

Bechtel Business Ethics



OUR
CODE *of*
CONDUCT



Vision + Values

Our Vision

To be the world's premier engineering, construction and project management company

Our Values

Building on a family heritage that spans more than 100 years, we will continue to be privately-owned by active management and guided by firmly held values.

- **Ethics.** Uncompromising integrity, honesty and fairness are at the heart of our company.
- **Excellence.** We set high standards. We apply advanced technology and we continually innovate and improve. We thrive on challenge and accomplishment.
- **Return.** We earn a return that fairly rewards the value that we deliver.
- **Mutual Respect.** We work by our Bechtel Covenants, which encourage openness to transparency, teamwork and trust. We value an inclusive culture based on diverse backgrounds, experience and views.
- **Safety.** Zero accidents is our unwavering goal—people's lives depend upon it.
- **Sustainability.** We plan and act for the future—for the long-term good of our company, our customers and our world.

Bechtel Covenants

- 1 Treat Bechtel colleagues with mutual respect, trust and dignity** and believe that they are acting in the best interests of the company.
- 2 Help each other;** ask for and give help and welcome it freely (it is not a sign of weakness). Go out of your way to provide extra support to fellow employees. **Share experiences and lessons learnt;** both successes and failures.
- 3 Communicate early, honestly and completely** with all who have a direct interest in the subject. Listen to others' points of view.
- 4 Earn trust** by accepting and honouring agreements, keeping promises and discussing needed changes before acting.
- 5 Work to understand Bechtel goals and strategies** and proactively support them through discussions, communications and actions (for example, sharing resources).
- 6 Never undermine colleagues** directly or indirectly.
- 7 Work jointly to resolve disagreements** in good faith. If necessary, go to a higher authority together, then accept and support the solution.
- 8 Contribute constructively** by exercising the highest level of professional and ethical behaviour.
- 9 Promote the continuous use of the covenants.**

**Ethics, uncompromising integrity,
honesty and fairness are at the
heart of our company**

—from the Bechtel Charter’s Vision + Values

More than 110 years ago, my great grandfather, Warren A. Bechtel, started this company on a foundation of integrity. He would say, ‘If you can’t trust a man’s handshake, you can’t trust his signature.’

And he was right. Integrity was a business imperative back then and it remains a business imperative today—because without it, we have no business.

Bechtel’s integrity as a company comes only from our integrity as individuals. Every day, each of us must conduct every aspect of our work fairly according to the highest ethical business standards, including complying with all applicable laws and regulations. As with safety, there is no room for compromise. At all.

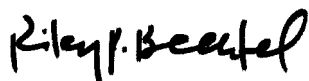
This Code of Conduct brings all of our business ethics guidelines together under one roof. It updates and replaces our previous Bechtel Business Ethics booklet and the formerly separate Standards of Conduct and Business Ethics booklets for Bechtel Systems & Infrastructure, Inc. (BSII) and Bechtel Infrastructure, Inc. (BINFRA).

The information in this code will help to guide you in a business environment that has become ever more complex. These guidelines cannot cover every conceivable circumstance, so Bechtel depends on you to use your common sense and good judgement to apply these principles in each situation.

If you have business ethics questions or concerns, don’t hesitate to ask your supervisor, manager, the Legal Department or your local ethics and compliance officer. You can always contact the Ethics Helpline as listed on page 75.

No single person can uphold our commitment to ethics and integrity. It takes all of us.

Thank you,



Riley P. Bechtel
Chairman and Chief Executive Officer

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Introduction

What is Bechtel's Code of Conduct?

Bechtel's Code of Conduct is designed to help you to recognise and resolve the ethics and compliance issues that may arise in your daily work. It provides general information and practical advice about the behaviour that is expected of Bechtel employees both on and off the job. This Code of Conduct has been endorsed and adopted by our board of directors and it replaces all previous ethics booklets, including the BSII and BINFRA Standards of Conduct booklets.

To whom does it apply?

Our Code of Conduct summarises the standards of conduct that guide our actions and applies globally to all Bechtel employees, and to members of the board of directors, agents, consultants, contracted labour and others when they are representing or acting for, or on behalf of, Bechtel. We expect our partners, sub-contractors and suppliers worldwide to be guided by these principles as well. We seek out customers and partners who share our values and standards of conduct.

How Do I Use This Booklet?

Please familiarise yourself with this Code of Conduct. If you have any questions about the appropriateness of a particular act or contemplated course of conduct, look through the Table of Contents to find the section that most applies to your issue. Each section contains a summary of the relevant Bechtel policy, examples of the specific behaviour expected of us with regard to that policy, practical examples in Q&A format and information on where to find further guidance. For example:

- You receive a birthday card from a supplier that contains a \$100 gift certificate. Can you keep it? Go to 'Accepting Business Courtesies'.
- A customer representative offers you some freelance work updating their technical procedures. Can you do it in your own time? Go to 'Proper Relationships With Suppliers'.
- You are active in a social networking site on the Internet. Can you identify yourself as a Bechtel employee? Go to 'Proper Use of Bechtel's Time and Assets'.

Common Questions

What should I do if I still have questions after consulting this booklet or if I need an interpretation of the applicable Bechtel policy?

There are several resources that you can turn to for further guidance. Consider speaking to your manager, supervisor or local ethics and compliance officer. You can also contact the Bechtel Ethics Helpline on ethics@bechtel.com or +1 800 BECHTEL (+1 800 232 4835) in the United States or one of international numbers listed on the Ethics and Compliance site on BecWeb.

A lot of the information in this booklet seems to be focused on U.S. law, but I live and work in a different country. What does all the U.S. law have to do with me?

Because Bechtel is a U.S. corporation, U.S. laws generally apply to Bechtel and its employees around the world. Bechtel complies with all applicable laws, so you need to understand and follow U.S. and local country laws unless compliance with a local law would violate U.S. law, such as the Arab League boycott of Israel (see Anti-Boycott on page 36).

Conducting Bechtel's Business

This section deals with the ethics and business conduct issues that you may encounter when dealing with people and organisations both inside and outside the company. It also contains information about certain legal issues that may arise in your daily work.





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General Standards

Summary of Bechtel Policy

Bechtel is committed to the highest standards of ethical business conduct and seeks to do business with customers and partners who share these values. The company conducts all of its business transactions properly, fairly, impartially and ethically, and avoids even the appearance of impropriety. Honesty is an integral part of ethical behaviour and trustworthiness is essential for strong, lasting relationships. This ethical standard is one of Bechtel's most valuable assets and is a direct result of the conduct of its employees.

Bechtel has developed ethics and compliance education and awareness programmes in many subject areas in order to provide employees with job-specific compliance training and to raise their level of awareness and sensitivity to key issues. All employees are expected to participate in ethics awareness workshops annually and complete compliance training as assigned.

What behaviour is expected?

- Apply the highest standards of ethical business conduct, in both spirit and conduct, in your day-to-day work
- Treat all persons with whom Bechtel does business fairly and avoid situations that could create the appearance of bias or favouritism
- Communicate honestly; if you believe that someone may have misunderstood you, try to clarify the situation immediately
- Do not misrepresent yourself or Bechtel to anyone
- Report any observed conduct that is potentially unethical, unlawful, unsafe or otherwise at odds with Bechtel standards of conduct or company policy
- Cooperate fully with any company investigation regarding an allegation of behaviour that potentially violates Bechtel's ethical standards
- Participate in ethics awareness training annually and complete all assigned compliance training

Common Questions

What does it mean to conduct all business transactions in a proper, honest, fair, impartial and ethical manner?

We should always treat our customers, suppliers, competitors and fellow employees with respect and fairness. No Bechtel employee should ever take unfair advantage of anyone through manipulation, concealment, misrepresentation, abuse of proprietary information or any other unfair business practice.

If I see something that violates the Code of Conduct, do I have to report it?

Yes. We all have an obligation to inform the company of any incidents of unlawful or unethical conduct or violations of company policy. Bechtel wants to do things properly and we can't resolve a problem if we don't know about it. Failure to report observed misconduct may result in disciplinary action.

What if I'm not sure about the facts or don't have enough information to conclude that a violation has occurred?

We are all responsible for raising questions if we are concerned that the Bechtel standards of conduct are not being met. Talk to your manager or your organisation's ethics and compliance officer or contact the Ethics Helpline. They can help you to determine whether there is an ethics issue.

Further Guidance

If you find yourself in a situation where you are unsure of the proper business practice or are confused about any Bechtel policy, consult Corporate Policy 102, Standards of Conduct. If you still have any questions, ask for help. Consult your supervisor or manager, Human Resources, the Legal Department, your organisation's ethics and compliance officer or the Bechtel Ethics Helpline for guidance.

Diversity and Fair Employment

Summary of Bechtel Policy

Under the Bechtel Covenants, we encourage openness to transparency, teamwork and trust. Our success depends on our ability to build dynamic, diverse, mobile teams whenever and wherever they are needed. We respect each other and value the diversity that comes from our different backgrounds, experience and views.

Bechtel is an equal opportunity employer and bases employment decisions on merit, experience, skills and potential. Employment decisions are made without regard to race, colour, gender, age, religion, national origin, ancestry, physical or mental disability, veteran status (U.S. only), sexual orientation and other grounds for discrimination that are prohibited by applicable law.

Bechtel maintains a work environment that is free from unlawful discrimination, harassment and/or retaliation. We do not tolerate harassing conduct that affects tangible job benefits, interferes with an individual's work performance, or creates an intimidating, hostile or offensive work environment, regardless of workplace location, which may include a customer's premises or an off-site business meeting.

Bechtel does not tolerate activities that support trafficking in persons or the use of child labour or forced labour in the performance of Bechtel contracts by our employees or our sub-contractors.

What behaviour is expected?

- Think and act globally by attracting, developing and retaining a diverse workforce that generates innovation and promotes inclusion
- Maintain a work environment that promotes respect for all employees and for the human rights of co-workers, partners, suppliers, customers and community neighbours
- Work productively with employees, customers and contractors in order to leverage the talents, skills and experiences of everyone to meet individual and organisational goals
- Support Bechtel's commitment to diversity in our global workforce
- Never engage in inappropriate sexual banter or make inappropriate sexual advances to employees or others in the workplace
- Tell no off-colour, stereotypical or offensive jokes that may violate our policy
- Never use derogatory references to any race, age, gender, religion, ethnic group or disability
- Never send e-mails or notes that are sexually suggestive or contain comments, jokes or pictures that are offensive based on race, age, gender, religion, ethnic group or disability

Common Questions

How does Bechtel benefit from diversity?

Bechtel's commitment to maximising the unique talents and perspectives of our workforce gives us a competitive advantage because we can leverage those differences to achieve better results. This enables Bechtel to better understand and meet the diverse requirements and expectations of our global customers. Diversity and inclusion also helps Bechtel to attract and retain highly-talented employees from around the globe.

What should I do if I experience or witness an incident of discrimination or harassment?

Promptly report any such incident to your supervisor, manager or Human Resources. In the United States, you can also contact the Employee Dispute Resolution Specialist on 1-888-EDR-INFO.

Further Guidance

If you have any questions regarding Bechtel's diversity programme, please refer to Bechtel's Diversity BecWeb page. Information about Bechtel's Equal Employment Opportunity policy can be found on Bechtel's EEO-AA BecWeb pages. You can also consult the Bechtel Workplace Relationships policy, which is Policy A401J in the Personnel Policy Manual—International ('Greenbook') and Policy 401J in the Personnel Policy Manual—U.S. ('Redbook').

Commitment to the Environment, Safety and Health

Summary of Bechtel Policy

Bechtel conducts all business with the greatest care for the environment and for the health and safety of its employees, partners, contractors and customers, as well as the people in the communities where we work. We are committed to achieving and sustaining 'Zero Accidents' performance and to working with all the appropriate stakeholders to improve ES&H (Environment, Safety and Health) effectiveness in our industry. Maintaining that commitment demands that the company and its employees understand and comply with all applicable environmental, safety and health laws and regulations.

What behaviour is expected?

- Perform all work with a commitment to eliminating and/or mitigating environmental, safety and health hazards and impacts
- Conduct all activities in a manner that protects Bechtel employees, customers, sub-contractors and local communities, and that also respects the rights of neighbours to community safety and security
- Make sure that you and others in your area of responsibility understand and comply with Bechtel standards and the applicable regulations on environmental, safety and health laws and community health, safety and security
- Understand the environmental, safety and health conditions and the associated hazards of your work area
- Notify your manager and ES&H of any serious and/or potentially serious safety and health incidents
- Ensure that lessons learnt with regard to environmental, safety or health incidents, new technologies and changes in laws and regulations are communicated to others in your work area

Common Questions

How do I find out about the safety and health conditions in my work area?

All Bechtel projects are required to develop and keep a current ES&H Plan containing a listing of all safety and health requirements and hazards. The plan is also a source for identifying how the requirements apply at the site and how the hazards are mitigated. In addition, the plan contains a listing of responsibilities for the site personnel with regard to safety and health requirements.

How can I learn about the environmental requirements for my project work site?

All Bechtel projects are required to develop and keep a current Construction Environmental Control Plan (CECP) containing a list of all environmental requirements and how they apply at the site. The CECP also develops a list of responsibilities for the site personnel with regard to environmental requirements.

How do we try to avoid adverse impact upon community health, safety and security?

We seek to engage in our EPC activities in a way that does not negatively impact upon the physical or mental safety of our neighbours, infringe upon their security of property or economic activities or contribute to the deterioration of their community by way of increased crime or social disruptions caused by our activities or their immediate side effects.

Further Guidance

If you are unsure of the proper environmental, safety and/or health requirements or procedures, regardless of whether they are external or internal requirements, ask for clarification and/or help. First, consult with your supervisor or manager, then with the site ES&H supervisor. If further clarification is needed or a concern remains, contact your GBU (Global Business Unit) and/or corporate ES&H professional. Another resource is the ES&H site on BecWeb.

Proper Use of Confidential and Proprietary Information

Summary of Bechtel Policy

Bechtel employees may have access to various types of proprietary, confidential or private information belonging to Bechtel or its customers, suppliers, employees or others (confidential information). Employees must use confidential information only for its intended purposes and as part of their duties at Bechtel. Such information may be shared with employees or other persons only on a need-to-know basis, as authorised by the Bechtel person responsible for such information.

Confidential information includes business, financial, marketing and operating information that is sensitive to Bechtel, its customers or others, including:

- Engineering and construction procedures and know-how
- Personnel data, such as health and salary information
- Client-or supplier-provided information marked 'Confidential'

What behaviour is expected?

- Never use company, customer, supplier or employee confidential information other than for its intended business purpose
- Comply with the non-disclosure agreements to which Bechtel is a party
- Do not accept confidential information that is unrelated to your job
- If you receive information that is not marked confidential, but that you believe it is confidential, bring it to the attention of the person who gave it to you and follow up if necessary to make sure that the information is properly classified and protected
- If your duties require you to perform research to gain an understanding of competitors' business and strategies, use only legitimate resources and avoid actions that are illegal or unethical or that could cause embarrassment for Bechtel
- If someone tries to give you confidential information that you are not authorised to receive, do not accept it and notify your supervisor or manager
- Remember that your obligation to protect confidential information learnt at Bechtel continues even after you leave the company

Common Questions

I used to work for a Bechtel competitor and I have unique insight into their business that could be very useful to Bechtel. Can I share this information with my manager?

No. You are expected to maintain the confidentiality of the propriety or confidential information that you received while working for your former employer.

I received a copy of a competitor's proposal in the post from an unknown source. What should I do?

Stop reading the document immediately. Do not make any copies or show it to anyone else. Consult with your manager or the Legal Department immediately to determine the next steps.

I possess customer information that is marked confidential. I think it would be very helpful to my project and the customer if I were to share this information with one of our suppliers. How do I find out whether I may do so?

There should be a Bechtel person on your project who is responsible for administering Bechtel's confidentiality obligations to your customer. It may be your project manager or your project administrator, but if not, one of them should be able to tell you who the responsible person is.

I am about to transfer to another Bechtel project. May I take with me information from my current project that would be useful on the next project?

If the information contains customer, supplier or Bechtel confidential information, consult with your manager or the Legal Department first to determine what use, if any, you may make of that information.

Further Guidance

If you have a question about proprietary or confidential information, ask for help. Consult with your supervisor or manager, the Legal Department or your ethics and compliance officer for guidance. You can always contact the Bechtel Ethics Helpline.

Accurate Recording and Reporting of Information

Summary of Bechtel Policy

Bechtel employees are expected to use the utmost care to accurately record and report information in business records and reports. In some cases, the omission of necessary information can render a report or record inaccurate. The accuracy of Bechtel's business records is essential to the operation of the business.

What behaviour is expected?

- Accurately and honestly provide information in business reports and records
- Pay attention to detail to ensure that records are accurate
- Do not mislead or misinform others by supplying inaccurate information in business records

Examples of information that must be reported accurately on business records and reports:

- Educational qualifications or work history on an employment application
- Work hours and the correct charge code on a time record
- Test reports created by engineers
- Safety incidents, near misses and lost work days
- New work booked reports by business development representatives
- Revenue and cost information in financial reports
- Expense reports
- Invoices

Common Questions

What are some examples of inaccurate or dishonest reporting on a business record?

Some examples of dishonest reporting are:

- Approving a time record when you know that the person did not work that day
- Submitting an expense report for meals not eaten, miles not driven or airline tickets not used
- Signing off on plant test results (e.g. performance or material certification tests) when the test has not actually been conducted

What should I do if I become aware that a fellow employee has put inaccurate information on his or her expense report?

Talk to your manager about the situation. If you are not comfortable with talking to your manager, contact Human Resources or the ethics and compliance officer for your organisation.

What consequences can flow from dishonest reporting on company records?

Providing false information on a company report can lead to disciplinary action up to and including termination. It can also lead to civil or criminal liability to you and Bechtel.

Further Guidance

If you are concerned about potential false reporting on any Bechtel business record, you should alert your supervisor or manager. You can also seek guidance from the Legal Department, your organisation's ethics and compliance officer or the Ethics Helpline.

Copyright Compliance

Summary of Bechtel Policy

Bechtel is committed to fully complying with the provisions of applicable law and licensing agreements pertaining to copyrighted materials, including written material, photographs and software. The company licenses or subscribes to the necessary software and reference material such as industry codes and standards for use within Bechtel. Bechtel does not infringe upon the intellectual property rights of others. Unauthorised reproduction or transmission of written material or software is illegal, harmful to Bechtel's interest and reputation and against Bechtel policy.

What behaviour is expected?

- Place an appropriate Bechtel or customer copyright and/or intellectual property notice on written, photographic or graphics materials generated by Bechtel employees
- Obtain permission from the copyright holder before making copies of copyrighted written, photographic or graphics materials originating from outside Bechtel, including any content found on the Internet
- Before making a copy of any software, make sure that the applicable software licence permits copying (e.g. for back-up or archival purposes)

'Written material' can be textual or graphic and in printed or electronic form. The term includes:

- Newspapers, trade journals and books
- Drawings and specifications
- Images available on the Internet

Common Questions

I am writing a technical report for our customer on a project. How do I know which copyright notice to place on my report?

An Engineering Department Procedure on Intellectual Property Protection (3DP-GO3-00012) details the form of notice to use in various contexts. A project-specific instruction usually clarifies the notice that is appropriate to your project. Consult your project engineering manager.

I found a great graphic on the Internet. May I copy it into a PowerPoint presentation that I am giving at an upcoming business meeting?

The graphic that you found may be copyrighted. If so, you need to obtain permission to use it in a business presentation. Consult with your manager or the Legal Department for advice on how to obtain permission to use it.

I was e-mailed a link to an amusing video on YouTube that would be perfect for a safety presentation at an upcoming Bechtel meeting. May I use it?

Generally, we may not use videos downloaded from YouTube without the permission of the copyright owner, which is usually the person or entity that made the video. Sometimes it can be difficult to identify the copyright holder, but that doesn't justify an impermissible use. On the other hand, it is perfectly acceptable to distribute the link by e-mail to a Bechtel work group if it would serve a business purpose.

I do a lot of Bechtel work on my computer at home. May I put a copy of Bechtel software onto my home computer?

The answer depends on the software and the terms of the Bechtel licence agreement. Consult with your IS&T (Information Systems & Technology) representative for guidance.

If software is installed on one Bechtel computer, is it OK to make a copy for use on another Bechtel computer?

This is not OK unless the software licence specifically permits such copying. Consult your IS&T representative.

Further Guidance

If you have a question regarding copyright compliance, ask for help. Consult with your manager, IS&T, the Legal Department or your ethics and compliance officer for guidance. You can always contact the Bechtel Ethics Helpline.

Offering Business Courtesies

Summary of Bechtel Policy

Bechtel business should always be won or lost on the basis of merit. Bechtel employees may only offer or approve business courtesies that are legal, proper and in full compliance with Bechtel policies and instructions and do not give rise to the reasonable perception that they are being offered for the purpose of gaining an unfair business advantage. An employee may never use personal funds or resources to avoid reporting or seeking approval for a business courtesy that could not be provided by Bechtel.

Gifts and business courtesies to some individuals, such as government employees, officials and representatives, as well as employees of government-owned entities, are subject to complex laws and regulations. Anti-corruption laws may also extend to employees of public international organisations and private individuals. Employees who are in the position of offering or approving such business courtesies must familiarise themselves with company policies and the applicable laws. (See Offering Business Courtesies to U.S. Government Employees on page 28 and Anti-Corruption on page 42.)

What behaviour is expected?

- Ensure that all gifts or entertainment are appropriate, properly approved and accounted for and in full compliance with Bechtel policy and all applicable laws
- In geographic areas where exchanges of business gifts are customary, ensure that gifts are limited in value (at the level of common courtesies), are not in excess of generally-accepted local business practices, are free of any implication of obligation and are approved by the appropriate level of management
- Offer only those business courtesies that the recipient is permitted to accept under the gift acceptance rules of his or her organisation
- When unsure of the rules, seek guidance from your manager, your local ethics and compliance officer or the Legal Department

Common Questions

Are there any categories of gifts or business courtesies that can never be offered?

You must never offer any gift or entertainment that would be illegal, including anything offered to a government official in breach of local or international bribery laws. Other gifts that are always unacceptable include:

- Any gift of cash or cash equivalents (such as gift certificates, discounts, loans, stock or stock options)
- Any gift or entertainment that may imply an obligation to the donor or that may be considered to be excessive or in poor taste
- Any gift or entertainment that is quid pro quo (offered for something in return)
- Any entertainment that is indecent, sexually orientated, does not comply with Bechtel's value of mutual respect or that might otherwise adversely affect Bechtel's reputation

Before offering a business courtesy, ask yourself the following:

- Is the gift intended to build a business relationship or offer a common business courtesy or are you hoping to influence the recipient's objectivity in making a business decision?
- Is the timing such that it could cause others to doubt the recipient's objectivity or your intentions?
- Are you sure that the gift or entertainment is legal both in your country and in the country of the other party?
- Is the receipt of the gift or entertainment allowed by the recipient's organisation?
- Are you offering a gift that you would not be allowed to accept? (see Accepting Business Courtesies on page 64)

Further Guidance

If you're facing an issue about offering business courtesies, consult your manager, your ethics and compliance officer or the Legal Department. For related guidance, see Accepting Business Courtesies on page 64.

Political Activities

Summary of Bechtel Policy

Bechtel employees may voluntarily participate during their personal time in political causes or political action committees (PACs). As a matter of policy, Bechtel does not apply direct or indirect pressure on any employee to make any political contribution or to participate in the support of a political party, the political candidacy of any individual or a political cause. Moreover, employees are in no way required to make a contribution to the Bechtel PAC, even if they receive a solicitation.

In the United States and many other countries, a corporation's political activities are significantly limited by law. As a general rule, political contributions of corporate funds or the use of corporate property, services or other assets (including employee work time spent on such activities) for political purposes are prohibited or highly restricted. Where such political activities are permitted, any costs incurred in connection with them must be strictly accounted for.

U.S. law permits Bechtel to lobby on issues that impact upon its interests. The U.S. definition of lobbying may include any actions taken directly or indirectly with the intent of influencing a U.S. executive branch or legislative branch official. Lobbying activities can trigger a number of complex issues, such as reporting requirements and whether the related costs are tax deductible or allowable for U.S. government contract accounting purposes.

What behaviour is expected?

- In the United States, notify the Washington, D.C. office of any enquiries or visits (planned or unplanned) to or from U.S. executive branch or legislative branch officials or political candidates
- Outside the United States, notify the Bechtel country manager of any enquiries or visits to or from any government official or political candidate
- Coordinate any enquiries or visits from any U.S. state or local government officials or political candidates with the corporate External Affairs & Communications organisation
- If you engage in any activities that are intended to directly or indirectly influence a U.S. executive branch or legislative branch official, ensure that you understand the reporting requirements and applicable charging practices
- Ensure that any corporate or project contributions, political events and use of company time or resources for political purposes are approved by the Bechtel Washington, D.C. office (U.S. federal); corporate External Affairs & Communications (U.S. state or local); or the applicable country manager (non-U.S.)

Common Questions

What if a project receives a request from the local Congressional Representative to attend a fundraising event and contribute funds? May we give corporate funds and attend the event?

All requests of this nature should be forwarded to the Washington, D.C. office. It is illegal for corporate contributions to be given to a candidate running for Congress. Funds may be contributed to a candidate through the Bechtel PAC, which is managed by the Washington, D.C. office. Contribution decisions are made by the Bechtel PAC Board.

What should I do if I feel pressured to contribute or participate in a political cause?

You have the right to refuse to contribute without reprisal. If you find yourself in a situation where you feel pressured, you should talk to your manager or contact Human Resources, the Legal Department, your ethics and compliance officer or the Bechtel Ethics Helpline.

What is the policy regarding local politics? May a project buy tickets to a political fundraiser for a local official, such as a city council member?

This might be OK in some jurisdictions, but many countries have different laws for different political offices or jurisdictions. For example, in the U.S., the laws governing state and local political contributions vary from state to state. Contact corporate External Affairs & Communications or the Legal Department for guidance.

What is the Bechtel PAC?

According to U.S. federal law, corporations are not permitted to make contributions to federal candidates, but they are allowed to create political action committees that can make contributions. A PAC is a committee that is organised with the purpose and intent of supporting political candidates financially. PACs receive and raise money from eligible employees and make donations to political campaigns. They therefore provide an indirect way for employees to participate in campaigns.

Further Guidance

If you are unsure of the proper business practice with respect to political activities, consult your supervisor or manager, Human Resources, the Legal Department, corporate External Affairs & Communications or the Washington, D.C. Office. You can also contact your organisation's ethics and compliance officer or the Bechtel Ethics Helpline.

Anti-trust Compliance

Summary of Bechtel Policy

Many countries have laws prohibiting anti-competitive behaviour. Bechtel is committed to conducting its business activities in full compliance with the anti-trust and competition laws of the jurisdictions in which it works, including the United States and the European Union. In general, these laws prohibit agreements or actions that may restrain trade or reduce competition. Violations include agreements between competitors to fix or control prices or to rig bids; to boycott particular suppliers or customers; to allocate products, territories or markets or to limit the production or sale of products or services. In some instances, anti-trust laws may prohibit price discrimination in the sale or purchase of goods.

What behaviour is expected?

- Be aware of the anti-trust requirements of the laws in the jurisdictions in which Bechtel works and understand that such laws apply to both formal and informal communications
- If you are involved in trade association activities or in other situations involving informal communication between competitors, customers, business partners or suppliers, do not discuss prices, pricing policy, terms and conditions, marketing plans and similar matters of competitive interest
- If a competitor tries to initiate improper discussions regarding these topics with you, disengage from the discussion immediately and contact your supervisor or manager and the Legal Department

Common Questions

I have friendly relationships with colleagues who work at other companies in this industry. What's wrong with having occasional informal discussions about what's going on in the marketplace?

Even casual conversations with competitors could be viewed as an attempt to send 'signals' about Bechtel's bid strategy or pricing practices. You must be careful to avoid any conversations or activities that might be viewed as questionable or could lead to allegations of anti-competitive activity. This is not intended to prohibit strategy discussions on specific projects or prospects that occur as part of normal teaming to provide a customer with enhanced capability.

What are the possible penalties that may be imposed due to actions that violate anti-trust or competition laws?

Anti-trust violations expose the company and any participating employee to civil lawsuits or criminal prosecution, including fines and imprisonment, and in the United States to the payment of punitive treble damages—three times the amount of the actual damages.

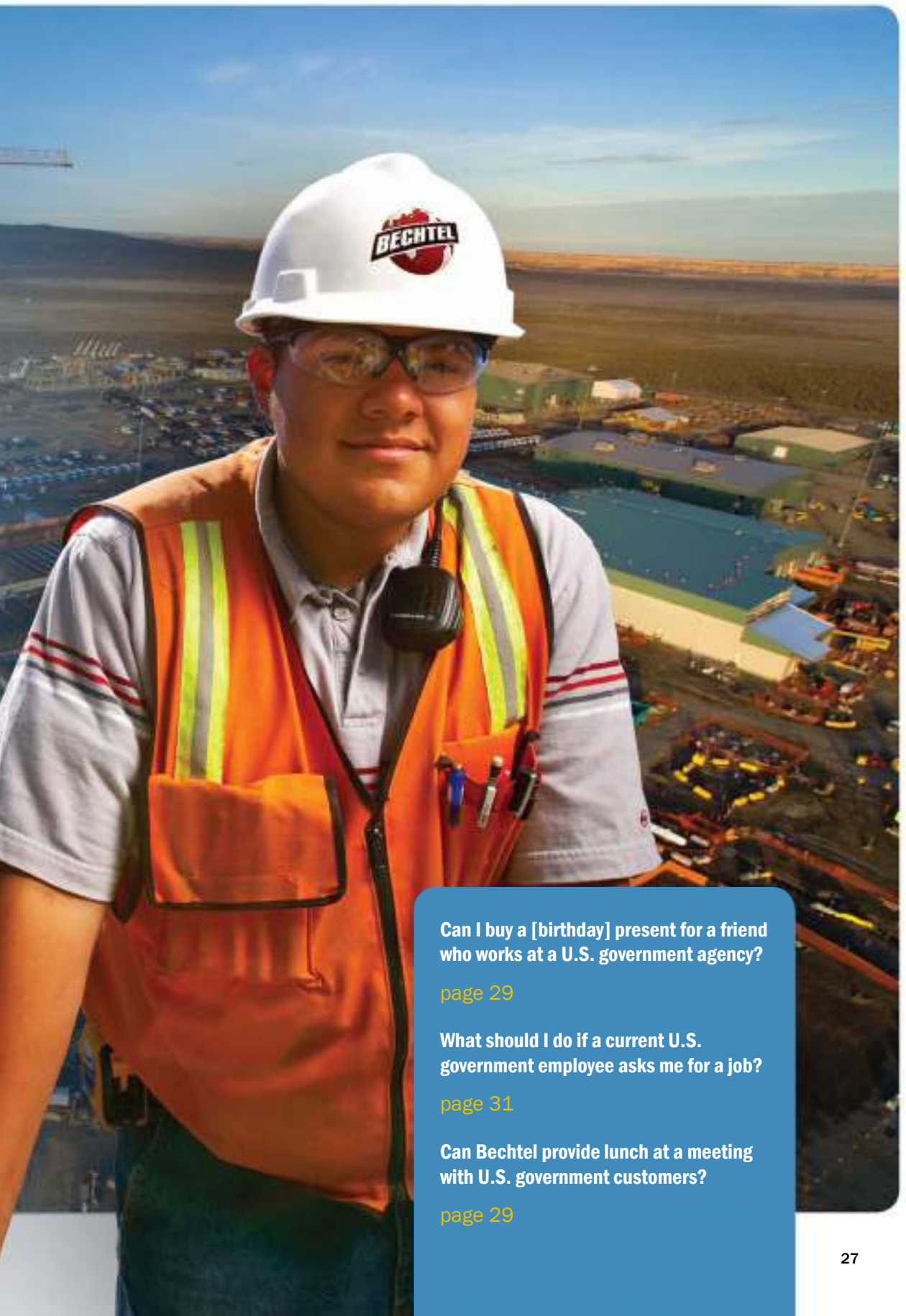
Further Guidance

If you have any questions or concerns regarding anti-trust compliance, alert your manager or supervisor and consult the Legal Department.

Special Issues Related to Doing Business with the U.S. Government

This section deals with the ethics and business conduct issues that you may encounter when working for a company that does business with the U.S. government. Application of these standards is not limited to those employees who work on U.S. government contracts. All Bechtel employees who come into contact with current or former U.S. government employees or representatives of U.S. government-owned customers should be aware of these Bechtel policies.

Common sense and a desire to do the right thing are not enough to ensure compliance with U.S. government regulations. What is acceptable in the commercial business world is often unacceptable, and may even be prohibited, under the complex rules and practices governing doing business with the U.S. government. Commercial business practices commonly accepted around the world, if applied in a government setting, can lead to administrative, civil and even criminal sanctions, both for the individual employee and for the company.



Can I buy a [birthday] present for a friend who works at a U.S. government agency?

page 29

What should I do if a current U.S. government employee asks me for a job?

page 31

Can Bechtel provide lunch at a meeting with U.S. government customers?

page 29

Offering Business Courtesies to U.S. Government Employees

Summary of Bechtel Policy

Specific requirements and restrictions apply to the offering of business courtesies to U.S. government officials or employees. The laws, regulations and rules concerning acceptable meals, gifts or entertainment for U.S. government employees are extremely complicated and vary depending on the government branch, state or other jurisdiction.

The U.S. Office of Government Ethics has issued restrictive and complex rules regarding the acceptance of gifts, meals, entertainment, travel and other business courtesies by U.S. executive branch employees, including U.S. military personnel. Many U.S. government agencies have established their own interpretations of these rules and Bechtel complies with these standards. Different rules apply to the U.S. legislative branch.

What behaviour is expected?

- Never offer or give a business courtesy to any U.S. government employee unless the regulations applicable to that employee permit acceptance of the business courtesy
- Do not offer business courtesies to members of the U.S. judicial branch
- Ensure that all gifts offered or accepted are appropriate, properly approved and accounted for and in full compliance with Bechtel policy and the law; when in doubt, consult your ethics and compliance officer
- Contact the manager of the Washington, D.C. office for guidance concerning offering business courtesies to members of the U.S. Senate or House of Representatives or their staff

Bechtel employees may generally offer the following business courtesies to U.S. Executive Branch employees:

- Light refreshments such as soft drinks, coffee and pastries, when not part of a meal
- Modest advertising or promotional items, such as a Bechtel coffee mug, calendar, pen or a similar item displaying the Bechtel logo

Common Questions

I have a friend who works for the U.S. Department of Energy. Am I allowed to buy him a birthday present?

It depends. Bechtel policy and the U.S. government rules do not apply to the exchange of gifts between friends or family members as long as the gifts are exclusively the result of a personal relationship and not a business relationship. However, if your friendship came about from years of working together on U.S. government projects, the Office of Government Ethics gift rules still apply. Consult your ethics and compliance officer or the manager of the Washington, D.C. office for guidance.

I am having an all-day meeting with some U.S. government customer representatives. We plan to work through lunch. May I provide them with a meal during the meeting?

Yes, but only if the U.S. government employees reimburse Bechtel the full cost of their meals. U.S. government rules and regulations generally prevent U.S. executive branch employees from accepting meals from contractors. Arrangements should be coordinated in advance so that the attendees will be aware of your lunch plans, the cost of the meal and the method provided for payment. It is not sufficient to 'pass the hat' for contributions to the cost. If full payment is not received as arranged, you will need to take steps after the meeting to collect their share of the cost of the meal.

Further Guidance

If you're facing an issue about offering or accepting business courtesies to U.S. government employees, consult your ethics and compliance officer; the manager of the Washington, D.C. office or the Legal Department.

Hiring U.S. and Other Government Employees

Summary of Bechtel Policy

The U.S. government, as well as many other countries and state and local governments, have laws that regulate the recruiting and hiring of their current or former employees (both civilian and military). These rules and regulations apply to all of Bechtel, not just those businesses doing business with U.S. government customers.

Bechtel is strongly committed to complying with these laws and to avoiding even the appearance of any impropriety in the recruiting, hiring and employment of U.S. or other government officials.

What behaviour is expected?

- Be aware that employment discussions and other employment-related actions involving current or former U.S. government employees raise unique legal concerns
- Outside the United States, notify the Bechtel country manager of any enquiries or visits to or from any government official or political candidate
- Coordinate any enquiries or visits from any U.S. state or local government officials or political candidates with the corporate External Affairs & Communications organisation
- If you engage in any activities intended to directly or indirectly influence a U.S. executive branch or legislative branch official, ensure that you understand the reporting requirements and applicable charging practices
- Ensure that any corporate or project contributions, political events and use of company time or resources for political purposes are approved by the Bechtel Washington, D.C. office (U.S. federal); corporate External Affairs & Communications (U.S. state or local); or the applicable country manager (non-U.S.)

Common Questions

What should I do if I am approached by a current U.S. government employee about employment with Bechtel?

Tell the prospective candidate that you must contact our Human Resources Department to determine whether you may properly engage in employment discussions.

I am a Bechtel National employee working on a U.S. government project. I have heard that my counterpart will be leaving U.S. government service and may be interested in working in the private sector. I think that she would be a great asset for Bechtel and I have a job that would be perfect for her. May I have general, exploratory discussions with her about whether she would be interested in working at Bechtel?

No. Bechtel policy requires that you first contact Human Resources or the Legal Department before having any employment-related discussions. They can give you guidance on how the initial contact may be made.

Should I also be concerned about recruiting or hiring current or former U.S. state or local government employees? What about other countries' government employees?

In much the same manner as the U.S. government, many other countries, states and local governments have laws and regulations concerning the employment of current and former employees. Therefore, Bechtel policy also requires that you contact Human Resources or the Legal Department before recruiting or hiring current or former employees of foreign, state or local governments to ensure that we comply with the law and avoid potential conflicts of interest. By taking this precaution, you can avoid exposing yourself and Bechtel to legal liability.

Further Guidance

If you're facing an issue about hiring current or former government employees, consult with the manager of Human Resources for your organisation, your ethics and compliance officer or the Legal Department.

Other U.S. Government Contracting Issues

U.S. Anti-Kickback Act Laws

The U.S. Anti-Kickback Act of 1986 prohibits those involved in U.S. government contracting from offering, accepting or attempting to offer or accept inducements for the purpose of obtaining or rewarding favourable treatment in the award of contracts for materials, equipment or services of any kind. A kickback is any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind directly or indirectly accepted by any prime contractor or sub-contractor or its employees from a vendor, contractor or sub-contractor for the purpose of improperly influencing the award of a prime contract or sub-contract. The Act establishes criminal, civil and administrative penalties for violations that can include fines, prison terms, debarment and contract termination.

Human Trafficking

In addition to the general prohibition of trafficking in persons and the use of forced labour, Bechtel is aware that the U.S. government has determined that the commercial sex industry is frequently involved in trafficking, even where such sex acts are not illegal under local laws. Accordingly, Bechtel employees directly engaged in the performance of work under a U.S. government contract are prohibited from engaging in commercial sex acts, even while 'off duty'. Non-compliance with this policy may result in actions including, but not limited to, removal from the contract, reduction in benefits or termination of employment.

Organisational Conflicts of Interest

When acting as a U.S. government contractor, Bechtel must adhere to U.S. government organisational conflict of interest (OCI) restrictions. OCI in this context means that because of other activities or relationships with other persons or entities, Bechtel is unable or potentially unable to render impartial assistance or advice to the U.S. government, that Bechtel's objectivity in performing the contract work is or might be otherwise impaired, or that Bechtel has an unfair competitive advantage. Some examples of potential OCI include: (a) serving as the agent of the Architect-Engineer (A-E) or the owner's agent and as the constructor to the A-E's design; (b) preparing a study that justifies going ahead with a project that Bechtel would build; and (c) evaluating the quality of our work for an independent regulator. U.S. government solicitations and contracts may include various requirements or restrictions regarding OCI, including the disclosure of any potential or actual OCI to the U.S. government, having plans to mitigate any such potential or actual OCI and ensuring that similar OCI requirements are followed in sub-contracts.

Time Records and Expense Reports

Although the accurate and timely reporting and recording of time records and expense reports is important for all employees (see Accurate Recording and Reporting of Information on page 18), it is especially critical that employees working on U.S. government contracts charge their labour costs to the proper account. Every error on a U.S. government project time record has the potential to be considered to be a criminal

and civil false claim and/or statement, so every claim for payment carries a legal and ethical responsibility for accuracy. Detailed guidelines on U.S. government time-charging practices are provided to employees working on such projects and employees are expected to understand them and to adhere to them strictly.

Each employee working on a U.S. government contract or charging time to a corporate overhead account that has costs allocated or partially allocated to a U.S. government contract, is to complete his or her time record daily, either manually or electronically, and to provide explanations of any changes in the comments section of the time record.

Business expenses incurred in performing company business must be documented promptly and accurately and employees working on U.S. government contracts are responsible for complying with any special or more stringent reporting requirements that may be imposed by a specific customer or special situation. Contract terms and conditions and U.S. federal regulations impose strict limitations on U.S. government contractors with respect to what can and cannot be reimbursed and employees working on U.S. government contracts should review the guidelines and limitations with their supervisor before incurring any business expense.

The BSII Internal Audit organisation periodically conducts audits of compliance with U.S. government regulations, including time records and expense reports. External auditors such as the U.S. Defense Contract Audit Agency, the Inspector General, U.S. government customer organisations, and customer auditing firms may also audit compliance from time to time.

Disclosure

As required under U.S. government contracts and applicable regulations, Bechtel will disclose whenever, in connection with the award, performance or closeout of a covered U.S. government contract or sub-contract, Bechtel has credible evidence that a principal, employee, agent or sub-contractor has committed a violation of federal criminal law involving fraud, conflict of interest, bribery or gratuity violations found in Title 18 of the U.S. Code or a violation of the civil False Claims Act, or credible evidence of significant overpayments on the contract.

Further Guidance

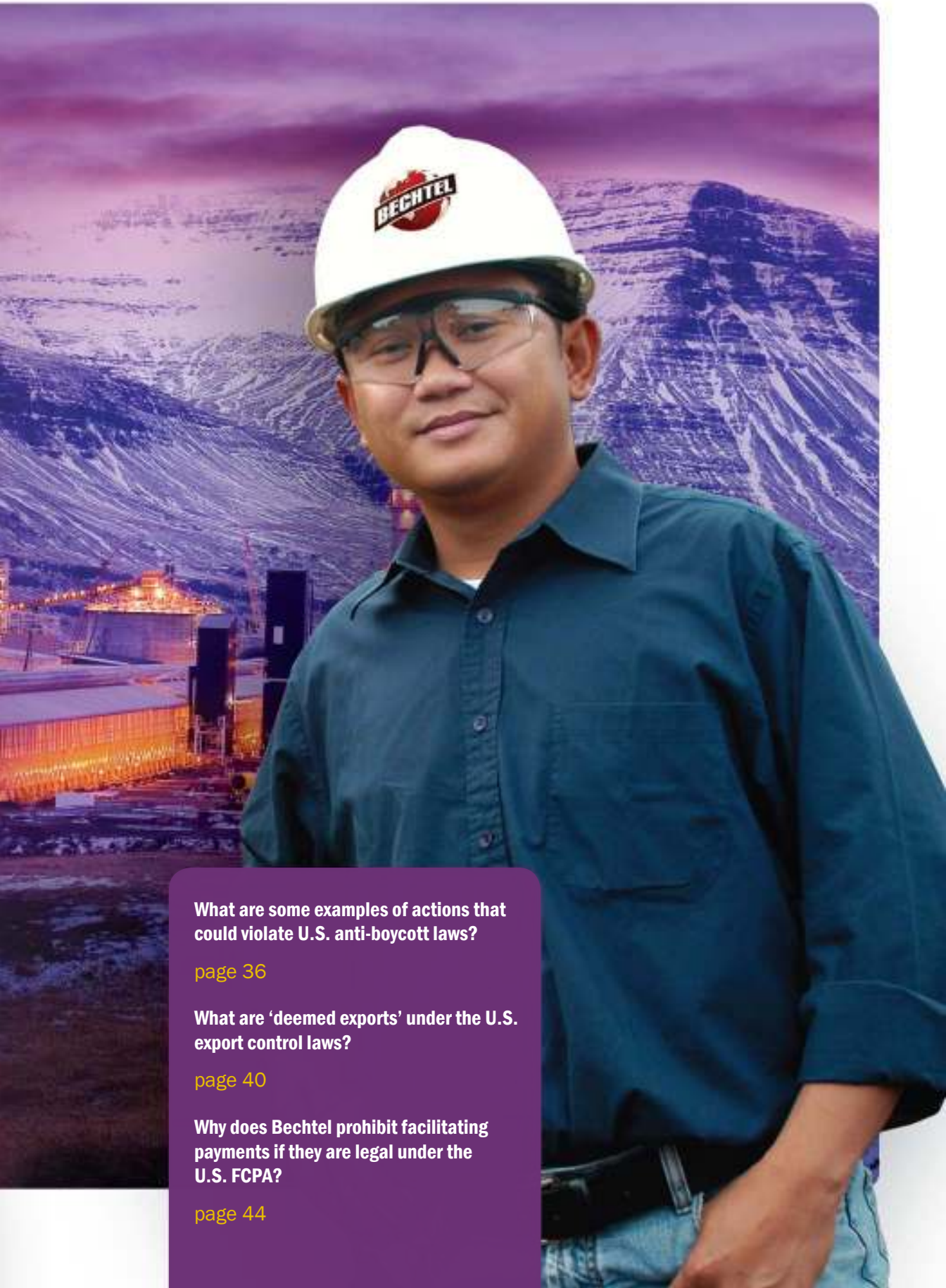
If you have questions regarding the U.S. Anti-Kickback Act; the laws relating to human trafficking or OCI, or the disclosure of violations, contact your Ethics and Compliance Officer or the Legal Department.

Special Considerations for a Global Business

Because Bechtel is a U.S. corporation doing business globally, many U.S. laws apply to Bechtel's work around the world. All employees that work for Bechtel, regardless of their nationality or country location, need to understand and comply with the U.S. laws that apply to their work, including trade laws, as well as all applicable local laws.

Bechtel is committed to complying with the applicable laws of the countries in which it does business, except when compliance with local law would constitute a violation of U.S. law, such as the Arab League boycott of Israel.





What are some examples of actions that could violate U.S. anti-boycott laws?

page 36

What are 'deemed exports' under the U.S. export control laws?

page 40

Why does Bechtel prohibit facilitating payments if they are legal under the U.S. FCPA?

page 44

Anti-Boycott

Summary of Bechtel Policy

It is Bechtel's policy to fully comply with the U.S. government's laws and regulations relating to foreign economic boycotts. The U.S. anti-boycott laws and regulations prohibit Bechtel from cooperating with or supporting a country's boycott of another country that is friendly to the United States. They also require Bechtel to report to the U.S. government any request that has the effect of furthering or supporting such a boycott. The most frequently encountered boycott is the current Arab League boycott of Israel.

The rules governing Bechtel's obligations under the anti-boycott laws are complex and the penalties for violating them are severe. In all cases, you should be attentive to situations where boycott requests may occur and immediately consult the Legal Department when a boycott-related matter comes to your attention.

What behaviour is expected?

- Make certain that every purchase order, contract, commitment, activity, act or omission made, carried out or conducted by or within the Bechtel organisation is in full compliance with the U.S. anti-boycott laws and regulations
- Make sure that actions taken by persons acting on behalf of Bechtel, such as Bechtel's agent consultants, consortium members and alliance or joint venture partners, are carefully scrutinised for compliance with the U.S. anti-boycott laws and regulations
- Make sure that every boycott request received by a Bechtel organisation is reported promptly to Bechtel's Legal Department
- Make sure that cases in which doubt exists regarding the applicability of U.S. anti-boycott laws and regulations are submitted to Bechtel's Legal Department for prior review or guidance

Common Questions

What are some real-world examples of actions that would constitute participating in, or cooperating with, a boycott of a country friendly to the United States?

A couple of examples:

- Eliminating firms with Israeli business interests from a Bechtel-developed bidders' list to be used for procuring goods and services in a boycotting Arab country
- Certifying that a shipment of goods on board a vessel does not contain goods of Israeli origin or that the vessel is eligible to enter ports in the boycotting Arab country

I am the procurement manager for a Project Management Consultancy (PMC) contract in the Middle East in which we are acting as the customer’s agent in carrying out management duties with respect to certain of the customer’s contracts and purchase orders. The procurement regulations of the Arab financial institution providing the owner’s financing require compliance with the Arab League boycott of Israel—something we could not agree to do ourselves. May we prepare procurement documentation on behalf of the customer that includes language requiring bidders to comply with the financial institutions procurement regulations?

The U.S. Anti-Boycott laws are extremely complex and fact specific. While it may be possible for Bechtel to manage the procurement activities and still be compliant with U.S. law, you must consult with the Legal Department before proceeding further.

Where might I expect to see boycott requests in performing my duties for Bechtel?

An illegal boycott request might appear in such documents as bid invitations, purchase contracts and letters of credit, or be made orally in connection with a transaction. Such a request might even take the form of a contractual provision that simply requires compliance with a country’s laws that, in turn, include an obligation to engage in a prohibited boycott.

If I refuse to comply with a request that has the effect of furthering or supporting a boycott of a country friendly to the United States, do I still need to report receipt of the request to the Legal Department?

Yes. Even when a company refuses to comply with a prohibited boycott, U.S. law requires companies to report promptly to the U.S. government any request that the company receives to support or furnish information regarding a boycott.

Further Guidance

If you are dealing with a situation that may concern the matters covered by the U.S. anti-boycott laws and regulations, consult the Legal Department. You should also review Corporate Policy 105, Compliance with Export Administration Amendments of 1977 and The Tax Reform Act of 1976. See also Legal Instruction 118, Compliance with Export Administration Amendments of 1977, the Tax Reform Act of 1976 and Boycott Reporting Procedures; Human Resources Instruction 7, Guidelines and Procedures relating to Recruiting and Employment in, or in respect of, Boycotting Countries; and Procurement Procedure 3.01, Procedure for Bechtel Procurement in, or in respect of, a Boycotting Country. If in doubt regarding the meaning of the guidance contained in these sources, consult your supervisor or manager, the Legal Department or your organisation’s ethics and compliance officer or contact the Bechtel Ethics Helpline.

Export Control Laws and International Sanctions

Summary of Bechtel Policy

Many countries, including the United States, impose restrictions on exports and other dealings with certain countries, entities and individuals, including foreign nationals. Bechtel complies with all the export and import laws and regulations that apply to us wherever we do business. These laws are extremely complex and apply to inter-company and intra-company transactions; transactions with suppliers, equipment manufacturers and alliance, joint venture or consortium partners; and disclosures of certain transactions to Bechtel employees. In addition, the U.S. economic sanctions laws prohibit Bechtel from engaging in business activities with specified sanctioned countries, individuals and entities. Violations of these laws can result in serious penalties, including fines, revocation of permits to export and imprisonment.

What behaviour is expected?

- If your work involves the shipment of commodities, technologies, technical data, equipment or software across international borders, make sure that you are familiar with the information and guidance concerning export control laws provided in Management Instructions and on BecWeb
- Be aware that ‘deemed exports’ can occur under U.S. export control laws when controlled information, source code, technology or data is disclosed verbally or visually to a foreign national person, regardless of whether that foreign national is a Bechtel employee or not and/or located in the United States or abroad
- Make sure that every import, temporary import, export or re-export of commodities, technical data, software, permanent plant equipment, construction equipment and other equipment complies with all the relevant local or international trade laws and rules, including customs regulations
- Avoid any inadvertent violations of these complex laws by seeking guidance from the Legal Department or the export-import compliance manager within the corporate Procurement organisation before entering into an activity that might implicate export control laws
- Stay up to date on the frequently changing sanction and embargo laws by consulting with the Legal Department before entering into any transaction that might involve sanction concerns

Examples of activities that might involve U.S. export control laws:

- Exporting any commodities, equipment, service or technical information from the U.S. or moving it between or among countries. Technical information can consist of manufacturing processes, product use, commercial and technical expertise, data or software
- Transferring restricted software, technical data or technology by e-mail, download, fax, service work, meetings or visits to Bechtel facilities
- Discussing with or displaying to foreign nationals (including Bechtel employees) any Bechtel technical data, equipment or non-public information or its application, whether in the U.S. or abroad, either on company or personal business

Examples of activities that might involve economic sanctions:

- Imports from, or dealings in property originating from, a sanctioned country
- Travel to or from a sanctioned country
- New investments and other dealings in a sanctioned country or with designated individuals
- The trans-shipment of goods through a sanctioned country
- Wire transfers of funds to banks in a sanctioned country
- Providing any product, service or technical information to parties that have previously been denied an export licence

continued

Export Control Laws and International Sanctions *(continued)*

Common Questions

Which countries are subject to U.S. economic sanction laws?

As of the date of this document, Cuba, Iran, Sudan and Syria are under a general embargo and are subject to comprehensive restrictions. U.S. economic sanction laws place substantial restrictions on transactions with the governments of, and persons and entities associated with, Afghanistan, Angola, Iraq, Libya, North Korea, Rwanda and the former Yugoslavia (Serbia, Montenegro and the Western Balkans). These change frequently, so you must consult the Export/Import site on BecWeb for current information.

Who is a foreign national for the purposes of the U.S. export control laws?

Any person who is not a lawful permanent resident of the United States, including a Bechtel employee, any employee of a foreign corporation that is not incorporated or organised to do business in the United States and any foreign government or foreign government employee.

What are some examples of how 'deemed exports' can occur under the U.S. export control laws?

Examples of how deemed exports can occur include telephone conversations, e-mails, facsimiles, letters, postal/courier packages, computer/intranet accesses, technical presentations, proposal activities, plant/office tours and project meetings. Any verbal or visual disclosure to a foreign national person has the risk of being a 'deemed export'.

Further Guidance

Additional information about U.S. export control or international sanctions laws can be found in Corporate Policy 105 (Compliance with Export Administration Amendments of 1977 and The Tax Reform Act of 1976), Legal Instructions 118 (Compliance with Export Administration Amendments of 1977, the Tax Reform Act of 1976 and Boycott Reporting Procedures) and 121 (Compliance with U.S. Export Control and International Economic Sanctions Regulations) and BSII Policy 203 (Export Control Regulations) or on the Export/Import site on BecWeb. If you have any questions, consult with the export-import compliance manager in the corporate Procurement organisation or contact the Legal Department for advice.

Anti-Corruption

Summary of Bechtel Policy

Bechtel is committed to full compliance with all the domestic and international anti-bribery laws, regulations and conventions that prohibit corrupt actions in obtaining or retaining business or obtaining any other improper advantage, including the Organisation for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the U.S. Foreign Corrupt Practices Act (FCPA) and the United Nations Convention Against Corruption. Corruption is against the law and contrary to everything that Bechtel stands for. Bechtel policy prohibits the making of facilitating payments, i.e. payments to secure the performance of routine government actions. Engaging in or not reporting behaviour that violates, or has the potential to violate, the standards set forth in the FCPA or the other anti-bribery laws and regulations will not be condoned or tolerated by Bechtel.

What behaviour is expected?

- Comply with all the applicable laws and regulations prohibiting the payment or giving anything of value, either directly or indirectly, to a government official or family member of a government official, a private individual or employees of companies that are wholly or partially owned by a government entity
- Be aware that Bechtel policy prohibits the making of facilitating payments; make no payments to ensure or expedite the performance of ministerial or clerical duties by government functionaries
- Ensure that all interactions and transactions with government officials, or employees of companies that are wholly or partially owned by a government entity, are clearly and accurately recorded
- Never allow joint venture or consortium partners, sub-contractors, suppliers, agents, consultants, intermediaries or others to make prohibited payments on Bechtel's behalf; ensure that all Bechtel business associates agree contractually that they will not engage in any behaviour that would constitute a violation of the standards of the FCPA, the OECD or the United Nations convention or other anti-corruption laws

-
- Seek advice in advance from the Legal Department, your organisation's ethics and compliance officer or the Ethics Helpline before offering any gifts, entertainment or other hospitality, meals, travel expenses or charitable donations to a government official
 - Report any observed conduct that potentially violates any anti-corruption law to the Legal Department, your ethics and compliance officer or the Ethics Helpline

Common Questions

What is the Foreign Corrupt Practices Act?

The FCPA is the U.S. anti-corruption law that prohibits U.S. companies and their employees from trying to obtain or retain business by offering improper gifts or payments to foreign government officials.

Do other countries have similar laws?

Virtually all countries have or are in the process of enacting and implementing anti-corruption legislation that is similar to and in some instances even more restrictive than the U.S. FCPA.

Why is compliance with anti-corruption laws important?

Compliance is a key underpinning to maintaining confidence in our company and our reputation as the premier engineering, procurement and construction company in the world. Corrupt actions do not help Bechtel, our customers or the people who will benefit from our work. A violation may subject Bechtel and Bechtel employees to criminal or civil liability, or both, including imprisonment and substantial penalties and fines.

continued

Anti-Corruption *(continued)*

Common Questions continued

What should I do if I face an issue related to the FCPA or a local anti-corruption law?

If you think you have an issue (e.g. you are approached to make a payment, provide a gift, reimburse hospitality expenses, etc. or become aware that others have done so), do not try to resolve the issue yourself. Rather, you should seek guidance from the Legal Department or your ethics and compliance officer to ensure that the appropriate actions are taken and documented.

What are some examples of facilitating payments and who is likely to request them?

Facilitating payments are small payments to secure routine actions to which Bechtel or its employees, customers, sub-contractors or suppliers are otherwise entitled such as processing government paperwork, providing police services, issuing licences or visas and processing goods through customs. These requests are likely to come from government employees such as customs agents, tax collectors, harbour masters, permitting authorities, post carriers and police officers, all with regard to providing personal benefit to the individual for the performance of services that they are in any event required to perform as a consequence of their position.

I understand that facilitating payments are legal under the FCPA. Why are they prohibited by Bechtel?

Although the FCPA does include an exception for facilitating payments, there is no similar exception in the OECD Convention or the United Nations Convention Against Corruption. These payments are prohibited because they are a form of corruption and are illegal under the local laws of almost every country. Such payments often open the door for additional requests that may be more serious. Once a payment is made, it is virtually impossible to avoid making follow-on payments for the same service.

Further Guidance

If you're facing an issue about anti-corruption compliance, consult the Legal Department, the Bechtel chief ethics and compliance officer or the Foreign Corrupt Practices Act compliance representative identified under Key Contacts on the Ethics and Compliance site on BecWeb.

On The Job

This section focuses on some of the behaviour expected of employees in the workplace and discusses some of our key responsibilities and obligations as Bechtel employees worldwide.





Can I identify myself as a Bechtel employee on Facebook?

page 53

Can I expect my personal e-mails on the Bechtel network to remain private?

page 55

Can I use my company Diners Club card for personal charges if I pay the bill promptly?

page 53

Records and Information Management

Summary of Bechtel Policy

Company records must be managed in a manner that supports the conduct of Bechtel's business efficiently, economically, securely and in compliance with applicable laws.

Bechtel business records must be separated from other information and retained in an appropriate repository for at least the period of time stipulated in the Corporate Records Retention Schedule, and may need to be kept for longer periods outside of the United States to comply with local country laws. Information that is no longer of value should be deleted or discarded, as long as the information is not subject to a preservation hold from Bechtel Legal or Risk Management and there are no other circumstances (such as pending, threatened or anticipated litigation, or government audit or investigation) that would warrant retention.

What behaviour is expected?

- Identify, classify, protect and control Bechtel information
- Use appropriate technologies for records management
- Upon becoming aware of possible litigation or a government investigation or audit, ensure the preservation of all information (both record and non-record) that may potentially relate to the matter and promptly inform the Legal Department

- Destroy business records as part of our normal course of business according to the Records Retention Schedule or applicable law, and information that is no longer of value, unless it is under a preservation hold
- If you are outside the U.S., check the Records Retention Schedule (paying particular attention to jurisdiction-specific requirements) or consult with the Legal Department as to what legal requirements apply to the relevant record

All Bechtel information, whether in hard copy or electronic form, falls into three categories:

- **Business Record** – A document or other record of information that evidences significant project or other Bechtel business activity or otherwise has long-term value to Bechtel
- **Work in Progress/Reference** – A document or other record that is not in final form, constitutes reference material available in the public domain or has only temporary value to Bechtel
- **Information No Longer of Value** – A document or other record that is to be deleted if not subject to a preservation hold

Common Questions

Who is responsible for determining if a document or data qualifies as a Bechtel business record?

The Bechtel person who is the 'owner' of a document or other Bechtel information (usually the originator) is responsible for determining if it should be classified as a business record. If information comes from external sources, the person within Bechtel who receives it should determine whether it constitutes a Bechtel business record. In such cases, care must be taken to ensure compliance with any applicable agreements between Bechtel and its customers, suppliers or other entities governing the protection and handling of their information.

How can I tell the difference between a business record and a non-record?

In general, a business record is a document with legal or compliance significance; or that is required to be retained by law or regulation; or that reflects a decision or commitment by Bechtel or others regarding deliverables, schedule, cost, design, construction, procurement, payment of funds or other business transactions. If you are uncertain about whether a document is a business record, consult your manager or the Legal Department.

Where can I find information about the proper handling of the different categories of Bechtel information?

The three categories of Bechtel information (Business Record, Work in Progress/Reference and Information No Longer of Value) and their proper handling are explained in Corporate Policy 116, Records and Information Management and Records and Information Management (RIM) Instruction MI-100, Records and Information Management Programme.

Further Guidance

A good source of information on this topic is the IS&T Records and Information Management site on BecWeb. This site contains links to RIM policies, management instructions and procedures, as well as to Bechtel University RIM courses, which are very good references for learning more about Bechtel's RIM programme. Your organization's records manager or the corporate records manager can also provide guidance to you on this subject.

Confidential Information and Employee Inventions

Summary of Bechtel Policy

Bechtel's continued success depends on the protection of confidential information and other intellectual property belonging to the company. The ideas, inventions and work products developed by employees within the scope of their employment or through the use of Bechtel resources or facilities are company property, including plans, drawings, reports, process improvements and computer software. Bechtel-confidential information and trade secrets may not be disclosed to third parties without the proper authorisation. Even after an employee leaves the company, Bechtel owns the proprietary information created or learnt during employment.

Bechtel's four levels of information security generally determine access and disclosure restrictions:

- Level 1: Strictly Confidential – Very sensitive Bechtel information
- Level 2: Confidential – Sensitive information about Bechtel, a customer or another entity
- Level 3: Bechtel Internal – Information private to Bechtel but not sensitive
- Level 4: Public – Unrestricted information for the purposes of access

What behaviour is expected?

- Protect Bechtel confidential information from unauthorised disclosure to third parties
- Properly designate Bechtel-confidential information as either Strictly Confidential or Confidential, according to the level of security required to protect the information
- Comply with company guidance on confidentiality protection and with any applicable contractual requirements
- Never use Bechtel ideas and information for your own personal gain or personal use

Common Questions

I have come up with a new idea that would improve a technical process. My supervisor does not seem interested in pursuing it. May I do so on my own?

In most cases Bechtel is the owner of your idea, although Bechtel's rights may have been assigned to the customer if the idea was developed on a project. In either case, you should describe your idea in a 'disclosure statement' as presented in Legal Instruction 107, Inventions and Patents. If Bechtel (or the customer, if applicable) does not wish to pursue the idea, you may request that the rights be formally relinquished to you. Under Corporate Policy 110, Development, Protection and Use of Bechtel Intellectual Property, the President of your GBU (or the manager of your functional or service organisation) may agree to such a relinquishment.

I developed an invention entirely at home and in my own time. Does Bechtel have any rights to it?

It depends on the facts; for example, how close the invention is to your work duties at Bechtel. The safest course would be to request a written confirmation from Bechtel that Bechtel will not assert ownership rights. Consult Legal Instruction 107, Inventions and Patents, for information about the invention disclosure, evaluation and release process.

A former co-worker recently contacted me to request that I send him copies of some materials that he developed when we worked together at Bechtel. In the course of this conversation, I learnt that this former employee has copies of many of the Bechtel work procedures that we developed on a project. I told him that I would get back to him. What should I do now?

You should not under any circumstances provide him with the requested documents because they are more than likely to be Bechtel-confidential information. Your former colleague may have breached the confidentiality agreement that all new employees sign when they join Bechtel. The obligation to maintain the security of Bechtel confidential information continues when an employee leaves the company. Tell your manager immediately so that he or she can contact the Legal Department to determine what action should be taken to protect Bechtel's proprietary confidential information.

What are some examples of 'Level 1: Bechtel Strictly Confidential' and 'Level 2: Bechtel Confidential' information?

Examples of Level 1 information include Bechtel entity financial statements, Business Development strategic plans, prospect 'win plans' and project financial status reports (PFSRs). Examples of Level 2 information include materials marked 'Confidential' by a client or supplier, general Business Development correspondence, most personal employee information and most internal procedures. RIM Instruction MI-120, Designation of Information Security Classification Responsibility, includes additional examples of the types of documents that may be classified as Level 1 or Level 2.

Further Guidance

Consult RIM Instruction MI-120, Designation of Information Security Classification Responsibility, for more information about proper Bechtel information security level classifications and their access and disclosure restrictions. It includes examples of the types of documents that should normally be designated as Confidential or Strictly Confidential. You may also learn more by taking Bechtel University course RIM101, Managing Bechtel Records and Information. You may refer any questions on this topic to your supervisor or manager, your organisation's records manager, the corporate records manager or the Legal Department. Functional management (e.g. Engineering) should be consulted about the disclosure of new ideas or inventions.

Proper Use of Bechtel's Time and Assets

Summary of Bechtel Policy

In today's world, as the demands of business have steadily increased, the boundary between work life and private life has become increasingly blurred. Bechtel understands that employees are often travelling or working at home during time that was traditionally considered to be 'free time' and that they may need to handle personal matters during traditional 'working hours'. Employees must keep in mind that all Bechtel company resources, including time, personnel, materials, equipment and information, are provided for business use. However, the company recognises that occasional, reasonable personal use of company resources by employees can occur without adversely affecting Bechtel. Bechtel employees are trusted to use good judgement to conserve company resources and make sure that any personal use of company resources does not result in increased costs to Bechtel or interfere with company business processes. Employees charging their time to U.S. government customers may be prohibited from even occasional, incidental use while charging to U.S. government projects, in which case the project guidelines should be followed.

Bechtel managers are responsible for the resources assigned to their organisations and are empowered to resolve any issues concerning their personal use.

What behaviour is expected?

- Ensure that any personal use of company resources does not adversely affect Bechtel's job performance or cause disruption in the workplace
- Never use Bechtel assets, such as equipment, mobile phones, laptops, or printers, in order to reduce your personal expenses
- Be familiar with the company policies and management instructions related to company resources and ask your manager for guidance before making any other personal use of company assets
- Make sure that your use of company equipment will not compromise the integrity of Bechtel information, equipment or systems or violate company software licences
- Never use company time or resources to work on an outside business interest without management approval
- Make sure that any use of Bechtel resources to support outside organisations is authorised by your manager or the GBU or corporate External Affairs & Communications department
- Make sure that your manager is aware of your personal use of assets and avoid any use that you would be reluctant to discuss openly at a staff meeting

- Be aware that special rules apply to U.S. government-owned or U.S. government-supplied property; employees have an obligation to prevent misuse, loss or theft of U.S. government property and must report loss or damage to the property management department

Common Questions

I work on a project that has several vehicles available for business use during the day.

My brother-in-law is moving to a new home and my van is being repaired.

May I borrow a project van overnight to transport his furniture?

No. Project vehicles are provided solely for use on company business and may not be used for personal activities. There are many reasons for this policy, including the fact that the vehicle insurance policy may be limited to business use.

May I identify myself as a Bechtel employee on Facebook, MySpace, LinkedIn or other social and career networking websites and blogs?

Bechtel recognises that you may choose to participate in social and other networking websites in your own time and that you may discuss your personal life, including the fact that you work at Bechtel. However, if you decide to identify yourself as a Bechtel employee or discuss your work at Bechtel, you should make sure that your Internet activities are consistent with the behaviour expected of Bechtel employees as expressed in this Code of Conduct. If you write about

current political or social issues or provide a personal reference for a LinkedIn colleague, make it clear that you are expressing your personal views and are not speaking for Bechtel. Whenever you use the Bechtel name in any media, you should follow the Bechtel policies (see Corporate Policy 1.14, Public Statements) and avoid any conduct that could cause embarrassment to the company.

I own several holiday homes that I rent out as a side business. May I use my Bechtel voice mail number to receive reservations?

No. Even when your outside business activity presents no conflict of interest, you may not use company resources—including communications equipment—to support the business. On the other hand, it would be acceptable for you to use voice mail to receive messages from friends about planned personal activities, such as an upcoming camping trip.

I have a company Diners Club card in my name. May I use it for personal charges providing that I pay my bill promptly?

No. The card is intended for business purposes only.

Further Guidance

If you have any questions about the proper use of company, customer or supplier resources, you should talk to your manager. You can also contact Human Resources, the Legal Department, your ethics and compliance officer or the Ethics Helpline for guidance.

Use of E-mail and Internet

Summary of Bechtel Policy

Bechtel information systems, communications facilities and systems (such as e-mail, inter-office post and voice mail), networks and databases are provided for conducting Bechtel's business. The use of these systems is subject to all Bechtel policies, including those covering intellectual property, misuse of company resources, harassment, information and data security and confidentiality. Use of Bechtel systems to send fraudulent, illegal, harassing, offensive or obscene photographs, messages or files—including racial or sexual slurs—is strictly prohibited.

Occasional personal use of Bechtel's e-mail, network and Internet systems is acceptable, provided that such use is limited in nature and does not interfere with Bechtel's business operations or with an employee's work obligations. Personal use of systems, networks and Internet connections supplied by government or other customers may be restricted, in which case project guidelines should be followed.

What behaviour is expected?

- Keep personal use of company-provided e-mail, networks and Internet access to a minimum and routinely separate personal e-mails from work-related e-mails
- Delete personal e-mails that you do not wish to retain and forward what you wish to keep to your home or other personal e-mail account
- Use professional, businesslike terms in all written communication, no matter how familiar or controversial the topic
- Avoid putting anything in writing that you would not want disclosed, or that would cause embarrassment if disclosed, to a customer or business partner, opponents in court, a judge or jury or the media
- Ensure that you have the proper authority before sending Bechtel-confidential (Security Level 2) or strictly confidential (Security Level 1) material outside of Bechtel and ensure that the information is protected using the appropriate technology

Common Questions

I have a good friend who often sends me jokes and amusing photographs. May I use my Bechtel e-mail to share these with my friends at work?

This is a matter of common sense and good judgement. It would be okay to forward an occasional message, but frequent personal use ties up the company's computing resources and could also result in a waste of company time. Remember that not everyone shares your sense of humour, and you must be careful not to send anything that could be considered offensive. And, of course, you must never use company computers to access, store or send pornographic or sexually-explicit images or anything that promotes violence, hatred or intolerance.

How do I tell the difference between occasional personal use that is okay and excessive personal use that is not permitted?

Use your good business judgement to make this decision and make sure that any personal use of company resources does not interfere with company business processes. Ask your manager if you are unsure whether your level of personal use is acceptable.

Is the volume of personal data on Bechtel's system an issue?

Yes it is. The Bechtel system should not be used to store large personal files, such as those containing photos, videos and music. Also, if Bechtel is required to collect information for a legal matter, your personal information will be co-mingled with the Bechtel-specific information and it is very possible that it would be turned over to an outside party.

Can I expect the personal information that I do have on the system to remain private?

No. E-mail, network and Internet communications are not private and confidentiality cannot be ensured. Bechtel reserves the right to monitor all e-mail messages, as well as network and Internet connections. Bechtel may also disclose the specific use of these systems to others.

Further Guidance

Additional information on e-mail usage can be found in RIM Instruction 300, Electronic Messaging Usage and Management. Any questions that you may have about the proper use of Bechtel's systems can be directed to your supervisor, Human Resources, IS&T or your organisation's ethics and compliance officer.

Other Issues At Work

A Safe and Supportive Environment

Bechtel strives to provide all employees with a healthy, safe and supportive work environment—one that is free from intimidation, unlawful discrimination and harassment of any kind, including sexual harassment. Any behaviour that is not conducive to a professional work environment, such as harassment, violent acts, threats of violence, possession of weapons or violations of the company's drug and alcohol policy, is strictly forbidden.

Workplace Security

All employees are responsible for adhering to Bechtel's security procedures and for protecting company and customer property. Paying attention to security and to situations that could lead to the loss, misuse or theft of company or customer property is the best way to help to ensure a secure workplace and protection of the company's assets. Employees must be sure to promptly report any unusual or suspicious situation to their supervisor, manager or security personnel.

Searches at Work

Bechtel strives to maintain a balance between business needs and personal rights, including safety and employee privacy. Expectations of privacy in the workplace are different from those at home or elsewhere. Bechtel therefore reserves the right, for security or other business reasons, to conduct searches of any company premises or any property on Bechtel premises, including e-mail, computer hard drives and networks, and any electronically stored information. You should not keep personal property or information that you wish to remain private on company premises, on your Bechtel-issued computer or on the company's network. Bechtel may also be required to report its findings to the national, regional or local government.

Requests for Information

It is Bechtel's practice to respond truthfully as well as to be consistent with the company's business objectives when third parties request information. To that end, designated departments and individuals are authorized to provide information in response to such requests.

Employees that are asked to provide information to someone outside the company should refer the question to those within Bechtel who are responsible for providing such information. For example:

- If a bank calls requesting employment verification about one of your co-workers, refer the caller to Human Resources.
- If a hiring manager from another company asks about the job performance of a former employee, refer the caller to Human Resources.
- If a reporter or member of the news media contacts you, refer that person to Corporate Communications.
- Any question from a lawyer should be referred to the Legal Department.
- Similarly, if you become aware of a government agency investigation in connection with your work, immediately notify the Legal Department.
- All requests for financial information regarding Bechtel entities should be referred to Finance.

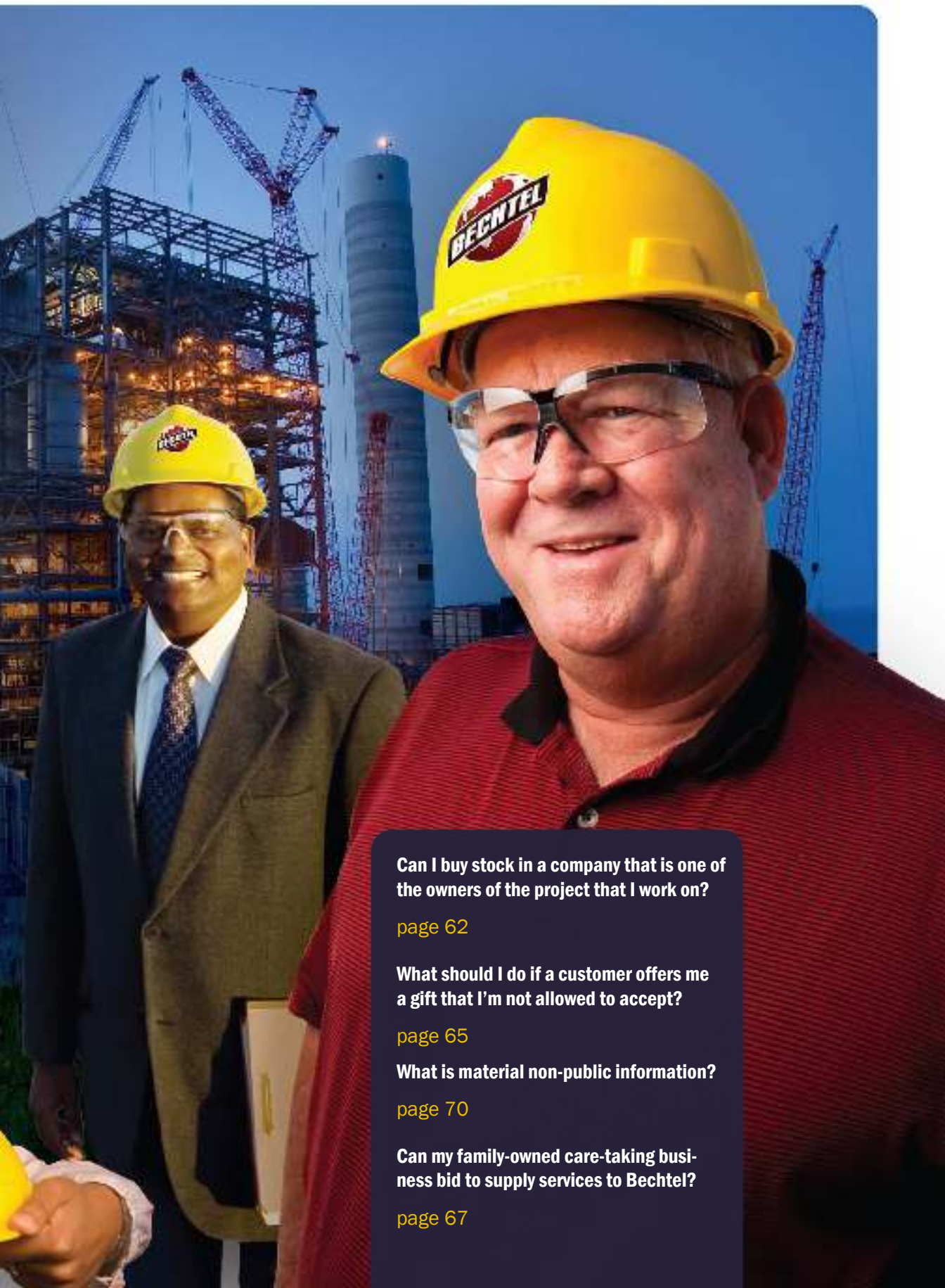
Further Guidance

If you have further questions about how to address requests for the release of employee information, either inside or outside the company, consult Corporate Policy 453, Security and Privacy of Personnel Information in the Personnel Policy Manual—U.S. ('Redbook') and Corporate Policy A403, Personnel Records and Data, in the Personnel Policy Manual—International ('Greenbook').

On Your Own Time

This section focuses on activities in your private life that, because of your Bechtel employment, might lead to a conflict of interest or other problem.





Can I buy stock in a company that is one of the owners of the project that I work on?

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What should I do if a customer offers me a gift that I'm not allowed to accept?

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What is material non-public information?

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Can my family-owned care-taking business bid to supply services to Bechtel?

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Conflicts of Interest

Summary of Bechtel Policy

Bechtel employees must avoid any interest, relationship or outside activity that could affect the employee's objectivity in making decisions concerning his or her Bechtel duties and responsibilities. A conflict of interest may exist when an employee or a member of his or her family is involved in an activity or has a personal interest that could impair, or even appear to impair, the ability to make objective and fair decisions or could create an incentive to act in a manner that would advance personal interests at the expense of Bechtel.

Full disclosure and approval is required for any activity, transaction or relationship that could create the appearance of a conflict of interest by employees before they or their family members undertake the activity. If the activity is already taking place, disclosure is still required. Unless formally approved in writing, such activities are prohibited.

What behaviour is expected?

- Avoid situations where personal, social, financial or political activities interfere with, or have the potential of interfering with, your duty to and objectivity concerning Bechtel
- Never work for, or provide services or advice to, current or potential customers, competitors or suppliers that you must deal with as part of your job at Bechtel
- Never invest in a supplier, competitor or customer if you (or those you supervise) have direct dealings with; involvement in the selection or assessment of; or are in negotiations with the supplier, competitor or customer
- Obtain a conflict of interest determination from your ethics and compliance officer before you or a family member undertake any outside activity that could create the appearance of divided loyalty or conflict of interest
- Disclose and resolve any existing situations that potentially create a conflict of interest or the appearance of a conflict

Common Questions

What kinds of situations are most likely to create potential conflicts of interest?

Each situation is different and requires individual consideration. A conflict of interest may occur without any deliberate action on the part of the employee. At times employees may be faced with situations where the business actions that they take on behalf of Bechtel may conflict with their own personal or family interests because the course of action that is best for them personally may not also be the course of action that is best for Bechtel. Some of the most common conflict of interest situations:

- Taking on an outside job (by either you or a family member) for a Bechtel customer, competitor, supplier or contractor while you are employed by Bechtel
- Hiring or supervising family members or relatives (see the Bechtel Workplace Relationships policy, which is Policy A401J in the Personnel Policy Manual—International [‘Greenbook’] and Policy 401J in the Personnel Policy Manual—U.S. [‘Redbook’])
- Serving as a board member or consultant for an outside commercial company or not-for-profit organisation

- Having a personal interest or potential financial gain from any Bechtel business transaction
- Owning or having a substantial financial interest in a competitor, supplier or contractor
- Accepting gifts, discounts, favours or services from a current or potential customer, competitor or supplier when that benefit is not equally available to all Bechtel employees

What size investment is considered to be a ‘substantial financial interest’?

A substantial financial interest is an investment of an amount that is more than 1% of the total outstanding class of securities/capital value of an entity or represents more than 5% of the personal net worth of the Bechtel employee, the employee’s family members or others with whom the employee has a close personal relationship.

continued

Conflicts of Interest *(continued)*

Common Questions continued

My son works for a Bechtel supplier and my sister works for a competitor. Is this a problem for me in my job? I can't control where they decide to work.

Probably not. Many conflicts of interest can be resolved in a mutually acceptable way, but they must be disclosed so that steps can be taken to provide assurance that potential conflicts do not affect or appear to affect company decisions. Failure to disclose a conflict may lead to disciplinary action.

Is it OK to buy stock in a corporation that is one of the owners of the project that I work on? I've been very impressed with its employees and think that this would be a good investment.

It may be OK. The answer depends upon your job, the size of the investment and its relationship to your net worth. Ask your ethics and compliance officer if you need to obtain a conflict of interest determination. Also, you must not invest if you are in possession of material inside information. See the section on Insider Information on page 70.

Further Guidance

For issues concerning reporting relationships between close personal friends or relatives, consult the Bechtel Workplace Relationships policy, which is Policy A401J in the Personnel Policy Manual—International ('Greenbook') and Policy 401J in the Personnel Policy Manual—U.S. ('Redbook'). Questions about whether an activity could create an actual or apparent conflict of interest should be directed to your manager or supervisor and your organisation's ethics and compliance officer. You can also contact Human Resources, the Legal Department or the Ethics Helpline for further guidance.

Accepting Business Courtesies

Summary of Bechtel Policy

Gifts, entertainment and other business courtesies are commonly offered to create goodwill and strengthen working relationships, but care must be taken to ensure that they do not create conflicts of interest or give rise to the perception of impropriety. Bechtel employees may generally accept modest, unsolicited business courtesies, other than cash, that promote successful working relationships and goodwill with the firms with whom Bechtel maintains or may establish a business relationship.

Any gift or business courtesy that could appear to be excessive or lavish or that could create a feeling of obligation to the donor is unacceptable. Such gifts could be perceived as bribes and could damage Bechtel's reputation or even break the law.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiating contracts, must be particularly careful to avoid actions that create the appearance of favouritism or that could adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier or contractor when Bechtel is involved in selecting or reconfirming an award or contract under circumstances that could create an impression that offering courtesies is the way to obtain Bechtel business.

What behaviour is expected?

- Recognise that most business courtesies offered in the course of your employment are offered because of your position at Bechtel; as such, they are the property of Bechtel, and you should not feel entitled to accept and keep them for your personal use
- Accept only those business courtesies that conform to the reasonable and ethical practices of the marketplace and that create neither an actual conflict of interest or divided loyalty, nor the appearance of an improper attempt to influence business decisions
- Never use your position at Bechtel to obtain business courtesies and never ask for gifts or anything of value
- Use good judgement in deciding whether to accept a business courtesy and seek guidance when in doubt

Before accepting a business courtesy, ask yourself the following questions:

- Is the gift or entertainment modest or infrequent or could it make you feel obligated to the donor?
- Are you trying to justify accepting the gift or entertainment because you really want it?
- Are you reluctant to ask your manager if it is OK to accept the gift?
- Would you be willing to write a 'thank you' note for this gift and send a copy to Riley Bechtel?

Common Questions

Are there categories of gifts or business courtesies that are always unacceptable to receive?

- Gifts or entertainment involving parties engaged in a proposal or competitive bidding process
- Gifts of cash or cash equivalents (such as gift certificates, discounts, loans, stock or stock options)
- Gifts or entertainment that are quid pro quo (offered for something in return) or that could give rise to the perception that they are a quid pro quo offering or that could create a feeling of obligation to the donor
- Entertainment that is indecent, sexually orientated, does not comply with Bechtel's value of mutual respect or that otherwise might adversely affect Bechtel's reputation
- Gifts or entertainment that you would not feel comfortable discussing with your manager or reading about on the front page of a newspaper

What should I do if I am offered an unacceptable gift by a customer or business associate under circumstances where it would be insulting to decline?

First, politely make every effort to decline. If the person persists and you feel certain that refusal would cause insult or embarrassment to the donor, you should politely accept the gift but promptly report it to your manager. Management, in consultation with your organisation's ethics and compliance officer, will determine the proper disposition. However, you must not accept any cash or cash equivalents, such as a gift certificate, bank cheque, money order, investment security or negotiable instrument.

Further Guidance

If you have questions about accepting a business courtesy, contact your manager or your ethics and compliance officer or the Legal Department.

Proper Relationships with Suppliers

Summary of Bechtel Policy

Bechtel employees may not accept any money or any benefits from a supplier* or potential supplier for advice or services performed as a Bechtel employee that relate to the supplier's business. Bechtel employees are prohibited from representing a Bechtel supplier, being a part of a supplier's operating management or knowingly working on anything that a supplier offers to Bechtel. Although exceptions can be granted by the Corporate Manager of Procurement, Bechtel employees may not, as a general rule, be a supplier to Bechtel or knowingly work for a current or potential supplier while they are employed by Bechtel. In all cases, the appropriate advance approval must be obtained for an employee to deviate from standard practices or when an exception under special company programmes applies.

What behaviour is expected?

- Do not, while employed at Bechtel, work for or provide services or advice to any supplier currently supplying materials or providing services to Bechtel or to any supplier that may be likely to supply materials or provide services to Bechtel
- Refuse any form of compensation or benefit from a supplier—even if such practices are acceptable in the culture where the work is being performed
- Obtain a conflict of interest determination from your ethics and compliance officer before undertaking any outside employment that could create the appearance of divided loyalty or disclose and resolve any existing situations that could potentially create a conflict of interest or the appearance of a conflict

* We use the term supplier in this section to mean suppliers, contractors and sub-contractors.

Common Questions

What kind of advice or services might a supplier be willing to pay a Bechtel employee to provide?

Some of the most common situations involving advice or services are:

- Helping a supplier to fulfil a contractual obligation by assisting the supplier to develop its QA Programme, Environmental Compliance Plan or other contractual submittals (e.g. by writing actual sections of such documents)
- Serving as a board member on a supplier's board of directors
- Having a personal interest in, or potential financial gain from, any Bechtel business transaction with a supplier

I am a part owner of a small company that provides care-taking services in an area where Bechtel has an office. Can this company bid to supply services to Bechtel?

If the company is otherwise qualified and provides quality services at a good price, it may be acceptable for Bechtel to do business with the company. However, it would not be right for you to be involved in the procurement process. As in a case where a relative or close family member works for a potential supplier or competitor, you should disclose this fact to your manager and obtain a conflict of interest determination from your ethics and compliance officer.

Further Guidance

If you have any questions about proper relationships with suppliers, you should talk to your manager or supervisor. You can also contact Human Resources, the Legal Department, your ethics and compliance officer or the Ethics Helpline for guidance.

Public Service

Summary of Bechtel Policy

Many Bechtel employees participate actively in civic life. From time to time, Bechtel's interest and the employee's obligation to the civic organisation may pull in opposite directions, placing the employee in a difficult or awkward situation. In such cases, Bechtel employees must abstain, indicating that they are doing so to avoid a conflict of interest or the appearance of one, and notify their supervisor or manager of the abstention.

What behaviour is expected?

- When speaking out on public issues, make sure to do so as an individual—not as a Bechtel employee
- Avoid giving the appearance that you are speaking or acting on Bechtel's behalf if you have not been authorised to be an official Bechtel spokesperson
- If you believe that others have misunderstood or are under the impression that you are speaking for Bechtel, immediately take steps to clarify the situation
- Take any additional measures required by applicable laws to ensure that there is no conflict of interest

Common Questions

What if an employee is a member of a board or committee that is confronted with a decision involving Bechtel? For example, it could be a decision for an engineering study, a decision by a board of tax assessors or a decision by a zoning board that affects Bechtel property.

The employee should disclose the situation to the board or committee. In such cases, Bechtel policy requires the employee to abstain and notify his or her manager of the abstention.

I am active in several civic and professional organisations and am proud to say that I am a Bechtel employee. I have strong personal views on a variety of public policy issues. May I freely share them with others?

This is not a problem provided that you make it clear that, even though you are a Bechtel employee, you are speaking as an individual and are not speaking or acting on Bechtel's behalf.

Further Guidance

If you are unsure of the proper business practice or are confused about any Bechtel policy, ask for help. Consult your supervisor or manager, Human Resources, the Legal Department or your organisation's ethics and compliance officer. You can always contact the Bechtel Ethics Helpline.

Insider Information

Summary of Bechtel Policy

During the course of business Bechtel employees may learn of material, non-public information—known as ‘insider information’—about our customers, partners or suppliers. Bechtel employees may not buy or sell the stock or other securities (e.g. notes or bonds) of those companies or their competitors while in possession of such insider information, nor otherwise use the information for their own personal advantage or the advantage of others. Bechtel policy also prohibits the discussion of such information outside or within the company, other than that which is necessary for the purposes of day-to-day employment with the company.

What behaviour is expected?

- Be diligent in maintaining the confidentiality of information if it is not affirmatively known that it is already public
- Do not use any information received in the course of employment for any personal purpose whatsoever

Common Questions

What is material non-public information?

Information that is not available to the public at large that could affect the market price of a security and that a reasonable investor would consider to be important in deciding whether to buy, sell or retain the security.

I am working on a project and I know that we are about to place a large supply order with a particular company. May I buy stock in the company? I had been thinking of investing in this company before I learnt this information.

You cannot buy or sell any stock in that company until several days after the information becomes public. Information is considered to be public only when it has been released to the public through the appropriate channels and enough time has elapsed for the marketplace to absorb the information. You should also make sure that you do not discuss this information outside the scope of your employment. It is particularly important that you do not discuss the information if you are in a public place where you may be overheard. Even if you had already decided to buy this stock, you cannot make the purchase while in possession of insider information.

If, while at a customer meeting, I overhear that the customer is about to sign an exclusivity arrangement with a large company, am I precluded from buying stock in the company?

The information is not public, even if you were not told about the deal directly. You should treat this information in the same way as any other confidential information that you receive in the course of your employment, which means that you are precluded from discussing it with others or acting upon the information.

I was meeting with a potential supplier today and during our discussion their sales manager told me 'off the record' that their business was not doing well and that they might not be able to fulfil an order if we placed it. I recommended that we should not place the order with them, but my best friend owns some stock in the company. May I suggest to him that he should sell it if I don't tell him why?

Assuming that the downturn in the supplier's business is not publicly known, you should not make this suggestion to your friend based on this information until several days after the information becomes public.

The information is not public, even if you were not told about the deal directly. You should treat this information in the same way as any other confidential information that you receive in the course of your employment, which means that you are precluded from discussing it with others or acting upon the information.

Further Guidance

If you think that you may be in possession of some material non-public information and you are not sure what, if anything, you need to do (or not do) as a consequence, ask for help. Seek guidance from your supervisor or manager, Human Resources or the Legal Department. Or contact your organisation's ethics and compliance officer or the Bechtel Ethics Helpline.

Violations of Our Code of Conduct





What should I expect if I contact the Ethics Helpline?

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Will I find out what happened when the company has investigated my report?

page 77

Can I get into trouble for reporting a suspected violation if it turns out that I was wrong?

page 77

How to Report a Violation

Summary of Bechtel Policy

Bechtel depends on its employees to report violations or potential violations of the Bechtel Code of Conduct so that the company can take the appropriate action and remedy the situation.

Several different channels of reporting are available, depending on the issue, including:

- Your supervisor
- A higher level of management
- Your ethics and compliance officer
- The Environmental, Safety & Health Department
- The Human Resources Department
- The Legal Department
- The Internal Audit Department
- The Bechtel Ethics Helpline

The Bechtel Ethics Helpline

The Ethics Helpline is a confidential resource that is available to employees to discuss any ethics or compliance question or concern, to seek clarification or guidance about the Bechtel standards of conduct or to report potential wrongdoing or inappropriate conduct in the company.

If you believe that you have been subjected to retaliation, you should immediately contact the Ethics Helpline or Human Resources.

What to Expect When You Contact the Ethics Helpline

- You will be treated with respect.
- Your concern will be treated seriously.
- You will not be required to identify yourself.
- Your report will be kept confidential to the extent permitted by law and Bechtel's need to fully investigate the matter. (If Bechtel discovers criminal or otherwise improper activity, the company may be required to report such activity to the appropriate government enforcement authorities.)
- Only those with a need to know will be involved in or know of the investigation.
- Threats or acts of retaliation against you for reporting unethical or illegal conduct will not be tolerated.

The Ethics Helpline may be contacted in any of the following ways:

- By e-mail to:
Ethics (or ethics@bechtel.com)
or bsiicomp@bechtel.com
(for BSII employees)
- By post to:
Bechtel Ethics Helpline
P.O. Box 2610
San Francisco, CA 94126-2610
- By telephone:
+1 800 BECHTEL
(+1 800 232 4835)

The Ethics Helpline is attended from 7:00 a.m. – 4:00 p.m. PST, Monday – Friday. A confidential voicemail box will record a message if the line is engaged or if the contact occurs after working hours. (Note: Caller ID is not used on Ethics Helpline telephone numbers)

- On one of the international toll-free telephone numbers listed on the BecWeb Ethics and Compliance site

Consequences for Violations

Summary of Bechtel Policy

A violation of the rules and standards set forth in Our Code of Conduct and Bechtel policies and instructions may be grounds for termination or other disciplinary action. Disciplinary action may be taken against any individual who:

- Authorises or participates in a violation of the Code of Conduct rules and standards or Bechtel policies or instructions
- Improperly or negligently supervises a person who commits a violation
- Fails to report a violation or withholds relevant information about a violation
- Attempts to retaliate against an employee who reports a suspected violation

Common Questions

I understand that I have an obligation to report violations, but what if I'm not sure about the facts or don't have enough information to conclude that a violation has occurred?

We are all responsible for raising questions if we are concerned that the Bechtel standards of conduct are not being met. Talk to your manager or your organisation's ethics and compliance officer or call the Ethics Helpline. They can help you to determine whether there is an ethics or compliance issue that should be reported.

Why do you investigate anonymous allegations? If people are unwilling to give their name, aren't they just trying to get someone else in trouble?

Some employees with genuine concerns are not comfortable with identifying themselves. All reports of violations must be taken seriously. If it is determined that an employee has attempted to use the Helpline to harm or slander another employee or Bechtel through false accusations, the employee may be subject to disciplinary action.

Will I find out what happened when the company has investigated my report?

You will be informed of the outcome when the investigation is completed if you identify yourself. If you have reported anonymously, you can call the Ethics Helpline later to learn the outcome of the investigation. However, due to privacy considerations, you will not be told the details of any discipline that results from the investigation.

Can I get into trouble for reporting a suspected violation to the Ethics Helpline if it turns out that I was mistaken or if my allegation is not substantiated by the investigation?

No. There is never a penalty for contacting the Ethics Helpline in good faith. Bechtel investigates all allegations of retaliation and takes the appropriate corrective action if retaliation is found to have occurred.

