Bollinger Shipyards LLC and all subsidiaries and affiliated companies (“Bollinger”) is committed to maintaining the highest standard of ethical conduct, and to complying with all applicable federal, state and local laws, rules and regulations, including those related to Bollinger’s business with the Federal Government. Bollinger’s Statement of Core Values establishes the guiding principles by which this Company and its employees are expected to act at all times. This Code of Conduct supplements the Statement of Core Values and covers key aspects of relevant laws and regulations that affect the Company’s business with the Federal Government.

In some cases, Bollinger has elected to forbid certain conduct that may be lawful to avoid the appearance of impropriety or unacceptably high legal or business risks. Therefore, Bollinger employees must have an understanding of the Company policies, laws, rules and regulations that apply to their specific roles, and compliance with this Code is essential. Both the Company’s Statement of Core Values and this Code of Conduct are intended as guides, and do not contain a comprehensive explanation of all applicable laws and regulations. If an employee is unsure of whether a contemplated action is permitted by law or Bollinger policy, or has other questions or concerns about the Company’s compliance with any laws, regulations, rules, or contract obligations, the employee should address those concerns with his/her direct supervisor, manager within his/her chain of management, Human Resources or the EVP and Chief Administrative Officer.

It is the responsibility of every Bollinger employee to read and become familiar with the Statement of Core Values, and the Employee Code of Conduct if working on Government contracts, to attend training sessions as directed by supervision, to uphold the Statement of Core Values, and to comply with the Code of Conduct and applicable laws and regulations. Non-compliance with this policy or failure to uphold the Statement of Core Values may result in corrective action, up to and including termination, as well as potential civil and/or criminal penalties.

I. INTEGRITY ISSUES

Bollinger’s commitment to integrity begins with the Company’s compliance with all laws, rules and regulations that apply to the Company’s business. The principles outlined in this Code of Conduct, along with the principles explained in more detail in Bollinger’s Gifts and Gratuities policy, are intended to inform you of various applicable laws and regulations, and the conduct that they prohibit. Violation of these policies may expose both Bollinger and/or an employee to criminal, civil and/or administrative sanctions.

A. Gifts and Gratuities

1. Bribery

Bribery of a public official is a serious Federal criminal offense, and violations carry severe penalties for both the Company and its employees. A bribe is defined as giving or offering anything of value to a Government official in exchange for an official act (or failure to act) or to obtain favorable treatment. See 18 U.S.C. § 201(b). Bribery is strictly prohibited by Bollinger. Bollinger and its employees will not, directly or indirectly, offer, solicit, make or provide any kind of payments, favors, or contributions for the purpose of:
- Obtaining, giving, or keeping business;
- Influencing customers, suppliers, or United States or foreign Government entities including their officials or employees;
- Persuading any officials or employees or another company to fail to perform or to improperly perform their duties; or
- Influencing legislation or regulations other than through appropriate lobbying and legitimate political activity.

Additionally, Bollinger employees must avoid any actions that create even the appearance of violating these bribery laws. Any employee who is offered or has information concerning improper payments, favors, or contributions must contact the EVP and Chief Administrative Officer or the Ethics Hotline immediately.

2. Kickbacks

Bollinger is committed to ensuring that all transactions and business dealings with its prime contractors, subcontractors, and suppliers are conducted fairly, in accordance with the Bollinger Code and in compliance with the provisions of the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58. The Anti-Kickback Act forbids prime contractors and subcontractors from offering, soliciting, providing, or accepting anything of value for the purpose of obtaining or rewarding favorable treatment in connection with the award of Government contracts or subcontracts. The Act also imposes an affirmative obligation on contractors such as Bollinger to report violations to the Government where there are reasonable grounds to suspect a violation.

It is Bollinger's policy that no employee shall offer, provide, solicit, accept or discuss offering or accepting a “kickback,” regardless of value, for the purposes of obtaining or rewarding favorable treatment in connection with the award of United States Government contracts. This means that:

- Bollinger must never pay, offer, or give a kickback in an effort to receive a contract or subcontract;
- Bollinger must never solicit or receive a kickback from any party seeking a contract;
- Bollinger must never include, directly or indirectly, the amount of any kickback (i) in the contract price charged by a Bollinger subcontractor to a higher tier subcontractor or to Bollinger or (ii) in the contract price charged by Bollinger to the United States Government or to a prime contractor.

Employees must avoid any activity that creates even the perception of giving or receiving a kickback. Any employee with reason to suspect a violation has occurred must immediately contact the EVP and Chief Administrative Officer or the Ethics Hotline.

3. Foreign Corrupt Practices

Bollinger’s policy against gifts, gratuities, bribes, and improper payments extends to officials of foreign governments and public international organizations. Bollinger’s commitment to the highest ethical and legal standards includes a commitment to compliance with the Foreign Corrupt Practices Act (“FCPA”).
15 U.S.C. §§ 78dd-1, et seq. Companies and individuals that violate the FCPA may be subject to substantial fines, suspension and/or debarment from Federal contracting, imprisonment, and/or forfeiture of property. It is Bollinger’s policy not to provide or offer anything of value to any foreign government official to corruptly influence such individual. Employees must avoid any action that creates even the appearance of a violation of the FCPA. Any employee with reason to suspect that a violation has occurred, or who is concerned about the propriety of payments to be made to any foreign government, foreign official, or international organization, must immediately contact the EVP and Chief Administrative Officer or the Ethics Hotline. Work instruction FCPA001 is to be used in connection with this policy.

4. Business Courtesies

Bollinger will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policy of Bollinger or customers, or would cause embarrassment or reflect negatively on Bollinger’s reputation. An employee may never use personal funds or resources for business courtesies that cannot be performed with Bollinger funds or resources. Further, accounting for business courtesies must be done in accordance with approved Company procedures.

B. Bidding, Negotiating, and Performing Contracts

Any employee involved in bid or proposal preparation, contract negotiations and contract performance and administration must be certain that all statements, communications, and representations to United States Government officials or representatives and/or prime contractors are accurate and truthful. Moreover, in negotiating Government contracts, there is an affirmative duty in certain circumstances to disclose (and certify) current, accurate, and complete cost or pricing data.

Accordingly, all employees must be certain that all statements, communications, and representations to Government customers are accurate and truthful. Once awarded, Bollinger personnel involved in the performance or administration of any Government contract must ensure that all work is performed in compliance with the relevant contract specifications, requirements and clauses, and that all statements, communications, and representations to Government customers – including any claims for payment – are accurate and truthful. Any suspected violations of these obligations, or suspected fraud or improper conduct in connection with any Government contract or subcontract, should be promptly reported to the EVP and Chief Administrative Officer or to the Ethics Hotline.

C. Proprietary Information

1. Protection of Bollinger Information

Bollinger may provide the Company’s proprietary information to the Government or a customer in connection with a proposal and/or contract performance. Bollinger employees must take proper care to protect and secure Bollinger proprietary information, and ensure that documents containing such information are properly marked with appropriate restrictive legends. Confidential and proprietary information includes information such as trade secrets or the Company’s unique technical designs, pricing and financial data, customer names/addresses or nonpublic information about other companies,
including current or potential supplier and vendors. Bollinger will not disclose confidential and nonpublic information without a valid business purpose and proper authorization, and proprietary information may not be disclosed to anyone without proper authorization by Executive Management. Non-disclosure agreements and proprietary information agreements with third parties pertaining to specific projects, as well as disclosure of data or other information obtained through such agreements, must be authorized by Executive Management.

Without management approval, Bollinger employees also will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to Bollinger, its securities, business operations plans, financial condition, results of operations or any development plan. Employees should be particularly vigilant when making presentations or proposals to customers to ensure that Bollinger’s presentations do not contain material nonpublic information.

2. Competition-Sensitive Information

The Company and its employees must comply with the Procurement Integrity Act, 41 U.S.C. § 423, which prohibits the improper disclosure or receipt of competition-sensitive information before the award of a contract to which the information relates. Bollinger employees must be aware of and comply with these restrictions on the use and receipt of competition-sensitive information. In particular, Federal law prohibits any person from knowingly obtaining, and current or former Government employees from knowingly disclosing, “contractor bid or proposal information” or “source selection information” before the award of a Federal contract to which the information relates.

- **“Contractor bid or proposal information”** includes any of the following information submitted by an offer or bidder to a Federal agency as part of or in connection with a bid or proposal, if that information has not been previously made available to the public or disclosed publicly:
  - Cost or pricing data;
  - Indirect costs and direct labor rates;
  - Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation; or
  - Information marked as “contractor bid or proposal information.”

- **“Source Selection Information”** includes:
  - Bid prices or proposed costs or prices submitted to the Government;
  - Source selection plans and technical evaluation plans;
  - Evaluations of technical and cost/price proposals;
  - Competitive range determinations;
  - Rankings of bids, proposals, or competitors;
  - Reports and evaluations of source selection panels, boards, or advisory councils; and
  - Other information marked “Source Selection Information.”

In circumstances where a Bollinger employee believes that the release of nonpublic contractor bid, proposal, or source selection information may be unauthorized, the employee should not accept such
information from any source. If, despite best efforts, an employee receives such information involuntarily, the employee should:

- Not read the information or immediately stop reading it;
- Immediately quarantine the information;
- Ensure that no other person reviews the information; and
- Immediately notify the EVP and Chief Administrative Officer.

Employee solicitation, receipt, or disclosure of “source selection information” or contractor “bid or proposal information” constitutes a violation of Federal law and Bollinger policy. Further, in situations where Bollinger is lawfully in possession of “contractor bid or proposal information” or “source selection information” before the award, such as where Bollinger is assisting the Government in the selection of other contractors, employees are prohibited from improperly disclosing that information. Questions about the proprietary nature of information that Bollinger has received from another company should be directed to the EVP and Chief Administrative Officer.

3. Government-Provided Information

A Government customer, supplier, vendor, or teaming partner may identify information that is confidential to the Government or contractor and impose obligations on Bollinger for protecting the information and limiting its disclosure both within and outside the Company. A contract or subcontract also may contain obligations to return confidential information to the Government or higher-tier subcontractor when the contract is complete. It is important that the Company and its employees respect the property rights of others. As such, Bollinger will not acquire or seek to acquire by improper means, or improperly use or disclose a competitor’s trade secrets or other proprietary or confidential information. Bollinger also will not engage in unauthorized or improper use, copying, distribution or alteration of computer software or other intellectual property.

Each Bollinger employee must be aware of the contractual nondisclosure or other proprietary information obligations that Bollinger and its employees owe to the Government or another contractor and must comply with them in full.

D. Government Officials and Other Government Employees

1. Hiring Government Officials and Employees

Federal law restricts Bollinger’s ability to contact current Federal agency officials and employees regarding future employment opportunities with Bollinger, and establishes time limitations on Bollinger’s ability to hire certain agency officials. Bollinger employees must be aware of these restrictions and their limitations on Bollinger’s ability to recruit current and former Government employees:

- **Restrictions on Employment Discussions.** The Procurement Integrity Act prohibits Bollinger from contacting agency officials who are participating personally and substantially in a Federal procurement in excess of $100,000 regarding potential future employment, where Bollinger is competing as a prime contractor or subcontractor in that procurement. Furthermore, certain
designated former agency officials involved in a procurement over $10 million (including but not limited to the Contracting Officer, the source selection authority, the program manager, deputy program manager or administrative Contracting Officer) are prohibited from accepting compensation from any company involved in the procurement as an employee, officer, director, or consultant for one year.

- **Obtaining Agency Ethics Opinions.** Federal law also prohibits contractors from knowingly paying compensation to certain former DoD officials within two years after the official leaves DoD, without first determining that the official "has sought and received (or has not received after 30 days of seeking) a written ethics opinion" from the relevant DoD ethics official. (Pub. L. No. 110-181, Sec. 847). These restrictions apply to officials in the Senior Executive Service or an Executive Schedule position, as well as general or flag officers and certain procurement officials. Because the penalties for violating these restrictions are severe, and can include rescission of existing contracts or suspension or debarment from future contracts, you should consult with the EVP and Chief Administrative Officer to ensure appropriate ethics opinions are obtained before paying any compensation to any former Government officials, either as a new hire or as a consultant to the Company.

2. **Post-Government Employment Restrictions/Conflicts of Interest**

In addition to the restrictions on hiring Government employees, Federal conflict of interest and procurement integrity laws also restrict the activities that former Government employees may undertake on behalf of Bollinger:

- Former Government employees are permanently barred from knowingly communicating with the Government on behalf of another entity with the intent to influence the Government on matters that the former Federal employee personally and substantially worked on during their employment with the Government. 18 U.S.C. § 207(a)(1). (Note: This former employee may however work “behind the scenes” by advising any other persons preparing the entity’s contract proposal, subject to applicable prohibitions on disclosure of information.)

- For a period of two years, former Federal employees are prohibited from communicating with the Government regarding matters for which the former employee had official responsibility. 18 U.S.C. § 207(a)(2).

- For a period of one year, former Federal employees who occupied certain senior and very senior positions are prohibited from knowingly communicating or appearing on behalf of any other person, before the department or agency in which the former employee served. 18 U.S.C. § 207(c), (d).

- For a period of one year, all former Federal employees are prohibited from aiding or advising anyone concerning ongoing trade or treaty negotiations in which the former employee personally and substantially participated and had access to protected information. 18 U.S.C. § 207(b).
Finally, no current Government employee may participate personally and substantially in a matter affecting the financial interest of any entity with which the employee is negotiating employment or has any arrangement regarding future employment. 18 U.S.C. § 208.

Whenever a former Federal employee is hired, any restrictions placed on his/her activities under these rules should be noted in that employee’s personnel file. Bollinger employees are required to review such restrictions prior to staffing former Government employees on a matter, and former Federal employees employed by Bollinger are required to notify their superiors of such restrictions prior to being staffed on a matter.

E. Lobbying Restrictions/Political Activities

Bollinger encourages its employees to become involved in civic affairs and to participate in the democratic political process. Employees must understand, however, that their involvement and participation must be on an individual basis, on their own time, and at their own expense. Federal law prohibits corporations from donating corporate funds, goods, or services, directly or indirectly, to candidates for Federal offices. Federal law also prohibits Government contractors from using appropriated Federal funds to influence or attempt to influence an officer or employee of an executive agency, a Member of Congress or his or her employees, or an officer or employee of Congress, in connection with certain activities, including: (a) the awarding of any Federal contract; or (b) the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. 31 U.S.C. § 1352(a). In addition, Federal law requires that contractors disclose lobbying contacts made in connection with particular Government contracts, even when those contacts do not involve appropriated funds. Finally, local and state laws also govern political contributions and activities as they apply to their respective jurisdictions.

Thus, no political contribution may be made using Bollinger funds, property, services, or other assets without the written approval of Executive Management. Note that indirect expenditures on behalf of a candidate or elected official, such as travel on corporate aircraft or use of telephones, photocopy machines, facsimile machines, and other corporate equipment, may be considered corporate contributions, and are therefore prohibited. Further, in no event will an employee be reimbursed in any manner for political activities. Any questions about this policy should be referred to the EVP and Chief Administrative Officer.

F. Suspended and Debarred Contractors

Federal regulations restrict the ability of contractors to subcontract with individuals or entities that are suspended, debarred, or proposed for suspension or debarment. FAR § 52.209-6. It is Bollinger’s policy not to do business with such persons or companies in the Government marketplace, and Bollinger will not, in the performance of United States Government contracts and subcontracts at any tier, knowingly form a new contract with any individual or company that is listed by a Federal agency as debarred, suspended, or proposed for suspension or debarment.

The United States Government publishes a list of persons and companies that are suspended or debarred from performing Government contracts, the Excluded Parties List System (“EPLS”). The list,
which can be accessed online at http://epls.arnet.gov, should be reviewed prior to engaging the services of any individual or entity in connection with any of Bollinger's Government contracts.

G. **Conflicts of Interest**

1. **Personal Conflicts of Interest**

Bollinger employees must avoid any relationship or activity that might impair, or even appear to impair, the ability to make objective and fair decisions when performing their jobs. At times, employees may be faced with situations where the business actions taken on behalf of Bollinger may conflict with employees' own personal or family interests because the course of action that is best for employees personally may not also be the best course of action for Bollinger. It is the responsibility of all Bollinger employees to act in a fair and impartial manner in all business dealings, to place the interests of Bollinger over personal interests in matters relating to Bollinger business, and avoid financial, business, or other transactions or situations in which personal interests might conflict with, or be construed to conflict with, the interests of Bollinger. Bollinger employees must never use Bollinger property or information for personal gain or personally take any opportunity that is discovered through a position with Bollinger. Additional information is outlined in Bollinger's Conflict of Interest policy, which all employees shall abide by at all times in the course of their employment.

2. **Organizational Conflicts of Interest**

Bollinger also must be attentive to so-called “organizational conflicts of interest” based on work that Bollinger performs for the Federal Government. The organizational conflicts of interest rules, found in FAR Subpart 9.5, generally prohibit situations in which (i) a company is deemed to be unable to provide impartial assistance or advice to the Government based on its other business interests, (ii) the company may have been in a position to influence the ground rules of a competition in its own favor, or (iii) the company has gained unequal access to information that creates an unfair competitive advantage. The risk of potential organizational conflicts of interest increases in situations in which a company:

- Develops specifications for an item or services that will be the subject of a future competitive acquisition;
- Provides systems engineering and/or technical assistance services;
- Provides product or proposal evaluation services;
- Prepares or assists in the preparation of a statement of work, performance work statement, or other requirements for a future competition, or is otherwise in a position to affect the ground rules of a future competition;
- Has access to a competitor’s proprietary information.

Bollinger employees must be attentive to situations that may create potential organizational conflicts of interest, which will help Bollinger identify situations that may require additional steps to avoid, neutralize, or mitigate potential conflicts. Employees must comply with any restrictions imposed to mitigate potential conflicts. If any employee believes an organizational conflict of interest could exist for work Bollinger seeks with the United States Government, or has any questions regarding mitigation requirements, the employee should immediately contact the EVP and Chief Administrative Officer or the Ethics Hotline.
H. Contingent Fees

Federal law limits Bollinger’s ability to enter into “contingent fee” arrangements. See 10 U.S.C. § 2306(b); 41 U.S.C. § 254(a); FAR 3.402. The prohibited “contingent fees” are defined as any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract. FAR 3.401.

An exception exists for "contingent fee" arrangements between contractors and a "bona fide agency" or "bona fide employee." 10 U.S.C. § 2306(b); 41 U.S.C. § 254(a); FAR 3.402. A “bona fide agency” is defined as an “established commercial or selling agency, maintained by a contractor for the purpose of securing business that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contracts through improper influence.” FAR 3.401. A “bona fide employee” is defined as “a person, employed by a contractor and subject to the contractor’s supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contracts through improper influence.”

Bollinger prohibits the use of “contingent fee” arrangements with any entities other than a “bona fide agency” or a “bona fide employee.” If any Bollinger employee is approached regarding entering into a contingent fee arrangement with a person or agency, the employee should immediately contact the EVP and Chief Administrative Officer.

I. Fair Competition

Federal antitrust laws are designed to protect the free enterprise system and promote open and fair competition. These laws deal with agreements and practices such as price fixing, boycotting suppliers or customers, pricing intended to run a competitor out of business, disparaging, misrepresenting, or harassing a competitor, stealing trade secrets, bribery, and kickbacks. Violations of antitrust laws may result in severe penalties such as significant fines against Bollinger. There may also be sanctions against individual employees, including substantial fines and prison sentences.

Antitrust laws apply to all domestic and some foreign transactions by United States businesses. All bid and proposal pricing must be arrived at independently and free from "collusive bidding" with competitors or any other practice that runs afoul of the Federal antitrust laws. Moreover, because verbal exchanges can be viewed as an agreement in violation of antitrust laws, Bollinger employees need to exercise caution whenever meeting with customers or competitors. Because the antitrust laws are complex, employees are instructed to take special care in this area. This Code is not a substitute for legal advice, and any questions on the interpretation of the antitrust laws should be referred promptly to the EVP and Chief Administrative Officer.
II. ACCURATE COMMUNICATIONS

A. Transparent and Complete Statements and Disclosures

All statements and disclosures made in financial reports, public documents, and all other communications issued by the Company must be complete, fair, accurate, truthful, timely and understandable. This is especially true with respect to communications with United States Government officials or representatives but also includes any communications with prime contractors or teaming partners. This obligation applies to all employees, including all accounting and financial executives, with any responsibility for the preparation of such reports, including drafting, reviewing and signing or certifying the information contained therein.

Only Executive Management is authorized to approve representations and certifications on behalf of the Company. Employees should inform the EVP and Chief Administrative Officer if they have concerns about any aspect of our financial disclosures, or if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication. Any employee who is contacted by another employee expressing concerns about questionable accounting, finance, or auditing matters must immediately report those concerns to the EVP and Chief Administrative Officer.

B. False Statements

No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records. Any false statement that is made to the Government, or passed to the Government through a higher-tier contractor, may expose Bollinger to severe criminal penalties. Federal law prohibits anyone from knowingly and willfully making any false statement concerning a matter within the jurisdiction of any department or agency of the United States. 18 U.S.C. § 1001. To be liable under this provision, the statement need not be made directly to the Government. Instead, any statement that could affect some aspect of an agency's function (e.g., false statements to a Federal prime contractor) may also result in liability. The False Statements Act has been construed broadly by Federal prosecutors and courts and extends to both oral and written statements (sworn or unsworn), forms, certifications, invoices, letters, time cards, receipts and quotes.

Bollinger policy requires all statements made to the Government or higher-tier contractors to be complete, accurate, and up-to-date. In addition, if a Bollinger employee is involved in bid or proposal preparation or contract negotiations, the employee must be certain that all statements, communications, and representations to prospective Government customers (and prime contractors) are accurate and truthful.

C. False Claims

Any claim for payment that is falsely made to the Government, or passed to the Government through a higher-tier contractor, may expose Bollinger to severe civil and criminal penalties. The civil False Claims Act, 31 U.S.C. § 3729, prohibits the knowing presentation of false or fraudulent claims for payment or approval. The consequences of civil false claims may include: (1) a fine for each false claim; (2) a fine...
equal to treble damages; and (3) the costs of prosecution. *Id.* False claim actions can be brought directly by the Government or by a private party, or whistleblower, in a *qui tam* action. 31 U.S.C. § 3730. In addition to a civil action, a false claim can lead to conviction under the criminal False Claims Act, 18 U.S.C. § 287, which imposes criminal liability upon those who knowingly make false, fictitious, or fraudulent claims against the United States. Violation of the criminal False Claims Act can result in severe penalties, including fines for convicted organizations and fines and imprisonment for a convicted individual. See 18 U.S.C. §§ 287, 3571, 3581.

It is Bollinger’s policy that all claims made to the Government or a higher-tier contractor be complete, accurate, and up-to-date. Further, only Executive Management may approve claims on behalf of Bollinger.

III. GOVERNMENT AUDITS AND INVESTIGATIONS

A. Audits and Investigations

Bollinger and its employees must not improperly influence, manipulate or mislead any audit, nor interfere with any auditor performing an independent audit of Bollinger’s books, records, processes or internal controls. Bollinger is committed to providing full cooperation in its dealings with Government agencies or officials in connection with any investigation, audit or corrective action relating to Bollinger’s Government business, as required by FAR 52.203-13 and Bollinger’s obligations as a responsible Government contractor. This includes, at a minimum, providing timely and complete information when requested. All Bollinger employees must fully cooperate with Company and Government auditors or investigators and be truthful when communicating with them, though nothing in this Code should be interpreted as requiring the Company or an employee to waive the right to seek legal counsel or the attorney-client privilege, or any rights under the Fifth Amendment. Nor should this Code be interpreted as discouraging any Bollinger employee from reporting any illegal activity to the appropriate regulatory authority.

Government procurement investigations can be classified into five general categories: (1) audits, (2) interviews, (3) subpoenas, (4) civil investigative demands, or (5) search warrants. Each step of an investigation presents unique issues. At all times, there exists the possibility that Bollinger or its employees may unknowingly forfeit or waive certain rights or advantages without receiving appropriate legal guidance. Accordingly, the Company and its employees should always obtain legal advice prior to responding to any Government investigation. Employees should likewise immediately notify the EVP and Chief Administrative Officer if approached by a Government official in connection with an investigation.

Three overriding principles should guide Bollinger in all areas of contact with the Government:

- Bollinger and its employees have an absolute right to consult with legal counsel before taking any action. Bollinger employees should always obtain legal advice prior to responding to a Government investigation.
- Bollinger and its employees must not alter or destroy any documents relating to an investigation or take any action that would improperly hinder an investigation.
• In any conversation with a Government agent, you should either (a) decline to answer or (b) if you do answer, tell the truth.

B. Obstruction of Justice and Related Conduct

The Government uses a variety of criminal statutes to punish and deter interference with Federal audits and investigations. In addition, statutes specifically prohibit employees from engaging in certain behavior, including:

• Knowingly and willfully making false statements (oral or written) concerning a matter within the jurisdiction of any department or agency of the United States;
• Falsifying, concealing, or covering up a material fact that is required to be disclosed;
• Attempting to influence, obstruct, or impede a Federal auditor in the performance of official duties;
• Attempting to influence, obstruct, or impede the due administration of justice, including grand jury proceedings, investigatory actions such as DCAA audits, and civil litigation by the Government.

In addition to these prohibitions, the Federal witness tampering statute prohibits influencing a witness or informant by threats, force, or misleading conduct with the intent to hinder, delay, or prevent the communication of information to a Federal law enforcement officer regarding the possible commission of an offense. Bollinger takes cooperation with Federal audits and investigations seriously. Accordingly, employees must cooperate with investigators and be truthful in their communications.

IV. CORPORATE RECORDKEEPING

A. Accurate Records

Bollinger creates, retains and disposes of Company records as part of the normal course of business in compliance with all Bollinger policies and guidelines, as well as all regulatory and legal requirements. Bollinger is committed to maintaining and providing corporate records that are true, accurate and complete. Accordingly, transactions between Bollinger and outside individuals and organizations must be promptly and accurately entered into our books in accordance with Bollinger’s policies and other applicable accounting principles. Employees and supervisors are responsible for ensuring that labor and material costs are accurately recorded and charged on the Company’s records. These costs include, but are not limited to, normal contract work and bid and proposal activities.

B. Records Retention

Company records must be retained according to Company policies regarding records retention and all applicable laws, regulations and contract requirements. The laws governing Government contracts contain strict rules requiring Bollinger to maintain accurate and complete records, even after contract performance is completed. Government contracts and subcontracts normally contain clauses that require compliance with the record retention requirements of the Federal Acquisition Regulations (“FAR”). Regulations governing the retention of documents are contained in FAR Subpart 4.7, Contractor Records Retention, which apply to contracts that contain one of the following clauses:
• Audit and Records – Sealed Bidding (FAR 52.214-26)
• Audit and Records – Negotiation (FAR 52.215-2)

FAR 52.215-2, Audit and Records-Negotiation, requires Bollinger to maintain records documenting contract cost, performance, and supporting records for cost, funding or performance reports. This provision also allows the Government to audit these records. Accordingly, it is essential that Bollinger employees maintain accurate and complete records (including records in electronic format) for the period(s) required by the contract and the FAR.

Furthermore, no Bollinger employee may ever destroy, alter, mutilate or conceal any record if the employee has been directed to retain the record or if the employee knows, contemplates or reasonably believes there is a possibility of any litigation or any internal or external investigation that may involve that record or the matter to which it relates. In some circumstances, Bollinger’s General Counsel may suspend normal records retention and document destruction procedures for a particular matter, and any related records must be retained and may not be destroyed throughout the suspension period.

V. ACCOUNTING AND FINANCIAL CONCERNS FOR GOVERNMENT CONTRACTORS

A. Unallowable Costs

No cost may be billed to the Government contract if the cost is unallowable by regulation or contract provision or is otherwise improper. Part 31 of the FAR sets forth “cost principles” defining costs that will be considered “allowable” by the Government in the negotiation, administration, and performance of its contracts. For a cost to be allowable, it must generally be (1) reasonable, (2) allocable to the specific contract, (3) measured and allocated using Cost Accounting Standards or generally accepted accounting principles, (4) in accordance with the terms of the contract, and (5) not prohibited by one of the FAR Part 31 cost principles. It is Bollinger policy to maintain adequate records and supporting documentation to demonstrate that claimed costs were incurred are allocable to the contract, and comply with applicable cost principles. Employees performing work under United States Government contracts must be particularly careful to ensure that hours worked and costs incurred are allocated to the proper account.

B. Overhead Rates and Forward Pricing

Bollinger’s Government contracts frequently require Bollinger to submit to the contracting officer a final indirect cost rate proposal based on actual costs from the Company’s accounting records and the actual indirect cost rates for each rate in the indirect cost accounting structure. See, e.g., FAR 52.216-7. This submission may be audited by the Government, and final indirect cost rates will be negotiated after the audit is completed.

Final indirect cost rate submissions must include the Certificate of Final Indirect Costs. See FAR 52.242-4. Bollinger must certify that all costs included in the proposal are allowable in accordance with the FAR and its supplements applicable to the contracts to which the rates will apply, and that the submission does not include any expressly unallowable costs under FAR Part 31.
The Allowable Cost and Payment clause also requires that Bollinger submit (and the contracting officer agree to) forward pricing indirect cost rate information to establish provisional billing rates to be used on vouchers during the years before the final actual rates are determined. These billing rates shall be the anticipated final rates and may be prospectively or retroactively revised by mutual agreement, at either party’s request, to prevent substantial overpayment or underpayment.

It is Bollinger’s policy that its indirect cost rates and forward pricing indirect cost rates be true and accurate.

C. **Truth in Negotiations Act**

The Truth in Negotiations Act (“TINA”), 10 U.S.C. § 2306a, 41 U.S.C. 254b, requires Bollinger to submit cost or pricing data for non-exempt negotiated Federal contracts and subcontracts in excess of statutory amounts, and to certify that such data is accurate, complete, and current as of the date of final agreement on price. TINA also requires that, for three years after final payment, Bollinger allows the Government to audit its records to evaluate the accuracy, completeness, and currency of the data. If the Government finds the contract price was materially increased by cost or pricing data that was not accurate, complete, and current, Bollinger could be forced to accept a price reduction, plus interest.

TINA requires Bollinger to submit cost or pricing data prior to the award of a negotiated contract or subcontract in excess of $650,000, or prior to the pricing of a change or modification (increase or decrease) of any sealed bid or negotiated contract or subcontract in excess of $650,000. “Cost or pricing data” is defined as all the facts that prudent buyers and sellers would reasonably expect to affect price negotiations significantly. To satisfy the requirement, Bollinger, in appropriate contractual contexts, must disclose such things as quotations, changes in production methods, unit cost trends, make-or-buy decisions, and management decisions that could reasonably be expected to affect price negotiations.

Certified cost or pricing data is not required:

1. Where the price agreed upon is based on adequate price competition;
2. Where the price agreed upon is based on prices set by law or regulation; or
3. In the acquisition of commercial items.

In addition to these mandatory exceptions, the head of the contracting activity may waive the requirement for submission of cost or pricing data with a written justification. Even where certified cost or pricing data is not required, the contracting officer may nevertheless require submission of information “other than cost or pricing data” to support a determination of price reasonableness or cost realism. In those situations, Bollinger may have to submit data such as pricing, sales, or cost information and uncertified cost or pricing data.
Bollinger employees must ensure that all cost or pricing data, or “other than cost or pricing data” is complete, accurate, and up-to-date. Further, only Executive Management or a designee is authorized to submit cost or pricing data, or “other than cost or pricing data,” on behalf of Bollinger.

D. Government Furnished Property

Government Furnished Property (“GFP”) is property in the possession of, or directly acquired by, the Government and subsequently made available to the contractor, as well as any related data and information that may reasonably be required for the intended use of the property. See FAR 45.101. The Government retains title to this property, and Bollinger is therefore responsible and accountable for all Government furnished property in its possession and assumes the risk of loss or damage. Typically, GFP will be identified in a contract’s schedule or specifications, and it must be accounted for in accordance with the contract’s requirements.

Under the standard GFP clause, a contractor’s obligations with respect to GFP include: (1) mitigating the cost of repairs at the Government’s expense if the property is unsuitable for use; (2) timely notifying the Government if GFP is furnished late or is unsuitable for use; (3) minimum requirements for care, maintenance, and use of GFP, often including the establishment of a written property control system. See FAR 52.245-1. If GFP is delayed or unsuitable, the contractor can generally recover reasonable expenses that result and may be entitled to an extension of the performance schedule.

It is Bollinger policy that Bollinger employees treat all GFP with the utmost care. Employees shall ensure that GFP is used only for the performance of the specific contract for which it was provided to Bollinger. Employees must notify the Vice President of Program Management, Vice President of New Construction Production and/or the EVP and Chief Administrative Officer of any untimely or unsuitable GFP that is received by Bollinger. Moreover, each Program Manager must maintain inventory of all GFP associated with his or her Federal project in a manner that the Government can easily audit.

E. Timekeeping Requirements

All Bollinger employees whose time is directly charged to a Government contract must maintain accurate and regular timekeeping records. Bollinger uses timekeeping practices that ensure the maintenance of accurate records, which correctly identifies the work performed by its employees. Employees have an obligation to follow the Company’s timekeeping policies and procedures, and to record accurate information. Failure to follow these requirements could result in corrective action up to and including termination. Failure to follow these requirements could also result in violation of the False Claims Act and possible civil and criminal penalties.

VI. CONTRACT PERFORMANCE ISSUES

All contracts must be performed in compliance with the applicable specifications, requirements, and clauses. Bollinger employees must ensure that all of these obligations are met. Employees should contact the Vice President of Program Management, Vice President of New Construction Production and/or the EVP and Chief Administrative Officer with any questions.
A. Quality Control

Bollinger is committed to producing quality products that meet all contractual obligations and the Company’s own quality standards. The products Bollinger delivers must:

- Meet contract specifications;
- Be made from materials that meet or exceed contract requirements;
- Be properly tested and inspected;
- Be properly identified as to domestic or foreign-origin, if applicable;
- Comply with all applicable laws and regulations.

Bollinger employees must be alert to any additional contract-specific quality control requirements or standards specified in any Bollinger contracts with the Government or Federal prime contractor customers and must inform the appropriate supervisor of any concerns that such additional requirements are not being properly satisfied.

B. Contract Claims

When disagreements arise under contracts involving Bollinger and the Government or Government prime contractors, there are detailed procedures Bollinger must follow to resolve any disputes. Bollinger’s contracts in the Federal marketplace may require Bollinger to submit written “claims” when Bollinger seeks additional payments. Bollinger also may be required to “certify” the accuracy, completeness, and legal basis for any such claim. This submission – like all others to the Government or any Federal prime contractors – is subject to “false statements” and “false claims” provisions. Under every circumstance, Bollinger employees must take great care in preparing claims and ensuring that all statements, representations and monetary amounts included in the claim are complete and accurate.

It is Bollinger policy that no contract claims submitted to the United States Government or higher-tier contractor under a Government contract be prepared without the approval of Executive Management. To the extent that a Bollinger employee believes a contract claim should be filed, he or she should immediately contact the Vice President of Program Management responsible for Government Programs and/or the EVP and Chief Administrative Officer.

C. Export Control Laws

Various export control laws apply to Government contractors such as Bollinger. The Export Administration Regulations (“EAR”) regulate exports of commercial and dual-use (commercial or military, but primarily commercial) commodities, software, and technology from the United States and “reexports” of United States-origin items from one foreign country to another. Items subject to the EAR are listed on the “Commerce Control List.” The EAR also covers foreign-manufactured items that incorporate more than a certain percentage of United States-origin content, certain foreign products of United States technology, and United States technology that is released to a foreign national regardless of where the release occurs. The United States Department of Commerce, Bureau of Industry and Security is
responsible for the administration and enforcement of the EAR, and has export licensing jurisdiction for items subject to the EAR.

The International Traffic in Arms Regulations ("ITAR") controls the export of military-use hardware and software, as well as "deemed exports" of technical data. Items subject to the ITAR are listed on the "United States Munitions List." An export of technical data or a defense service occurs when data is physically transferred to, or a service is performed in, a foreign country. A "deemed export" occurs when data is disclosed or a service is provided to a foreign person in the United States. The United States State Department, Directorate of Defense Trade Controls is responsible for the administration and enforcement of the ITAR and the issuance of appropriate export licenses.

The Treasury Department, Office of Foreign Assets Control ("OFAC") administers and enforces United States laws and regulations that impose economic sanctions on certain designated countries, individuals, or entities. OFAC administers comprehensive economic embargoes against countries such as Cuba, Iran, and Sudan, which prohibit United States persons from engaging in most trade and financial transactions with those countries and, with some exceptions, freeze the United States assets of the country and its nationals. More limited sanctions are in place against countries, such as Liberia, Myanmar (Burma), North Korea, Sierra Leone, Syria and Zimbabwe. In addition, the OFAC maintains a list of persons subject to sanctions, known as the list of "Specifically Designated Nationals", with whom United States individuals and companies must not do business.

Bollinger is committed to full compliance with all applicable United States export control laws and regulations, including EAR and ITAR, as well as all United States laws and regulations administered by OFAC. Any Bollinger employee with questions about these export control laws, or any other export issues, must contact the Vice President of Program Management, Vice President of New Construction and/or the EVP and Chief Administrative Officer immediately.

VII. HEALTH, SAFETY AND ENVIRONMENT

Bollinger’s goal is to be the safest and most environmentally friendly shipyard in America. As a result, all employees receive initial and ongoing safety and environmental training. Bollinger employees must immediately report to the appropriate supervisor any accident or injury sustained on the job, or any environmental or safety concerns that arise. Any questions regarding safety practices or policies may be directed to any Facility Safety Coordinator, HSE Specialists, the Vice President, Health, Safety and Environmental (HSE) and/or the EVP and Chief Administrative Officer.

Additionally, Bollinger is committed to providing a drug-free work environment for all employees in accordance with the Drug-Free Workplace Act of 1988. Accordingly, Bollinger strictly prohibits the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the workplace. See FAR §§ 23.504(a)(2); 52.223-6(b). Any employee who violates this policy will face prompt corrective action up to and including termination. Any Bollinger employee must notify his or her supervisor within five calendar days of any arrest or conviction regarding a violation of a criminal drug statute that occurs in the workplace.
VIII. COMPANY LOYALTY

A. Company Resources

Company resources, including time, material, equipment and information, are provided for Company business use. Nonetheless, occasional personal use is permissible as long as it is approved by the President and CEO and does not affect job performance or cause a disruption to the workplace.

Employees and those who represent Bollinger are trusted to behave responsibly and use good judgment to conserve Company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

Without prior approval by management, Company assets such as stationery, offices, meeting rooms, email, internet, intranet, bulletin boards, telephones, computers, copiers and handheld communication devices, etc. are not to be used for purposes other than Company business. Employees are expected not to solicit contributions or distribute non-work related materials during work time or in work areas.

In order to protect the interests of the Bollinger network and all Bollinger employees, Bollinger reserves the right to monitor or review all data and information contained on an employee’s Company-issued computer or electronic device, the use of the internet or Bollinger’s intranet. Bollinger will not tolerate the use of Company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate. Employees should not have any expectation of privacy with respect to messages or files sent, received, or stored on Bollinger’s systems. Messages and files, including but not limited to email inbox, sent items, folders and archived messages and attachments, like other types of correspondence and documents, can be accessed and read by authorized employees or authorized individuals outside the Company, including but not limited to contractors and law enforcement agencies authorized by Bollinger to access Bollinger’s systems. More specific information is outlined in Bollinger’s Electronic Communications policy. All employees will abide by this policy at all times in the course of their responsibilities.

Questions about the proper use of Company resources should be directed to the EVP and Chief Administrative Officer.

B. Media Inquiries

Bollinger is a high-profile company in the community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that Bollinger speaks with “one voice” and provides accurate information about the Company, employees should direct all media inquiries to the EVP and Chief Administrative Officer. No one may issue a press release without Executive Management approval.
IX. **COMPLIANCE AND ENFORCEMENT**

A. **Substance Over Form**

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. At Bollinger, we must have the courage to tackle the tough decisions and make difficult choices; secure in the knowledge that Bollinger is committed to doing the right thing. At times this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we *should* do so.

Although Bollinger’s guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

B. **Do the Right Thing**

Several key questions can help identify situations that may be unethical, inappropriate or illegal. Ask yourself:

- Does what I am doing comply with Bollinger guiding principles, Statement of Core Values, Code of Conduct and other Company policies?
- Have I been asked to misrepresent information or deviate from normal procedure?
- Would I feel comfortable describing my decision at a staff meeting?
- How would it look if it made the headlines?
- Am I being loyal to my family, my Company and myself?
- What would I tell my child to do?
- Is this the right thing to do?

C. **Reporting Improper Conduct**

Each Bollinger employee has an individual responsibility for understanding and complying with this Code. Bollinger employees are also expected to immediately report any suspected violations of this Code or other irregularities by any Bollinger principal, employee, agent, or subcontractor.

As described in more detail in the Ethics Hotline Policy, reports may be made to an employee’s direct supervisor, a manager within his/her chain of management, Human Resources or to the EVP and Chief Administrative Officer, or they may be made anonymously and confidentially via the Ethics Hotline, which is administered by the EVP and Chief Administrative Officer. Regardless of how they are submitted, all reports of improper conduct will be treated confidentially, and investigated and reported as appropriate to Government authorities if Bollinger determines that there is credible evidence of prohibited conduct. As a matter of law and consistent with Bollinger policy, no adverse action or retaliation of any kind will be taken against an employee because he or she reports a suspected violation of this Code or any other irregularity. If you have any questions about this requirement, please consult the Ethics Hotline policy or contact Human Resources.
D. **Annual Notification/Training**

All Bollinger employees will receive annual notification/training regarding their responsibility as it relates to our Code of Conduct in general, as well as Conflicts of Interest, Gifts and Gratuities and business courtesies.

E. **Corrective Action**

In the course of applying the Employee Code of Conduct, if it is substantiated that any Company employee has engaged in any activity that is in violation of the Code or any other Company policy, that employee may be subject to corrective action, up to and including termination.

F. **Information and Resources**

Questions about this Code of Conduct or any other issue should be referred to any of the following individuals:

**President and CEO**, Ben Bordelon

**Executive Vice President and Chief Administrative Officer**, Craig Roussel

**Executive Vice President and Chief Financial Officer**, Andrew St. Germain

**Vice President, Sales**, Eric Bollinger

**Vice President, Health, Safety and Environmental (HSE)**, Jodi Satches

**Director of Human Resources**, Jerome Eymard

G. **Contact Information**

**Executive Vice President and Chief Administrative Officer**, Craig Roussel, 985-532-7214 (W), 985-413-0057 (C)

**Human Resources Director**, Jerome Eymard, 985-532-7246 (W), 985-855-4191 (C)