



# Conflicts of Interest

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Bechtel has established a process to review and prevent actual or apparent conflicts of interest. It provides requirements for disclosing potential conflicts of interest and the process for obtaining a conflict of interest review. It applies to all Bechtel organization and entity employees, contract labor, consultants, and others acting for the company.

## Definitions

- Immediate Family Member—includes an employee's spouse, domestic partner, child or stepchild, parent, parent-in-law, sibling, and anyone sharing the employee's household (other than a tenant or employee).
- Relative—includes an employee's grandparents, spouse's grandparents, grandchildren, great-grandchildren, stepsiblings, half-sibling, uncles, aunts, nephews, nieces and cousins.
- Financial Interest or Financial Involvement—may include transactions involving cash, securities, loans, forgiveness of debt, non-cash trades or benefits, or ownership interests.
- Passive Investment—a purely financial involvement in an organization for which the employee performs no managerial functions, provides no advice, and has no ability to influence the policies, products, or business of the outside organization. Passive investments include ownership of shares in a public or private company, whether held individually, in a 401K plan, or as an investment in a stock mutual fund or stock market index fund.
- Substantial interest—a financial investment 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 employee, the employee's family members, or others with whom the Bechtel employee has a close personal relationship.
- Senior Bechtel Officers—are Bechtel Principal Vice Presidents, Senior Vice Presidents and Directors.

## Background

A conflict of interest exists whenever an employee's personal interests are inconsistent with —i.e., conflict with — the interests of Bechtel. While employed at Bechtel, an employee's primary business loyalty must lie with Bechtel. As a result, an employee must not engage in activities outside of work that create a possible conflict of interest between an employee's and Bechtel's best interest. An actual conflict of interest need not exist to constitute a violation of the Bechtel standards of conduct. Activities that create the appearance of conflict of interest must also be avoided.

## Instruction

### I. General Guidelines and Responsibilities:

- Employees must fully disclose through the conflict of interest review process any activity or transaction that might give rise to a conflict of interest, or even the appearance of a conflict of interest. In some cases, an employee may not realize that a conflict exists until he or she is already engaged in the activity. In such cases, the employee should contact Ethics and Compliance as soon as the employee becomes aware that the potential for conflict exists. If known by the employee, the same information must be disclosed for immediate family members or relatives.
- If an employee is unsure about whether a contemplated activity might constitute a potential conflict of interest, the employee should contact the organization's ethics and compliance officer for guidance concerning whether disclosure through the conflict of interest review process is required.
- Upon completion of a conflict of interest review, the ethics and compliance officer will issue a conflict of interest determination, the process for which is described below.

### II. Conflict of Interest Disclosure and Review Requirements

- Disclosure of potential conflicts of interest. Conflicts of interest may arise in a number of circumstances. These may include:

- Having a financial interest, in any supplier, subcontractor, customer or competitor, where the Bechtel employee can influence, or has the appearance of influence over, business dealings or decisions affecting that entity, except a passive interest as described in Section IV.3 below.
  - Ownership, directly or indirectly, of a substantial interest in, or having effective control of, a client, subcontractor, supplier or other service firm which is currently or potentially doing business with or in competition with Bechtel, or with a present or prospective Bechtel client.
  - Acting as an employee, officer, director, partner, consultant, representative, agent, auditor or advisor of a Bechtel competitor, supplier, customer, partner, contractor, or subcontractor, except when so acting at the request of Bechtel.
  - Misusing or engaging in unapproved disclosures of proprietary or confidential information.
  - Using or diverting Bechtel's know-how, internal information, equipment, tools, materials, supplies or the time and services of its personnel for any purpose not compatible with Bechtel's best interests.
  - Participating in a focus group or survey and sharing Bechtel know-how where the ultimate beneficiary of the information is unknown.
  - Dealing directly, in the course of normal company responsibilities, with an immediate family members, relatives or others with whom the Bechtel employee has a close personal relationship who are employed by a supplier, vendor, customer, or competitor of Bechtel.
  - Serving as a board member for an outside entity, except when such board service is:
    - » At the request of Bechtel;
    - » For an industry or professional association; or
    - » For a not-for-profit entity whose activities are unrelated to Bechtel business or activities, and which does not seek or receive funding from Bechtel, a Bechtel-sponsored organization, or the Bechtel Foundation.
  - Having a personal financial involvement with an employee or representative of a supplier, customer, or competitor of Bechtel with whom the Bechtel employee interacts in a business capacity for Bechtel.
  - Using Bechtel property, information or assets or an employee's position with Bechtel for personal gain.
  - Directly or indirectly owning, trading or dealing in real estate, materials, supplies, equipment or other property with the intent of selling or renting to Bechtel, or its clients.
  - Acting as a consultant, advisor, or expert witness in a legal process, such as a lawsuit, administrative proceeding, mediation, arbitration, dispute resolution, government or private investigation, rule-making procedure, or similar process, unless acting at the request of Bechtel.
  - Acting as an officer or employee of any government or any department, agency, or entity controlled by the government.
  - Acting as an officer or employee of a Public International Organization, e.g., United Nations, International Monetary Fund (IMF), World Bank).
  - Any other activity that might adversely affect Bechtel, its business, or its reputation.
- If a potential conflict of interest or appearance of conflict of interest may exist, employees should contact their organization's ethics and compliance officer for guidance. The ethics and compliance officer will advise the employee whether a conflict of interest review is required. If so, employees will cooperate fully in the review process by providing all necessary information.
  - In addition to complying with the conflict of interest disclosure and review requirements for all employees, senior Bechtel officers seeking to serve on the board of directors or similar body of a public company or other for-profit enterprise must obtain approval of the Chief Operating Officer with concurrence of the General Counsel.

### III. Conflict of Interest Determination Process

- Requests for a conflict of interest determination will be decided on a case by case basis. The employee should submit a request for review in writing, using the form attached as Attachment 1 to this Instruction, to their organization's ethics and compliance officer. (The Request for Conflict of Interest Determination form is also available on the Ethics and Compliance site on myBechtel.) On this form, the employee should supply, at a minimum, the following information:
  - A description of the employee's duties and responsibilities with Bechtel.

- A description of the relationship, financial interest, role, or activity, in which the employee proposes to become involved.
  - A description of the proposed relationship of the Bechtel employee to the persons, entities or activities at issue.
  - A description of any relationship between Bechtel and the persons, entities, or activities at issue.
  - The proposed level of the employee's involvement or position with the persons, entities or activities at issue.
  - Any compensation or other benefit to the employee arising from the proposed activity.
  - Whether the employee expects to perform the proposed activity during Bechtel working hours or with the use of Bechtel equipment or assets.
- Conflict of interest reviews will be conducted by the ethics and compliance officer for the employee's organization and will be determined on a case by case basis in consultation with the employee, the employee's supervisor or functional manager, and others, as appropriate. In cases involving a senior Bechtel officer, the conflict of interest review will be conducted by the CECO and the determination will be made in consultation with the COO and the General Counsel.
  - In cases where the proposed activity presents no conflict of interest, the ethics and compliance officer will issue written conflict of interest determination to that effect if requested by the employee.
  - In cases where the proposed activity potentially presents a conflict of interest, but the potential conflict can be eliminated or mitigated by the imposition of certain restrictions on the employee's involvement in the activity, the ethics and compliance officer will issue a written conflict of interest determination that sets forth, in detail, any such restrictions. A copy of this determination will be sent to the employee and the employee's supervisor. An employee's failure to follow the restrictions set forth in the conflict of interest determination may result in disciplinary action.
  - In cases where the proposed activity presents an unavoidable conflict of interest, the ethics and compliance officer will issue a written conflict of interest determination that prohibits the employee from engaging in the proposed activity. A copy of this determination will be sent to the employee and the employee's supervisor.
  - Once a written determination has been made, it continues in effect until it is reversed, modified, or withdrawn. If circumstances change, such as the employee moves to a different assignment within Bechtel, it is the employee's responsibility to inform the organization's ethics and compliance officer of the change. Upon review, the previous decision may be reversed, modified, or withdrawn.
  - Records of conflict of interest reviews will be retained by the GBU or other business-based ethics and compliance officer. Records of conflict of interest reviews involving a senior Bechtel officer will be retained by the CECO. Conflict of interest determinations shall be classified as Level 2 Confidential business records. Conflict of interest review data will be collected and analyzed by the CECO in order to improve conflict of interest guidance and processes and to provide visibility of company-wide conflict of interest issues.
  - An employee may appeal the determination of a conflict of interest review by the organization ethics and compliance officer, or pose questions, to the CECO. In cases involving a senior Bechtel officer, appeal of a conflict of interest determination may be made to the CEO.

#### IV. Interests and Activities That Do Not Require a Conflict of Interest Review

- Working for any entity that is not a supplier, subcontractor, customer or competitor.
- Acting as an employee, officer, director, partner, consultant, representative, agent, or advisor, of an entity at the request of Bechtel.
- Having a passive investment interest in any supplier, customer, or competitor where such interest is less than 1% of the outstanding securities/capital value of the entity and represents less than 5% of the total assets of the employee, the employee's immediate family members, relatives or others with whom the Bechtel employee has a close personal relationship.
- Serving on the board of a not-for-profit entity whose activities are unrelated to Bechtel business or activities, and which does not seek or receive funding from Bechtel, a Bechtel-sponsored organization, or the Bechtel Foundation.
- Serving as an officer or director of an industry or professional association.

## V. Additional Guidance for Other Potential Conflicts of Interest

Conflict of interest laws and regulations applicable to current and former U.S. Government employees, including Special Government Employees, are described in [other policies and procedures relating Recruitment of United States Government Employees for Positions with the Bechtel Group of Companies, and Recruitment and Hiring of United States Government Employees.

Responsibilities of management regarding the hiring and placement of employees' relatives in the workplace are described in the Bechtel Workplace Relationships policy.