will impose stricter requirements concerning alcohol at assignment locations or vessels.

Our Responsibilities
- While at work or on MODEC business, you should be alert, never impaired, and always ready to carry out your work duties.
- If you have a problem with substance abuse, seek professional help before it adversely affects you personally or professionally.

QUESTION: How does the alcohol policy apply to company events?
ANSWER: In certain circumstances, such as official company events, use of alcohol may be authorized. In these cases, Employees are required to conduct themselves in such a manner that they do not violate any laws or pose a danger to themselves, others, or to MODEC’s reputation. If you have questions about the circumstances in which the use of alcohol may be authorized, you may discuss the situation in advance with any of the following: your Supervisor, your Human Resources Representative, your HSEQ Representative, or any member of management.

Additional Resources for More Information
For more information about maintaining a workplace free from the use of illegal drugs, other controlled substances, or the abuse of alcohol, refer to the Global Human Resources Code of Employer-Employee Relations
Policy, the Global Human Resources Productive Work Environment Policy, and the Global Human Resources Drugs and Alcohol Policy or talk to your Human Resources Representative.

Environmental Stewardship
Our Standard
We recognize our responsibility to conduct business in a way that protects and, where possible, improves the state of the environment for future generations. We promote environmentally safe designs, construction, and operations at all MODEC locations and with subcontractors under our direct influence. Our HSEQ Management System requires we identify all significant environmental aspects and impacts associated with our activities. We must manage those processes with environmental awareness and improvement in mind. We are committed to working with our business partners and suppliers to strengthen environmental stewardship and responsibility.

MODEC is committed to observing and meeting or exceeding applicable environmental laws, ordinances, and regulations in all jurisdictions where we do business. We expect our employees to strive to continuously improve our environmental performance through environment monitoring, pollution prevention and waste minimization, water and energy efficiency, effective use of raw materials, and by paying maximum attention to the efficient use of resources.

Our Responsibilities
- Comply with all applicable environmental laws, regulations, and MODEC policies and report any incidents or conditions that might result in an environmental violation or adverse impact.
- Identify and ensure critical environmental tasks are conducted by competent employees or subcontractors.
- Think ahead and be proactive. Help identify opportunities for improving our environmental performance.
- Help improve our procedures that are designed to evaluate the environmental impact of all operations, projects, goods, equipment, and services.
- Any potential threats to the environment (such as spills or releases of oil or other materials) and any suspected failure to comply with applicable environmental, health, and safety requirements should be reported immediately so they can be managed through trained Crisis Management Teams.
- Take steps to correct and prevent environmental incidents through proactive monitoring and measuring.

Additional Resources for More Information
For more information on MODEC’s expectations and requirements regarding environmental monitoring, pollution prevention and waste minimization programs, and other issues affecting environmental compliance, refer to the MODEC Group HSEQ Standards Framework or talk to your HSEQ Representative.
Use of Company Assets

Our Standard

We all have a responsibility to use MODEC’s resources wisely and with care and to ensure that MODEC’s information and property are not misused, damaged, lost, stolen, wasted, or transferred without proper compensation. Employees may only use MODEC assets for appropriate, business-related purposes and are forbidden from using MODEC’s funds and assets for any unlawful purpose or goal.

Company assets include our physical facilities, equipment, computers, office and cell phones, PDAs, faxes, files, documents, inventory, and supplies. Our assets also include intellectual property and confidential information.

Proper Use of Our Network and Information Technology

MODEC’s computer and network hardware, software, telephone, and other communication resources are key components of MODEC’s business and are MODEC property. Employees must use MODEC’s technology responsibly and primarily for the business purposes for which it is intended.

Limited personal use of MODEC’s technology is permitted as long as it is consistent with MODEC’s corporate values and does not interfere with an employee’s work duties. Employees may never use MODEC’s technology to deliberately access, store, send, post, or publish: pornographic, sexually explicit, or sexually exploitative
images or text; any materials promoting violence, hatred, terrorism, or intolerance; or any material which is harassing, obscene, abusive, or discriminatory.

All information processed, transmitted, or stored on MODEC technology belongs to MODEC and is subject to applicable laws. Employees should not have an expectation of privacy on anything they create, send, or receive via MODEC technology. Any information stored on MODEC technology may be monitored at any time.

Our Responsibilities
- Only use MODEC resources and property for legitimate business purposes.
- Personal use of MODEC assets should be kept to a minimum and have no adverse effect on productivity or the work environment.
- Only use software that has been properly licensed. The copying or use of unlicensed or “pirated” software on MODEC computers or other equipment to conduct MODEC business is strictly prohibited.
- Report any suspicions you may have concerning theft, embezzlement, or misappropriation of any MODEC property.
- Remember: time is an important asset and should never be wasted.

Additional Resources for More Information
For more information on the appropriate use of company assets, refer to the Global Human Resources Electronic Communications Policy or talk to your Human Resources Representative or Information and Technology Department Representative.

Confidential Information
Our Standard
One of our most valuable assets is information. The unauthorized release of confidential information can cause MODEC to lose a critical competitive advantage, embarrass MODEC, damage our relationships with customers and others, and put all of us at risk. For these reasons, confidential information must be treated carefully.

Each of us must be vigilant to safeguard MODEC’s confidential information as well as confidential information that is entrusted to us by others. We must keep it secure, limit access only to those who have a ‘need to know,’ use internally only for permitted purposes, and avoid discussion of confidential information in public areas. The obligation to preserve MODEC’s confidential information is ongoing, even after employment ends.

CONFIDENTIAL INFORMATION includes, but is not limited to:
- Intellectual property
- Business plans, designs, programs
- Financial, cost, and pricing information
- Sales and marketing data
- Technology, operations, research, and technical data
- Manufacturing techniques and processes
- Employee files, compensation data, and other employee personal information
- Third party information and records (i.e. vendors, suppliers, etc.) given to MODEC in confidence
- Non-public information about customer requirements and terms
As an Employee, you are prohibited from soliciting, acquiring, or using confidential proprietary information from business partners, competitors, customers, or government entities – or from any of their employees – or making use of confidential information of such entities without their express authorization. Any confidential information received without such authorization must be secured, segregated, and reported to the appropriate member of management. Similarly, you should never offer confidential information to a competitor or its agent, unless the exchange is preapproved and overseen by the appropriate member of management.

Our Responsibilities

- Use and disclose confidential information only for legitimate business purposes.
- Properly label confidential information to indicate how it should be handled, distributed, and destroyed. Use encryption where appropriate.
- Protect intellectual property and confidential information by sharing it only with authorized parties.
- Never discuss confidential information when others might be able to overhear what is being said, for example on planes, elevators, and when using mobile phones, and be careful not to send confidential information to unattended fax machines or printers.
- Do not use copyrighted materials without appropriate permission.
- Immediately report the loss of any misplaced information that should be protected.
- Never use confidential information obtained during the course of your employment for improperly advancing a personal interest.

**QUESTION:** Sometimes I need to complete work at home or on the road. Can I forward the documents and material I need to my personal e-mail account so that I can access it later and work on it outside the office?

**ANSWER:** No, you cannot forward any MODEC documents to your personal email account for use with your own computer or tablet. To do so could result in a serious breach of confidentiality. We all need to avoid any usage that might lead to loss or damage; this also includes using non-company issued computers or laptops to conduct MODEC business.

**QUESTION:** A new contractor asked if I would be interested in looking at some bid information and pricing from a competitor. He says that he came by it legally, and it is OK to review as long as we don’t make copies. I’d like to look at it, but I’m suspicious.

**ANSWER:** You’re right to be suspicious. Never accept information offered by a third party that is represented as confidential or which appears from the context or circumstances to be confidential, unless an appropriate nondisclosure/confidentiality agreement has been signed with all relevant parties.
**Intellectual Property**

We have an obligation to identify and protect the intellectual property, trade secrets and other confidential information owned by MODEC and our business partners. Doing so is critical to our success.

Intellectual Property or IP refers to patented or potentially patentable inventions, trademarks, service marks, trade names, copyrightable subject matter, and trade secrets. We must all be aware of and comply with MODEC procedures necessary to safeguard these assets, including complying with any agreement relating to IP as well as confidentiality agreements. In addition to protecting MODEC’s own intellectual property rights, MODEC respects the valid intellectual property rights of others.

MODEC prohibits Employees from bringing or using the intellectual properties of their former employers or others without their express authorization. You must not encourage others to violate their obligations to protect the confidentiality of their current or former employer’s proprietary information.

**Gathering Business Intelligence**

Information about competitors is a valuable asset in today’s competitive business environment. When collecting business intelligence, Employees and others who are working on our behalf must always abide by the highest ethical standards.

Never engage in fraud, misrepresentation, or deception to obtain information or use invasive technology to “spy” on others. Be careful when accepting information from third parties, know and trust their sources, and be sure that the knowledge they provide is not protected by trade secret laws or non-disclosure or confidentiality agreements.

While MODEC employs former employees of competitors, we recognize and respect the obligations of those Employees not to use or disclose the confidential information of their former employers.

**QUESTION:** One of our new employees recently joined MODEC from a competitor. He has information from his former employer, and he says he plans to use it to MODEC’s advantage. Is this OK? This info would be valuable to us. If it isn’t allowed, can I do some of my own ‘detective work’ and try to find the information?

**ANSWER:** No. If an employee retains competitor information, this can result in legal action by the competitor. While MODEC employs former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers. We must never engage in fraud, misrepresentation, or deception to obtain information. Nor should we use invasive technology to “spy” on others. Care should be taken when accepting information from third parties. You should know and trust their sources, and be sure that the knowledge they provide is not protected by trade secret laws or non-disclosure or confidentiality agreements.

**Additional Resources for More Information**

For more information on confidential information, talk to the appropriate member of management.
Privacy and Personal Information

Our Standard

In recent years, individuals, companies, and governments have grown increasingly concerned about the privacy and security of personal information. As a result, laws protecting the privacy of personal information of our Employees, as well as individuals employed by our customers, suppliers, or others, are becoming more common. We have a legal and an ethical responsibility to protect the confidential and personal information of our fellow Employees and others.

Information which should be carefully guarded includes:

- Personally identifiable information (including, but not limited to: government issued identification numbers, home addresses, telephone number, age, date of birth, etc.)
- Performance evaluations
- Personnel or medical records
- Any information which might be sensitive or damaging to another Employee’s reputation

Our Responsibilities

- Be accountable for protecting personal information, handling it securely, and using it only in accordance with the terms under which it was collected.
- Collect personal information only for legitimate business purposes, and keep it only as long as necessary.
- Only use personal information for reasons disclosed to the individual from whom the information was collected.
- Take precautions to safeguard personal information when collecting, processing, storing, and transferring it.
- Only share personal information with other Employees who have a legitimate need to know, and take steps to ensure that they understand the importance of properly handling the data you share with them.
- When we use third parties to provide services for us, make sure that they understand the importance we place on privacy and that they must uphold our standards and comply with applicable data protection laws.

Subject to applicable laws, MODEC reserves the right to access any file, information, data, or other items located on or in MODEC property. E-mail and voice mail systems and content on them are supplied for business use only and are considered company records and the property of MODEC.

QUESTION: I’m interested in forming a club or interest group for people who like making model airplanes, and several of my colleagues have expressed an interest in participating. May I publish these employees’ names, phone numbers, and email addresses on a contact page on the model airplane group’s website?

ANSWER: No, not without express permission. Personal information about employees, including contact information, is considered strictly confidential and should be carefully guarded. This information should not be used or published without the Employee’s consent.

Additional Resources for More Information

For more information on privacy and personal information, talk to your Human Resources Representative.
Accurate Books and Records
Our Standard
MODEC prepares financial statements that accurately reflect the status of its operating activities. Investors, government authorities, and others need to be able to rely on the accuracy and completeness of our business records. Accurate information is also essential within MODEC so that we can make good decisions.

We are committed to transparency and to making full, accurate, timely, and understandable disclosure on all aspects of our business, including financial reports that are filed with or submitted to regulatory authorities.

Employees with a role in the preparation of our public, financial, and regulatory disclosures have a special responsibility in this area, but all of us contribute to the process of recording business results and maintaining documents. Each of us is responsible for helping to ensure the information we record is accurate and complete and maintained consistent with our system of internal controls.

MODEC’s corporate records, including paper documents, computer files, electronic information, and any other records, are important MODEC assets. MODEC is required by law in many jurisdictions to maintain certain types of corporate records for a specified period of time.

Our Responsibilities
- Never make false claims on an expense report or time sheet.
- Always be accurate, complete, and truthful when submitting financial or environmental records and production and quality reports.
- Make sure that financial entries are clear and complete. Do not hide or disguise the true nature of any transaction.
- Be as clear, concise, truthful, and accurate as possible when recording any information. Avoid exaggeration, colorful language, guesswork, legal conclusions, and derogatory characterizations of people and their motives.
- Only sign documents, including contracts, that you are authorized to sign and that you believe are accurate and truthful.
- Never record or approve back-dating, false or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation.
- Maintain all corporate records for legally required minimum periods and in accordance with the Company’s document retention procedures.
- Ensure that all payment arrangements comply with MODEC’s accounting policies and procedures, including expense approval procedures.

QUESTION: At the end of the last quarter reporting period, my supervisor asked me to record additional expenses even though I hadn’t received the invoices from the supplier and the work hadn’t started. I agreed to do it, mostly because I didn’t think it really made a difference since we were all sure that the work would be completed in the next quarter. Now I wonder if I did the right thing.

ANSWER: No, you did not. Costs must be recorded in the period in which they are incurred. The work was not started, and the costs were not incurred by the date you recorded the transaction. It was therefore a misrepresentation and, depending on the circumstances, could amount to fraud.
**Legal Holds**

Documents should only be destroyed in accordance with the applicable MODEC document retention procedures and never in response to or in anticipation of an investigation or audit. Contact your supervisor if there is any doubt about the appropriateness of document destruction or the content of the applicable document retention policy.

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. MODEC will determine and identify what types of records or documents are required to be placed under a legal hold. Every Employee, agent, and contractor must comply with this policy.

If there is any question as to whether a record pertains to an investigation or legal proceeding or may be responsive to a subpoena, contact the Chief Compliance Officer before disposing of the potentially responsive document. Note that records include not just documents, but also include tapes, photographs, computer files, and records in any other form.

**Additional Resources for More Information**

For more information on accurate books and records, refer to MODEC accounting policies and procedures or talk to your accounting/finance controller.

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**Communicating with the Public**

**Our Standard**

We are committed to transparency in our disclosures and public communications. As a company, we need a clear, consistent voice when providing information to the public and the media. For this reason, it is important that only authorized persons speak on behalf of MODEC. Never give the impression that you are speaking on behalf of MODEC in any communication that may become public if you are not authorized to do so.

Requests for information from any member of the press or other news media (including bloggers) must be referred immediately to the appropriate member of management.

**Our Responsibilities**

- Only Employees specifically authorized to communicate with investors, analysts, or the media may respond to or engage with these parties.
- If you receive an inquiry regarding MODEC’s activities, results, plans, or its position on public issues and are not specifically authorized to respond, refer the request to the appropriate member of management.
- If you intend to write or publish a book, article, or manuscript or deliver a presentation which relates in any way to our business, you must receive prior approval of your supervisor and the General Affairs Department of MODEC, Inc. If the publication or presentation identifies you as an Employee, it must state that: “The views expressed in this article/presentation are mine and do not necessarily reflect the views of MODEC.”
Using SOCIAL MEDIA

We must be especially careful when writing communications that might be published, and this includes postings to the internet. If you participate in on-line forums, blogs, newsgroups, social networking websites, chat rooms, or bulletin boards, never give the impression that you are speaking on behalf of MODEC unless you are authorized to do so. If you reveal that you are a MODEC Employee, make it clear that your views are yours alone. And before you hit the ‘send’ button, think carefully. In particular, remember that any harassment, bullying, discrimination, or retaliation that would not be permissible in the workplace is not permissible while on-line. These types of communications live forever.

Additional Resources for More Information

For more information on communicating with the public, refer to the Global Human Resources Electronic Communications Policy or talk to the General Affairs Department of MODEC, Inc.
Conflicts of Interest

Our Standard
We do not allow personal interests to affect the integrity of MODEC, interfere with our ability to exercise independent judgment, or limit our ability to engage in business on behalf of MODEC. A conflict of interest happens whenever you have a competing interest that may interfere with your ability to make an objective decision for MODEC. For example, personal involvement with a supplier, competitor, or a contractor could affect your ability to exercise good judgment on behalf of MODEC.

Each of us is expected to avoid situations that can lead to even the appearance of a conflict. Conflicts of interest can undermine the trust others place in us and damage our reputation. Individuals have a responsibility to report any potential conflicts of interest to their supervisor.

It is impossible to describe every potential conflict of interest, which is why we emphasize the importance of asking questions. When in doubt, even if your participation in an activity gives an appearance of a conflict of interest, you should disclose.

Our Responsibilities

Self-Dealing and Corporate Opportunities
Never take advantage of business or investment information that is gained through the course of your business duties with MODEC.

Outside Employment
A conflict of interest may arise if outside work, including self-employment, interferes with your ability to fulfill your MODEC responsibilities, if there is a risk that the outside employment may cause you to
disclose our confidential information, or if the activity could adversely affect MODEC’s reputation. You must disclose any outside employment you have by a MODEC business partner or competitor, including serving as a director, officer, consultant, or contractor, to your supervisor or the appropriate member of management.

**Investment/Ownership Interests**
Certain investments and ownership interests are restricted. For example, if you or a family member (i.e. child or relative) has an investment in or any financial involvement with any MODEC business partner, including customers, contractors, suppliers, or competitors, unless the business partner is a publicly traded company and the shareholding is less than 2% of the outstanding shares, it could be a conflict. Such investment or ownership interest must be reported to your supervisor or the appropriate member of management.

**Family/Relative Business Relationships**
If you or a family member (i.e. child or relative) is an employee, contractor, owner, or major shareholder of a competitor, supplier, client, or other third party or entity doing business with MODEC, you must disclose the relationship to your supervisor or the appropriate member of management.

**Participating in Civic and Charitable Organizations**
Participation in community activities should not adversely affect your job performance, be detrimental to MODEC’s interests, or place you in the position of serving conflicting interests. Involvement in activities that conflict with, or appear to conflict with, your job or MODEC’s interests must be disclosed.

**Receipt of Fees or Items from MODEC Business Partners**
Receipt of fees, commissions, gifts, hospitality or other compensation from a MODEC business partner in your personal capacity or as a MODEC Employee must be disclosed. In such instances, you also must comply with the requirements of MODEC policies and restrictions on gifts and hospitality that may be accepted and pre-approval requirements.

**Public Officials**
Business relationships with Public Officials and government entities must be reviewed with care and due diligence. If you or a family member (i.e. child or relative) is or has been a Public Official, is or has been employed by a government entity, or is currently running for public office, you must disclose this relationship to your supervisor or the appropriate member of management.

Circumstances can change and new conflicts can surface over time. It is important to reassess your situation from time to time and discuss any potential conflicts with your supervisor or the appropriate member of management.

**QUESTION:** My sister owns a catering business and would like to submit a bid to MODEC. Is she allowed to do so?

**ANSWER:** Yes, your sister is welcome to submit a bid through the usual MODEC channels if she meets our qualifications, just like any other potential vendor. However, under no circumstances should you share information with her about the selection process. If your sister submits a bid, you should disclose the situation to your supervisor. If you have any responsibility in procuring these services, you must excuse yourself and should have no involvement in the review or selection processes.
QUESTION: I’m dating another Employee, and he is being promoted to supervisor. Do I need to report the situation?
ANSWER: Yes, the situation could create a potential conflict of interest. You should report the situation to your Human Resources Representative to make sure that there is no inappropriate reporting relationship after the promotion takes place.

Additional Resources for More Information
For more information on conflicts of interest, talk to your supervisor, your Human Resources Representative, or the appropriate member of management.

Supplier & Vendor Relations
Our Standard
Our suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to continue to work with MODEC, they must be confident that they will be treated lawfully and in an ethical manner.

Our policy is to purchase supplies and select suppliers based on need, quality, service, price, and terms and conditions. We select significant suppliers through a competitive bid process where possible, and all supplier relationships are conducted by way of appropriate written contracts.

We only do business with suppliers and business partners who embrace and demonstrate high standards of ethical business behavior and who share our commitment to comply with the principles in this Code, including anti-corruption compliance and sustainable environmental practices.

Our Responsibilities
- If you are in a leadership position at MODEC and work with our suppliers and business partners, you should communicate to our suppliers our standards for high performance in ethics, health, safety, the environment, and human rights.
- Watch out for any signs that our business partners are violating applicable law or regulations.
- Each of us who works with suppliers must make decisions in the best interest of MODEC based on performance criteria, not for any personal benefit or gain.
- Cooperate with audits of suppliers and stop purchasing from those not making real progress toward meeting our standards.
- Respect and protect the confidential and proprietary information of suppliers.
- Document all supplier relationships in appropriate written contracts.
- Disclose any situation that may appear to involve a conflict, and remove yourself from making or influencing a purchasing decision where a potential conflict of interest may exist.

Additional Resources for More Information
For more information on supplier and vendor relations, talk to your Procurement Management Representative.
Insider Trading

Our Standard
Confidential information may not be used for personal benefit. Each of us is prohibited from trading securities or passing information on to others who then trade (‘tipping’) on the basis of material information - about MODEC or any other company - before it is made publicly available to ordinary investors.

Our Responsibilities
- Do not buy or sell securities of MODEC or any other company on the basis of material nonpublic information.
- Be careful when others request confidential information about MODEC or our business partners. Even casual conversations could be viewed as illegal “tipping” of inside information.
- Employees and family members may purchase and sell MODEC securities, as long as they are not basing decisions on inside information.
- In order to avoid the appearance that any MODEC Employee is trading on inside information, no Employee should engage in “short sales” or trade in puts, calls, or other options or derivatives on MODEC’s stock.
- Information that has not been made public must not be released outside of MODEC unless requested through the formal legal process (e.g., subpoena, court order).

QUESTION: I’m not sure what kind of information is covered by the term ‘material information.’ What does it include?

ANSWER: ‘Material information’ includes any information that a reasonable investor would consider important when deciding whether to buy, sell, or hold a security. This can include news about acquisitions, financial results, important management changes, commencement or termination of client contracts as well as news about the financial, operational, or environmental performance of a company. In some jurisdictions, this can include simply information related to the company’s business.

Additional Resources for More Information
For more information on insider trading, talk to the General Affairs Department of MODEC, Inc.
Anti-corruption, Anti-bribery, & Gifts and Hospitality

Combatting Bribery and Corruption

Our Standard
We conduct business free from the influence of bribery and corruption. Employees and third parties are expected to be aware of and follow all anti-corruption and bribery laws everywhere we do business.

We must never – directly or indirectly – offer, give, promise, or authorize an unlawful, improper, or corrupt payment or bribe to or for the benefit of any person, including any Public Official.

Public Officials Include:
- Any elected or appointed government official, officer, employee or person acting in an official or public capacity on behalf of a government (i.e., local, regional, and national, and legislative, administrative, judicial, and executive branches);
- Any official or employee of a quasi-public or non-governmental international organization (sometimes referred to as “NGOs”) such as the United Nations, Red Cross, International Monetary Fund, and the World Bank;
- Any employee or other person acting for or on behalf of any entity that is wholly or partially government owned or controlled by a government (such as a national oil company);
Any person exercising legislative, administrative, judicial, executive, or regulatory functions for or pertaining to government (including any independent regulator);

Any political party official, officer, employee, or other person acting for or on behalf of a political party; and

Any candidate for public office (even if not currently in office).

Employees and third parties acting on MODEC’s behalf are also prohibited from soliciting, demanding, requesting, agreeing to receive, or accepting anything of value with the intent of being influenced or rewarded in connection with MODEC’s business.

**Third Party Intermediaries and Business Partners**

MODEC may be liable for corrupt activities of third parties—such as agents, consultants, intermediaries, and business partners— if they act improperly on MODEC’s behalf. Employees must ensure that MODEC’s third parties do not make illegal or improper bribes. Employees must not deliberately ignore circumstances that should reasonably alert them to a high probability of improper conduct or unlawful actions and should not pay any third party knowing that the funds will be used improperly.

We will only pay third parties with whom MODEC has a formal written agreement and from whom MODEC has an invoice detailing the amount to be paid. Employees must ensure that such invoices properly identify commissions. Third parties may only be paid fair market value for services provided.

Bribes of any kind given to any person are strictly prohibited. This includes payments or offers to assist MODEC in obtaining or retaining business, to influence any official act or decision, or to secure any improper business advantage. We must be careful to avoid even the appearance of offering or accepting an improper payment, bribe, or kickback.

**FACILITATING PAYMENTS**

MODEC prohibits facilitating payments to be made in connection with its operations. Facilitating payments, sometimes known as “grease payments”, are typically small, customary payments to lower-level Public Officials to expedite or secure the performance of certain non-discretionary, routine, governmental administrative actions.

**Our Responsibilities**

- Do not offer, give, make payment, promise to pay, or authorize bribes or kickbacks directly or indirectly to anyone to get or keep business or to influence a business decision on MODEC’s behalf. This includes any Public Official, government entity, or private person with the intention of corrupt influence.

- Never maintain “off-book” accounts in order to facilitate or conceal improper payments. All expenditures and any other payments must be accurately presented in our books and records.

- Payments that are intended to improperly influence anyone, including a Public Official, must never be made. Remember, Public Official includes employees of organizations that are owned in whole or in part by a government.

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1 See Group Anti-Corruption Compliance Policy for exceptional circumstances when a facilitation payment is made under duress, such as when your health or safety is at risk.
QUESTION: I have questions about the use of third parties that may be ‘go-betweens’ helping us with local government authorities. What should I do to make sure that they don’t get us into trouble?

ANSWER: You’re right to be concerned. Control over intermediaries and other third parties who are operating on MODEC’s behalf is important. We must exercise due diligence to ensure that their reputation, background, and abilities are appropriate and meet our ethical standards. Intermediaries are expected to act in accordance with the requirements set out in this Code. As a general rule, we must never do anything through a third party that we are not allowed to do ourselves.

QUESTION: Sometimes when I’m travelling, I see practices that I would consider inappropriate, but they are common practices in the country I’m visiting. Facilitating or grease payments are an example. What should I do if I’m asked to provide what I consider to be a bribe but what the locals think of as a common business courtesy?

ANSWER: You should just say no and inform the person that your company’s policies prohibit you from making such payments. Remember, no matter where you are, our policies apply. You must never provide a payment or anything of value to gain an improper business advantage.

QUESTION: What if I am threatened and forced to provide a cash payment to a Public Official before I am allowed to exit the country?

ANSWER: When a payment is extorted by a Public Official by threat of imminent bodily harm to an Employee or member of the Employee’s family, the Employee may make the payment that is demanded. Payment by any Employee of a safety payment must be reported as soon as possible to the Chief Compliance Officer. Without exception, any such safety payment must be reflected accurately in the company’s books and records.

Additional Resources for More Information

For more information on MODEC’s anti-corruption compliance policies and prohibition of bribes and facilitating payments, refer to the Group Anti-Corruption Compliance Policy, the Group Third Party Intermediary and Business Partner Policy, or talk to the Chief Compliance Officer.

Gifts and Hospitality

Our Standard

When handled properly, appropriate and reasonable gifts and hospitality (including meals, drinks, golf, and travel) can strengthen business relationships. But when abused, they can damage our reputation, harm our business, and may even be illegal. Gifts or hospitality may only be given if they are reasonable complements to business relationships, are of modest value, and not against the law or the policy of the recipient’s company or country.

While this area can be complicated, at MODEC one principle is always clear: we do not give or accept gifts or hospitality to any person, including any Public Official, government entity, or commercial customer, if the intent is to improperly influence a business decision or the recipient. Such activities are prohibited regardless of the value of the gift or hospitality.

Gifts and Hospitality of Public Officials

Extra care and caution needs to be taken when dealing with Public Officials. No gifts or other benefits, including entertainment, can be offered to Public Officials which could be considered as influencing any business decision or to obtain improper advantage.

Any request made to a MODEC Employee by a Public Official for an improper payment, or any action taken
or threatened by such a government official with the intent of obtaining an improper payment, should be reported immediately to the appropriate member of management and the Chief Compliance Officer.

**Payment or Reimbursement of Travel Expenditures**

Travel expenditures include airfare, lodging and associated meals, and transportation expenditures. Payment or reimbursement of travel expenditures, including those offered or provided to Public Officials in connection with our operations, must comply with specific guidelines and pre-approval processes.

**Our Responsibilities**

- Review and understand the Group Gifts and Hospitality Policy.
- Only give or accept modest gifts, hospitality, and entertainment according to the specific limits, guidelines, and pre-approval processes established in the Group Gifts and Hospitality Policy.
- Be particularly sensitive to gifts to or from individuals or entities that are subject to MODEC purchasing or business decisions.
- Do not request or solicit personal gifts, favors, entertainment, or services in connection with your employment with MODEC.
- Never give or accept gifts of cash or cash equivalents.
- Understand and comply with the policies of the recipient’s organization and national rules before offering a gift or entertainment.
- Never aid or abet a third party to give or receive inappropriate gifts or entertainment.

**Additional Resources for More Information**

For more information on giving or accepting gifts and hospitality, refer to the Group Anti-Corruption Compliance Policy, the Group Gifts and Hospitality Policy, the Group Third Party Intermediary and Business Partner Policy, or talk to your supervisor or the Chief Compliance Officer.

**QUESTION:** When I was traveling, I received a gift from a supplier that may be considered excessive, but I’m not sure. What should I do?

**ANSWER:** If you received any gift which you think may exceed our limits, you should report it immediately to your supervisor. A determination will then be made as to how the gift should be disposed of or used and what further steps, if any, are necessary. The report, including your supervisor’s disposition decision, should be forwarded to the Chief Compliance Officer for tracking purposes.

**QUESTION:** A business partner invited me to attend a sporting event with him and sit in his firm’s suite. Is it acceptable for me to go?

**ANSWER:** It depends. Attending a sporting event with a business partner may be an appropriate business courtesy, as long as the value of the tickets is not exorbitant. Such an occasion often serves a business purpose by facilitating work-related discussions and relationship building. However, in this case, the tickets include access to a restricted area and are likely to have a high monetary value. You should discuss the matter with your supervisor and seek pre-approval before accepting the invitation. Also remember that if the tickets were for your personal use and the business partner wasn’t attending the event with you, in such a case the tickets would be considered an unacceptable gift since there would be no business purpose for you to attend the event.
Lobbying and Contributions

Our Standard
As a responsible corporate citizen, we respect your right to voluntarily participate in your community and in the political process, including making your own personal social and political contributions. However, due to complex finance and ethics laws, there are specific guidelines that must be followed before lobbying, making contributions on behalf of MODEC, or campaigning for or holding public office.

Social Contributions
Social contributions means anything of value that is provided to support charitable activities, including charitable donations, funding, scholarships, internships, sponsorships, and participation in social programs.

Political Contributions
Political contributions means anything of value provided to any individual or organization for the purpose of promoting, supporting, or influencing any political process, political organization, or election for public office at any level.

MODEC generally prohibits the use of MODEC corporate funds or resources for lobbying or political contributions. MODEC prohibits social and political contributions from being made for the improper purpose of obtaining or retaining business or otherwise securing a business advantage for MODEC. All social and political contributions must comply with applicable laws and regulations and MODEC policies and procedures.

Employees may participate in political activities in their personal time and at their own expense. You must always make it clear that your views and actions are your own and not those of MODEC.

Our Responsibilities
- Take steps to ensure that your individual political opinions and activities are not viewed as those of MODEC.
- Committing to any corporate political spending or use of MODEC resources for political purposes is prohibited.
- Never pressure another Employee, client or business partner to contribute to, support, or oppose any political candidate or party.
- Prior notice must be given to the appropriate member of management before committing to campaign for, seek, or accept appointment to public office.
- Holding or campaigning for political office must not create, or appear to create, a conflict of interest with your duties.
- Never make a political or charitable contribution with the intent to improperly influence someone.
**QUESTION:** I will be attending a fund raiser for a candidate for local office. Is it OK to list my position at MODEC as long as I don’t use any MODEC funds or resources?

**ANSWER:** No. You may not reference MODEC in any way with your personal political activities.

**QUESTION:** I would like to invite an elected official to speak at an upcoming company event. Would that be a problem?

**ANSWER:** You must get pre-approval from the appropriate member of management before inviting an elected official or other Public Official to attend a company event. If the invitee is in the midst of a re-election campaign, the company event could be viewed as support for the campaign. Any food, drink, or transportation provided to the invitee could be considered a gift. In either case, there would be limits and reporting obligations that must be carefully followed.

**Anti-Social Forces**

**Our Standard**

In the countries where MODEC conducts business, certain Anti-Social Forces (“ASFs”), such as gangs and similar groups, may be present. MODEC will never deal with ASFs or allow them to influence MODEC’s business or its commitment to ethical conduct.

**Our Responsibilities**

- Always refuse requests or demands for hush money, a bodyguard fee, a request for negotiations, or any other similar demands from a member of an ASF or a company closely affiliated with an ASF.
- Do not make “stop-gap” or one-time payments as an interim solution to threats or intimidation by an ASF.
- Notify your supervisor or the appropriate member of management if you are intimidated or threatened by any person or group affiliated with an ASF or similar group.

**Additional Resources for More Information**

For more information on Anti-Social Forces, talk to the General Affairs Department of MODEC, Inc.

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**Additional Resources for More Information**

For more information on lobbying and social and political contributions, refer to the Group Social and Political Contributions Policy and the Group Gifts and Hospitality Policy or talk to the appropriate member of management or the Chief Compliance Officer.
Fair Dealing and Anti-Trust

Our Standard

Never engage in improper practices that may limit competition through illegal or unfair means. It is very important never to enter into agreements with competitors related to prices or supply levels, or for the purpose of dividing up clients, customers, suppliers, or sales territories.

Anti-trust laws are very complex and the risks of non-compliance can be severe. As a general rule, contacts with competitors should be limited and must always avoid certain subjects, including any matter relating to competition between MODEC and its competitor. If such a conversation begins, leave the meeting immediately and report it to the appropriate member of management.

Our Responsibilities

Employees must conduct business in accordance with fair trade practices and applicable anti-trust, monopoly, competition, and cartel laws. Any prevention of free, transparent, and fair economic competition is prohibited. Employees must not:

- Collude with other bidders ("bid rigging") in any tender, such as determining the successful bidder or contract price or otherwise unreasonably restraining trade;
- Collude with competitors to fix prices or production/supply levels, or to agree with a competitor to not do business with a supplier or a customer (e.g., a boycott);
- Illegally exchange competitively sensitive information with competitors (e.g., pricing, costs, or other confidential proprietary information regarding
MODEC plans) that might change the way a competitor behaves in the marketplace and thus raise an inference of collusion.

- Use a dominant bargaining position to illegally engage in unfair trade with or against subcontractors, or to exclude competitors from competing for business;
- Engage in resale price maintenance, bundling, or tie-ins without prior review and approval by MODEC counsel; or
- Engage in any other conduct which may violate any relevant anti-trust laws, rules, or regulations in all relevant jurisdictions.

Additional Resources for More Information
For more information on fair dealing and anti-trust compliance, talk to the appropriate member of management or the Chief Compliance Officer.

International Trade
Our Standard
Many laws govern the conduct of trade across borders, including laws that are designed to ensure that transactions are not being used for money laundering, others that prohibit companies from illegal trade boycotts, as well as laws regulating imports and exports.

We are committed to complying with applicable export controls, economic sanctions, import controls, customs, and other relevant laws and regulations in the countries in which we operate and do business. Each of us is responsible for knowing the laws that apply to our jobs, and seeking expert advice if in doubt about the legality of an action. These include laws and regulations of Japan, the United States, and the countries in which MODEC operates and MODEC’s policies and procedures.

Prior to exporting or importing any items, MODEC Employees should evaluate how the item will be used, where the item is going to or from, and whether the item contains technical or controlled information or materials.

- Export and import control regulations may impose restrictions on information, technology, products, technical data, and software shipped to and from shipyards, vessels, platforms, or other MODEC products, wherever constructed or ultimately put into operation.
- Economic and trade sanctions regulations to further foreign policy, national security, and other objectives may restrict the countries and parties with whom MODEC can do business.

QUESTION: I received sensitive pricing information from one of our competitors. What should I do?

ANSWER: You should contact the appropriate member of management without delay and before any further action is taken. It is important that, from the moment we receive such information, we demonstrate respect for anti-trust laws and we make clear that we expect others to do the same. This requires appropriate action that can only be decided on a case-to-case basis and may include sending a letter to the competitor.

QUESTION: I am planning to attend the Annual Offshore Technology Conference in Houston, Texas, USA. Are there any special precautions I should take to avoid a potential anti-trust problem?

ANSWER: Trade association meetings and other industry gatherings typically serve perfectly legitimate and worthwhile purposes. However, these meetings also provide a potential pitfall under the anti-trust laws because they bring together competitors who may be prone to discuss matters of mutual concern. MODEC Employees must be especially careful to avoid discussions or exchanges of information relating to competitive matters. If competitors are discussing these matters, MODEC Employees are expected to excuse themselves, exit the meeting, and notify the appropriate member of management.
Anti-boycott laws and regulations may prohibit MODEC or MODEC Employees from participating in or cooperating with certain boycotts of a party or country.

Anti-money Laundering
Money laundering is a global problem with far-reaching and serious consequences. It is defined as the process of converting illegal proceeds so that funds are made to appear legitimate, and it is not limited to cash transactions. Involvement in such activities undermines our integrity, damages our reputation, and can expose MODEC and individuals to severe sanctions. Many of these laws and regulations also require reporting of suspicious transactions and activities to government agencies.

Employees must comply with all applicable anti-money laundering and anti-terrorism requirements, which prohibit:

- Engaging in any financial transactions involving property, funds, or monetary instruments which, directly or indirectly, promote or result from criminal activity;
- Receiving, transferring, transporting, retaining, using, structuring, diverting, or hiding the proceeds of any criminal activity, or aiding or abetting another in any such action; or
- Engaging or becoming involved in financing, supporting, or otherwise sponsoring, facilitating, or assisting any terrorist person, activity, or organization.

 QUESTION: As part of a bid invitation, I recently received a request to support a trade boycott. What should I do?

 ANSWER: You should contact your supervisor or your Procurement Management Representative. Sometimes such requests are not obvious, but they may, for example, include agreements to refuse to do business with or in a specific country or with blacklisted companies or to furnish information about business relationships with or in a specific country or with blacklisted companies. In other cases, they may include agreements to discriminate based on race, religion, sex, national origin, or nationality.

Our Responsibilities
- Maintain appropriate import, export, and customs records at each MODEC business location.
- Seek guidance from your Procurement Management Representative to ensure that shipments of information, technology, products, or software across borders comply with laws governing imports and exports.

Additional Resources for More Information
For more information on international trade and anti-money laundering, talk to your supervisor, your Procurement Management Representative, or the Chief Compliance Officer.
When all is said and done, IT IS WRONG TO:

- Falsify records
- Engage in fraud
- Engage in criminal activity
- Accept or give a bribe
- Make a facilitation payment
- Violate or abuse employer policies
- Remove employer property from the premises without authorization
- Steal or attempt to steal employer or employee property
- Be habitually tardy or absent
- Be under the influence of intoxicating substances on employer property at any time
- Be insubordinate
- Use or abuse employer time, property, materials or equipment without authorization
- Use offensive language on company premises
- Harass or discriminate against others
- Bring dangerous or unauthorized weapons onto employer premises
- Be absent from work without authorization during scheduled work hours
- Neglect job duties
- Bring the organization into serious disrepute
- Fail to report a violation of company policy or law
- Fail to cooperate with the company in an internal investigation
- Fail to stop violations by those working under the Employees supervision
- Retaliate against Employees for reporting actual or suspected violations of MODEC policies or this Code.

This is not meant to be an all-inclusive list. For more information, talk to your supervisor or the appropriate member of management.
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