



TO: All Employees/Applicants
FROM: Chief Executive Officer/President

SUBJECT: UNLAWFUL HARASSMENT POLICY

Bollinger Shipyards, LLC and all of its subsidiaries and affiliates (hereinafter collectively referred to as "Company") has a long standing policy of ensuring an environment which respects the dignity and worth of each individual and which is free from all forms of unlawful discrimination, including sexual harassment and harassment because of race, color, sex, age, religion, national origin, sexual orientation, gender identity, as well as any other category protected by law. Discriminatory harassment, including sexual harassment, will not be tolerated. This policy applies to all harassment occurring in the work environment, including harassment occurring at a customer or vendor setting, or at any other Company-related setting. The policy covers all employees of the Company and its subsidiaries and affiliates.

1. TYPES OF HARASSMENT

a. SEXUAL HARASSMENT

For purposes of this policy, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal, physical, or any other conduct of a sexual nature when the following exists:

- Submission to such conduct is either explicitly or implicitly made a term or condition of an individual's employment; or,
- Submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or,
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Some examples of what may constitute sexual harassment are threatening or taking adverse employment actions if sexual favors are not granted; demands for sexual favors in exchange for favorable or preferential treatment; unwelcome and reported flirtations, propositions, or advances; unwelcome physical conduct; whistling, leering, improper gestures, or offensive remarks, including unwelcome comments about appearance; sexual jokes or inappropriate use of sexually explicit or offensive language; and, the display in the workplace of sexually suggestive objects or pictures. The above list is not intended to be all-inclusive.

b. OTHER PROHIBITED HARASSMENT

For purposes of this policy, other prohibited harassment is defined as either verbal, physical, or any other conduct which offends, denigrates, or shows hostility or aversion toward an

individual because of race, color, religion, gender, national origin, age, ancestry, disability, or any other characteristic protected by law and that has the purpose or effect of the following:

- Creating an intimidating, hostile or offensive work environment; or,
- Unreasonably interfering with an individual's work performance.

This further includes and applies to the use of E-mail, fax, phone, or other means which may be used to communicate offensive, harassing, or denigrating material. Some examples of such harassment include, but are not limited to, using epithets or slurs; threatening, intimidating, or engaging in hostile acts which focus on a protected characteristic, including jokes or pranks; or, circulating or posting in the workplace written or graphical material which offends, denigrates, or shows hostility or aversion to a person or group because of a protected characteristic.

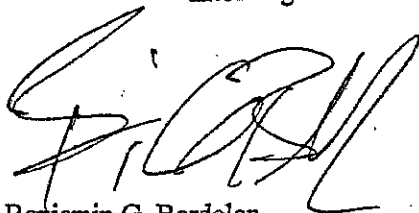
2. REPORTING HARASSMENT

The Company requires the prompt reporting of all incidents or discriminatory harassment. If you believe you are being harassed or have observed harassment, you are required to promptly notify Jerome Eymard, Director of Human Resources at the Lockport office (985-532-2554, ext. 5504, toll free at 1-877-465-1985, or E-mail jeromee@bollingershipyards.com) or the Senior Counsel at the Lockport office (Rachael Bollinger Battaglia, 985-532-2554, ext. 5619 or E-mail rachaelb@bollingershipyards.com). Reports may also be made to the EVP/Chief Administrative Officer at the Lockport office (Craig Roussel, 985-532-2554, ext. 5412 or E-mail craigr@bollingershipyards.com) or through our Ethics Hotline (985-354-5023 or 1-888-854-5023).

When a report of harassment is made, the Company's Human Resources or Legal Department will undertake a prompt and thorough investigation as may be appropriate under the circumstances. The steps to be taken during the investigation will vary depending upon the nature of the allegations. Confidentiality will be maintained throughout the investigation process to the extent practical and consistent with the Company's needs. Upon completion of the investigation, the outcome will be communicated to the aggrieved party and to the person(s) accused. Remedial action will be taken, if appropriate.

Individuals who report harassment or who are involved in the investigation of a harassment complaint will not be subject to reprisal or retaliation. Retaliation is regarded as a very serious violation of this policy and must be reported immediately.

The managers and supervisors of the Company will be held accountable for adhering to this policy, for reporting promptly any incident of harassment, and for maintaining a positive and productive work environment. If any Company manager or supervisor receives a report of harassment or believes that an incident of harassment has been observed, the manager or supervisor is required to promptly notify one of the individuals listed above. Failure to make the required notification may subject the manager or supervisor to corrective action, up to and including termination of employment.



Benjamin G. Bordelon
Chief Executive Officer/President