



# **CODE OF BUSINESS CONDUCT AND ETHICS**

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**Envirocon, Inc.**  
**Code of Business Conduct and Ethics**  
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# Envirocon, Inc.

## Code of Business Conduct and Ethics

### INTRODUCTION

Envirocon is committed to maintaining the highest standards of business conduct and ethics. The reputation of Envirocon, Inc. for integrity, honesty and fair dealing is one of our most important and valuable assets. Only hard work, honesty and adherence to the Code of Business Conduct and Ethics can preserve and strengthen this asset.

Envirocon serves the national interest by performing various environmental remediation, demolition and ecological restoration contracts for the private sector and for Federal, State and Local Governments.<sup>1</sup> The public expects our conduct, both as a corporation and individually, to be honest and above reproach. Maintaining these standards for all our work enhances the Company's reputation and benefits us by establishing Envirocon as a responsible and trustworthy contractor.

This Code addresses conduct that is particularly important to proper dealings with the people and entities with whom we interact, including our co-workers, clients, contractors, vendors, the Governments that regulate our activities and members of our community, and establishes our commitment to the highest ethical standards. However, the Code cannot possibly describe every practice or principle related to honest and ethical conduct. From time to time, we may adopt additional and more specific policies and procedures with which our employees, officers and directors are expected to comply, if applicable to them. However, it is the responsibility of each employee to apply common sense, together with his or her own highest personal ethical standards, in making business decisions where there is no stated guideline in the Code or in our other policies and procedures. Unyielding personal integrity is the foundation of corporate integrity. The integrity and reputation of Envirocon depends on the honesty and fairness brought to the job by each person associated with us.

Be aware that action by members of your immediate family, significant others or other persons who live in your household also may potentially result in ethical issues to the extent that they involve Envirocon business. For example, acceptance of inappropriate gifts by a family member from one of our suppliers could create a conflict of interest and result in a Code violation attributable to you. Consequently, in complying with the Code, you should consider not only your own conduct, but also that of your immediate family members, significant others and other persons who live in your household.

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<sup>1</sup> When the word *Government* is used in these Guidelines, it includes State and Local Governments, as well as the Federal Government.

You should not hesitate to ask questions about whether any conduct may violate the Code, voice concerns or clarify gray areas. In addition, you should be alert to possible violations of the code by others and report suspected violations, without fear of any form of retaliation, as further described in Chapter Four. Violations of the Code will not be tolerated. Any employee who violates the standards in the Code may be subject to disciplinary action, which, depending on the nature of the violation and the history of the employee, may range from a warning or a reprimand up to and including termination of employment and, in appropriate cases, civil legal action or referral for criminal prosecution.

# Envirocon, Inc.

## Code of Business Conduct and Ethics

### CHAPTER ONE: STANDARDS OF CONDUCT

#### Overview

Every Envirocon employee is required to comply with this Code. Reading and understanding Envirocon's Code of Business Conduct and Ethics is essential to the proper performance of your job responsibilities. If you believe a violation of this Code has occurred, report your concerns using the procedures in **Chapter Four**. Reports will be received and held in the strictest confidence, if that is your desire. All reports will be promptly investigated. Failing to report a violation of this Code is a serious matter which may result in disciplinary action and adverse employment action against the non-reporting party.

While this Code addresses numerous topics, every potential ethical problem cannot be addressed. Envirocon expects you to use common sense and honesty in handling situations not specifically addressed by this Code. If you are unsure about the propriety of any action in a situation involving Envirocon, or third parties, discuss the matter, in advance, with your supervisor or the Corporate Ethics Representative. The Envirocon Corporate Ethics Representative is Samantha Hartman, located in Missoula, MT and can be reached at the office at 406-523-1180.

#### Treatment of People, Nondiscrimination and Harassment

As an Envirocon employee, you are critical to our success, and our policy is to treat you with fairness and respect.

Envirocon is an equal opportunity employer. We do not tolerate discrimination against applicants or employees based on race, color, religion, sex, age, national origin, veteran status, disability or any other category protected by state or local law. We prohibit discrimination in decisions concerning recruitment, hiring, compensation, benefits, training, termination, promotions, or any other condition of employment or career development.

Envirocon complies with all applicable federal civil rights laws, Federal Acquisition Regulation (FAR) requirements, and executive orders applicable to federal contractors. Envirocon maintains employment practices and workplace programs consistent with these requirements.

We are committed to providing a work environment that is free from discrimination or harassment of any type. We will not tolerate the use of

discriminatory slurs, unwelcome or unsolicited sexual advances or harassment, or any other remarks, jokes, or conduct that creates or fosters an offensive, hostile, or intimidating work environment. Employees at all levels of the organization must act with professionalism, respect, and civility toward clients, coworkers, and outside firms.

## **Labor Law Compliance**

It is Envirocon's policy to comply with the requirements of any labor laws applying to its contracts. These laws may require Envirocon to properly classify employees and to pay certain minimum wages as well as certain wage levels for overtime. If you have a problem regarding your employment and working conditions, you may use the same reporting mechanisms as outlined in this Code. Remember, mistakes will sometimes occur; with your help, they can be corrected as soon as possible.

It is Envirocon's policy that we do not hire nor allow undocumented workers on our jobsites. If you are aware or suspect that there are undocumented workers on any Envirocon project, you are to immediately report this to Envirocon management as outlined in this Code. This requirement applies whether the workers are employed by Envirocon or a subcontractor.

It is Envirocon's policy to comply with the requirements of 10 U.S.C. § 2408. This law prohibits Envirocon from knowingly employing in a management or supervisory capacity a person convicted of fraud or any other felony arising from the performance of a Department of Defense contract for a period, as determined by the Secretary of Defense, of not less than five years from the date of conviction. For the same period, Envirocon shall likewise refrain from electing such persons to serve on its Board of Directors, appointing such persons as agents and representatives or employing these persons as consultants. The severity of these sanctions underscores the importance of ethics when doing business with the Government.

## **Health and Safety**

It is Envirocon's goal to provide a safe and healthful work environment. Envirocon has established a performance objective of incident-free work for all employees and projects. Managers and supervisory personnel are expected to provide leadership that encourages compliance with safe work practices. Every employee is expected to support the concern for health and safety through safe work practices, avoidance of unnecessary risk, and to help recognize and correct unsafe behaviors or conditions. Every employee is expected to comply with all provisions of Envirocon's Health and Safety Program Procedures.

## **Environmental Compliance**

Envirocon's intent has been, and continues to be, to conduct our business in an environmentally responsible manner that minimizes environmental impacts. We are committed to minimizing and, if possible, eliminating the use of any substance or material that may cause environmental damage, reducing waste generation and disposing of all waste through safe and responsible methods, minimizing environmental risks by employing safe technologies and operating procedures, and being prepared to respond appropriately to accidents and emergencies. Violation of environmental laws can be a criminal offense and can involve monetary fines and imprisonment. We expect employees to comply with all applicable environmental laws.

## **Conflicts of Interest**

We must avoid any relationship or activity (personal, political or business) that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of Envirocon may conflict with our own personal or family interests. We owe a duty to Envirocon to advance its legitimate interests when the opportunity to do so arises. We must never use Envirocon property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Envirocon.

### **Here are some ways in which conflicts of interest could arise:**

- Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with Envirocon.
- Hiring or supervising family members or closely related persons.
- Serving as a board member for an outside commercial company or organization.
- Owning or having a substantial interest in a competitor, supplier or contractor.
- Having a personal interest, financial interest or potential gain in any Envirocon transaction.
- Placing company business with a firm owned or controlled by a Envirocon employee or his or her family.
- Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all Envirocon employees.

Determining whether a conflict of interest exists is not always easy to do. Whether or not a conflict of interest exists or will exist can be unclear. If you have any questions about a potential conflict of interest, or if you become aware of an actual or potential conflict of interest, you should discuss the matter with a Corporate Ethics Representative.

## **Business Courtesies, Gifts and Entertainment**

Envirocon is committed to competing solely on the merit of our products and services. Business courtesies, meals, refreshments, entertainment, gifts or other benefits from persons or companies with whom Envirocon are meant to create goodwill and sound working relationships and not to gain improper advantage or improperly affect, or be perceived as improperly affecting, the recipient's independence of judgement toward the giver. Most business courtesies offered to us in the course of our employment are offered because of our positions at Envirocon.

Unsolicited gifts that conform to the reasonable ethical practices of the marketplace that are offered in the course of our employment may include, but not be limited to, gifts of nominal value (e.g. below \$200 market value), such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items) flowers, fruit baskets; or tickets to a sporting or entertainment event. Generally, gifts do not include forms of compensation, honoraria or money from entities with whom Envirocon does or may do business.

### **Business Courtesies, Gifts and Entertainment Considerations**

It is important to avoid any actions that create a perception that Envirocon sought, received or gave favorable treatment to outside entities in exchange for personal business courtesies. We may not use our position at Envirocon to obtain business courtesies, meals, refreshments, entertainment, gifts or other benefits, and we may not ever ask for them. Additionally, we may neither give nor accept business courtesies, meals, refreshments, entertainment, gifts or other benefits that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of either Envirocon or our customers, or that would cause embarrassment or reflect negatively on Envirocon's reputation. Importantly, employees who can: negotiate and/or award contracts; influence the allocation of business; or create specifications that result in the placement of business must be careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when Envirocon is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Envirocon business.

Other than to our government customers, for whom special rules apply, we may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Any employee who offers a business courtesy must assure that the courtesy cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon Envirocon. An employee may never use personal funds or resources to do something that cannot be done with Envirocon resources. Accounting for business courtesies must be done in accordance with approved company procedures.

In the event of an unsolicited offer of any business courtesies, meals, refreshments, entertainment, gifts or other benefits, we may accept them if they are knowingly offered with the intent to promote successful working relationships and good will with the firms that Envirocon maintains or may seek to establish a business relationship with. We should always evaluate any unsolicited business courtesies, meals, refreshments, entertainment, gifts or other benefits. When evaluating whether an unsolicited offer is appropriate, we should evaluate whether accepting the offer would:

- Be inappropriately lavish or excessive;
- Create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future;
- Create discomfort for the employee accepting the offer when discussed with management or co-workers or in the event the acceptance becomes known by others;
- Violate any law or regulation or the standards of conduct of the recipient's organization; or
- Be inconsistent with industry practice.

When accepting business courtesies, meals, refreshments, entertainment, gifts or other benefits, we should not feel any entitlement to accept and keep a business courtesy.

If you have any questions about giving or receiving any business courtesies meals, refreshments, entertainment, gifts or other benefits or if you become aware of an offer or acceptance of any business courtesies meals, refreshments, entertainment, gifts or other benefits which do not meet these guidelines or which appears clearly inconsistent with these guidelines, you should discuss the matter with a Corporate Ethics Representative.

## **Government Transactions**

Compliance with federal, state and local laws is the responsibility of all employees doing business with the Government. All employees dealing with the Government must keep informed of changes in Government procurement laws and regulations, as well as Government enforcement standards and practices, and seek advice whenever there is a question regarding appropriate conduct. Failure to comply with applicable laws, regulation, and contract requirements may result in criminal, civil, contractual, and administrative penalties being assessed against Envirocon and individual employees.

The Government often imposes special accounting, administrative, billing and invoicing, product quality, inspection and testing, progress reporting and performance obligations and requirements. Each employee involved in performing Government contracts must learn, understand and fully comply with

the requirements of the contracts they help to perform.

Financial records, cost reports, timecards, schedule reports, test and inspection records, technical reports, and progress reports created in connection with performance of Government contracts and subcontracts must be accurate and complete. Products, services and work performed for or delivered pursuant to Government contracts and subcontracts must comply fully with all applicable specifications, standards and contract requirements. Invoices submitted in connection with Government contracts and subcontracts must accurately reflect the amount we are entitled to receive at that time under the contract. Disclosures, representations and certifications made in connection with Government contracts and subcontracts must be accurate and complete when made and must not omit information in order to mislead or misinform.

The Federal Procurement Integrity Act prohibits competing contractors from engaging in specific unethical behavior such as offering a gratuity to a Government procurement official; soliciting or receiving procurement-sensitive information from any agency employee and discussing employment or other business opportunities with a procurement official.

The Truth in Negotiation Act requires Government contractors to certify that cost and pricing data in their proposals, bids, and other submittals are accurate, complete and current.

Federal criminal and civil laws and regulations prohibit or restrict employment discussions with certain current Government employees. These laws and regulations also prohibit permanently, or limit for certain periods of time, the type of work that may be performed by a former Government employee. Because these laws and regulations change periodically, you should consult the Legal department before responding to or initiating any contact with a Government employee concerning present or future employment opportunities.

Envirocon's Guide to Government Contracting (Chapter Two) provides more specific guidance in this area. Employees associated in any way with a Government contract must comply with all provisions of this Guide.

## **Maintenance of Corporate Books and Records**

The integrity of our records depends on the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited.

Our records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. As a result, it is important that our books, records and

accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities, or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in our books and records;
- employees comply with our system of internal controls;
- no cash or other assets be maintained for any purpose in any unrecorded or "off-the books" fund; and
- each employee working on a Government contract understands and follows all Government accounting requirements which may apply to the employee's area of responsibility, the reporting of labor costs and proper charging of time worked.

We cannot make any charge for labor, supplies, or other expenses to any account or client except to the activity for which the charge is properly allocable. Any cost incurred on behalf of a department, work order, or contract must be charged to the department, work order, or contract irrespective of whether it is billable to the client.

Our accounting records are also relied upon to produce reports for our management, stockholders and creditors, as well as for Governmental agencies. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that our financial disclosure is accurate and transparent. In addition,

- no employee may take or authorize any action that would cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, or other applicable laws, rules and regulations;
- all employees must cooperate fully with our accounting department, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records are accurate and complete;
- if you are requested to provide, review or certify information in connection with our disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner, and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with any Government agency or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a

responsibility to report his or her knowledge promptly to a supervisor, the Corporate Ethics Representative or one of the other compliance resources described in Chapter Four.

## **Confidentiality**

One of our most important assets is our confidential information. Employees who have access to confidential information should take care to keep this information confidential. Confidential information may include business, marketing and service plans, financial information, engineering and manufacturing ideas, designs, databases, configuration of our computer systems, customer lists, pricing strategies, marketing materials, personnel data, personally identifiable information pertaining to our employees (e.g., salary, bonus or performance-appraisal data), customers or other individuals (e.g., names, addresses, telephone numbers and social security numbers), and similar types of information provided to us by our customers, suppliers and partners. Some of this confidential information may be protected by patent, trademark, copyright and trade secret laws.

In addition, because we interact with other companies and organizations, there may be times when you learn confidential information about other companies before that information has been made available to the public. You must treat this information in the same manner as you are required to treat our confidential and proprietary information. There may even be times when you must treat as confidential the fact that we have an interest in, or are involved with, another company.

Every employee has a duty to refrain from disclosing to any person confidential or proprietary information about us or any other company learned in the course of employment here, until that information is disclosed to the public through approved channels. This policy requires you to refrain from discussing confidential or proprietary information with outsiders and even with other Envirocon employees, unless those fellow employees have a legitimate need to know the information in order to perform their job duties. If you leave Envirocon, you must safeguard and return confidential information in your possession. Unauthorized use or distribution of this information could also be illegal and result in civil liability and/or criminal penalties.

You should also take care not to inadvertently disclose confidential information. Materials that contain confidential information, such as memos, notebooks, computer disks and laptop computers should be stored securely. To that end, any computer or voicemail passwords should be carefully protected. If you have reason to believe that your password or the security of an Envirocon technological resource has been compromised, you must change your password immediately and report the incident to your supervisor and the applicable system administrator.

In addition to the above responsibilities, if you are handling information protected by any privacy policy published by us, then you must handle that information solely in accordance with the applicable policy.

## **Other Prohibited Activities**

Envirocon seeks to place as few restrictions on your personal conduct as possible. However, the company believes that it is your obligation to maintain acceptable standards of conduct. This Code is not intended to be all-inclusive. It is the responsibility of each employee to apply common sense, together with his or her own highest personal ethical standards, in making business decisions where there is no stated guideline in the Code or in our other policies and procedures.

# Envirocon, Inc.

## Code of Business Conduct and Ethics

### CHAPTER TWO: GUIDE TO GOVERNMENT CONTRACTING

#### Overview

In addition to compliance with Chapter One of the Code of Conduct, every Envirocon employee who is associated with a contract with a Governmental agency must comply with provisions of this Chapter. As reflected in **Appendix A** to this Guide, there are multiple federal laws addressing prohibited conduct and setting forth the corporate and personal sanctions for violations of them.

In addition to the laws providing the sanctions for misconduct set forth in **Appendix A**, there are other statutes addressing a Federal Government contractor's performance including:

- Procurement Integrity Act, 41 U.S.C. § 2101
- Drug Free Workplace Act of 1988, 41 U.S.C. § 8102
- Buy American Act, 41 U.S.C. §§ 8301-8305
- Immigration and Nationality Act, 8 U.S.C. § 1101
- Davis-Bacon Act, 40 U.S.C. § 3141
- Copeland (Anti-Kickback) Act, 18 U.S.C. § 874; 40 U.S.C. § 3145
- Contract Work Hours and Safety Standards Act, 40 U.S.C. § 3701
- Title 7, Civil Rights Act of 1964, 42 U.S.C. § 2000(c)

Even if not expressly stated in each of these laws, a violation may provide the factual basis for a civil or criminal violation of one or more of the laws listed in **Appendix A**, termination of a contract for default, or suspension and debarment. Please also remember that State and Local Governments often have many similar laws. In addition, private parties can and do consider Envirocon's compliance with these laws when selecting a contractor for their work.

For several reasons including the need to emphasize the critical importance of integrity and ethical compliance, the Federal Government requires its contractors to provide multiple certifications in conjunction with contract award and performance. **Appendix C** to this Guide is a table listing many of the certifications required by the Federal Government as well as examples of three of these certifications.

Generally, certifications are signed by officers or other senior management personnel. However, your actions may affect the factual basis for these certifications and may be relied upon by those signing the certification for Envirocon. **Never treat a certification as "just another form."** An improper certification may result in a Government claim that Envirocon violated one or more of the laws identified in this Guide.

# **Practices Governed by Law or Regulation**

## **1. Kickbacks, Gratuities, and Bribes**

### **a. Kickbacks**

The federal Anti-Kickback Act of 1986 (41 U.S.C. §§ 8701-8707) was passed to deter subcontractors or suppliers at any tier from providing payments or *kickbacks* to contractors or other subcontractors. FAR § 3.502-1 defines a *kickback* as follows:

“Kickback” means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

As described in the Federal Acquisition Regulation at FAR § 3.502-2, the Anti-Kickback Act of 1986 prohibits a business person from:

- (1) Providing, attempting to provide, or offering to provide any kickback;
- (2) Soliciting, accepting, or attempting to accept any kickback; or
- (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.

Violation of this law has the following potential consequences for individuals and/or Envirocon:

- Criminal penalties (fines and imprisonment)
- Civil penalties (fines)
- Government right to offset the amount of the kickback against monies owed by the United States
- Forfeiture of all claims on a project tainted by a kickback
- Contract cancellation on a project tainted by a kickback

Envirocon is expressly obligated to notify the contracting officer, senior agency officials, or the United States Department of Justice when Envirocon has reasonable grounds to believe that a violation of the Anti-Kickback Act of 1986 may have occurred. Therefore, even if the offer by a subcontractor, supplier, or vendor is labeled as a “rebate,” check with Envirocon’s Corporate Ethics Representative to avoid any risk of a violation of this law.

## **b. Gratuities**

Envirocon's policy with respect to gratuities provides:

No Envirocon employee or other representative will offer or provide to any Government personnel, at the expense of Envirocon or at the personal expense of any of Envirocon's employees or representatives, those things which Government personnel are prohibited from accepting.

The Federal Government has strict rules and regulations regarding gratuities. Items that Government personnel are prohibited from accepting include, but are not limited to transportation, meals or beverages, tickets or passes to any kind of entertainment or outing such as golf, tennis, fishing, hunting or skiing. Because Envirocon projects often maintain a large on-site inventory of equipment and materials used in its work, it is important to assure that such things as parts and materials, regardless of value, are not provided to Government employees. This prohibition extends to the sale of such materials to or on behalf of Government employees as well. Under Section 3.204 of the Federal Acquisition Regulation, offering or giving a gratuity entitles the Federal Government to terminate the contract and initiate debarment or suspension of the contractor.

The judgment of what is acceptable must be based upon the reason for the gratuity and the appearance of the gratuity to others. If any Envirocon employee is concerned that a violation of this policy may have occurred, the employee must promptly report this to the Corporate Ethics Representative. The Corporate Ethics Representative shall investigate this matter and promptly report in writing this possible violation to the appropriate Inspector General or the Department of Justice, as well as Envirocon management.

## **c. Bribes**

Closely related to improper gratuities is the concept of bribes or the act of bribery. A *bribe* is defined in *Black's Law Dictionary* as follows:

**Bribe.** A price, reward, gift, or favor bestowed or promised with a view to pervert the judgment of or influence the action of a person in a position of trust.

Bribery is illegal in every jurisdiction in the United States. In addition, FAR Subpart 3.7 authorizes the Federal Government to void and rescind a contract when there has been a final conviction for bribery in connection with the award of a contract. Envirocon will not condone any of its officers, employees, or representatives offering or accepting bribes and will report such violation of law as required by regulation or law. Envirocon employees with grounds to believe that violation of this policy may have occurred must promptly report this to the Corporate Ethics Representative who shall investigate the matter and promptly report a possible violation to Envirocon management and the appropriate public officials.

## 2. Meals

Providing meals, at Envirocon's expense, to persons not employed by Envirocon is another potential problem area. Envirocon personnel are not to offer payment for refreshments or meals for Government personnel at any time, even if the cost is less than \$10.00, except for public ceremonies such as a safety celebration luncheon where advance approval has been obtained.

In addition, Envirocon personnel hosting meetings or other events where Government personnel are invited must ensure that a conspicuous notice is displayed and provisions are made to permit payment for refreshments and meals by personnel visiting Envirocon facilities, except for public meetings such as a partnering meeting when advance approval has been obtained.

## 3. Travel

Envirocon personnel may not offer a Government employee any form of transportation unless both commercial and military transportation is impracticable or unavailable. Envirocon personnel shall document any occurrence when transportation is provided to Government employees. Such documentation, which shall be submitted to the Corporate Ethics Representative for review, must detail the circumstances under which the transportation is being provided and the unavailability or impracticability of a commercial or military carrier.

Under no circumstances are Government personnel to be provided air transportation by Envirocon, except where advance approval from the Government has been obtained.

## 4. Social Relationships

Although the *DOD Standards of Conduct* do not provide an exception for social relationships, the implementing regulations of the Army, Navy, and Air Force contain exceptions allowing for the exchange of gifts, etc., where those exchanges are **solely motivated** by a strictly social relationship, and are not under circumstances creating the impression that they are connected with, or intended to influence, a business relationship. Of course, this common sense rule not only applies to your dealings with employees of the Government but to any business with private parties or state and local public officials and employees.

For example, it would be acceptable to exchange customary holiday or birthday gifts with a friend or neighbor who works for the Government, as long as that gift arises solely from the social relationship, is paid for by the employee, and is not given under circumstances that would give rise to the impression that it is given with the intent to influence a business relationship.

It would be **unacceptable** to host a dinner party for a Government employee with

whom an Envirocon employee has a friendship or other social relationship, where one of the purposes was to have that employee meet other Envirocon personnel interested in bidding, negotiating or performing work in which that Government employee is involved. Again, exercise your good judgment to avoid even the appearance of an impropriety.

## **5. Conflicts of Interest**

Envirocon employees shall not make, directly or indirectly, any offer or promise of future employment or business opportunity to any Government employee involved in the administration of Envirocon's contracts or tasked with the performance of other duties which may relate to Envirocon. Envirocon abides by all the current laws, rules and regulations concerning employment of former Government officials. These laws and regulations are complex. Even retired or former Government employees or officials have detailed restrictions affecting their post-Government employment activities. Therefore, questions about employment offers to retired or former Government employees are to be addressed to Envirocon's Corporate Ethics Representative.

## **6. Obtaining Procurement Information**

In bidding and negotiating Government contracts, all employees must comply with Envirocon's standards of business conduct and with the spirit and intent of any applicable laws or regulations. Envirocon operates in a highly competitive environment, and its success in obtaining a particular contract often depends on the validity and amount of information that it has been able to legitimately obtain and use in a bid or proposal. Envirocon believes that its employees have a duty to disclose any legitimately obtained and relevant information of which an employee is aware which may prove beneficial to Envirocon in bidding and obtaining work. Envirocon wants and needs information to bid and win, and an important part of your job may be to provide that information. However, it is also your job to assure Envirocon is legitimately entitled to that information. Under the Procurement Integrity Act, no one is allowed to solicit or receive certain proprietary information or knowingly disclose such information to any person other than one authorized by the agency head or the contracting officer, to review such information.

While it is impossible to provide precise guidance to deal with all situations that could arise in securing information, there is a fundamental rule that must be observed without exception: No Envirocon employee is to seek, solicit, take or otherwise come into possession of oral or written information that would jeopardize the integrity of the procurement process.

Of course, this policy is not meant to discourage site visits, questions or requests for clarification directed to the Government prior to a bid opening or submission of a proposal. To avoid misunderstandings, any question which involves a material or substantial assumption or basis of a bid or proposal, should be the

subject of a written clarification request directed to the Government or private owner. This rule is only good business sense. Any obvious ambiguity in the solicitation should be clarified even if the contract documents may appear to resolve the ambiguity such as by the operation of an Order of Precedence clause.

## **7. Preparation of Bids and Proposals**

### **a. Prohibited Anti-Competitive Practices**

It is the corporate policy of Envirocon to abide by the letter and intent of the competitive bidding laws. Collusive bidding such as follow-the-leader pricing, rotated low bids, collusive price estimation systems and unlawful agreements to share business are strictly prohibited and will result in the dismissal of any employee who engages in or contributes to such conduct. The consequences of such prohibited actions for the Company and the individual can be disastrous.

In the preparation of any bid or proposal, all prices shall be compiled independent of any other competitor and no price will be disclosed to any prospective or actual bidder. There should be no attempt to dissuade a competitor, potential competitor, or any other entity from submitting a bid or proposal for contract work in which Envirocon is interested.

In meetings with actual or potential competitors, Envirocon's employees shall take no action, nor enter into any discussion which could be construed as an effort to fix prices, arrange market shares or otherwise restrain fully competitive trade in violation of Federal antitrust laws or state fair trade practice acts. You must be especially cautious when attending civil or professional association meetings and functions to avoid discussions that may be viewed as anti-competitive.

Because of the scope of Envirocon's business, Envirocon employees should be fully alert to the fact that a customer, or subcontractor or supplier in one area of activity might be a competitor in another. Envirocon's employees must be careful in dealing with subcontractors or potential subcontractors to avoid any appearance of anti-competitive acts.

### **b. Dealings with Procurement Officials**

The Procurement Integrity Act prohibits contractors from knowingly offering gratuities or offering future employment to procurement officials, or soliciting or receiving proprietary and source selection information from agency personnel. Not only is the offer of future employment illegal but also the very discussion of future employment or business opportunity is likewise prohibited. The phrase "business opportunity" is broader than an offer of employment. Business opportunities could range from an investment, subcontract, consulting arrangement or other business relationship.

The Federal Acquisition Regulation defines procurement *official* to include any civilian or military officer or Government employee of an agency who has participated personally and substantially in any of the following activities for a particular procurement:

- (i) Drafting, reviewing, or approving the specification or statement of work for the procurement.
- (ii) Preparing or developing the solicitation.
- (iii) Evaluating bids or proposals, or selecting a source.
- (iv) Negotiating price or terms and conditions of the contract.
- (v) Reviewing and approving the award of the contract

The Procurement Integrity Act also prohibits the contractor from obtaining sensitive and confidential information. Examples of such information may include source selection information such as source selection plans, or internal evaluations of proposals.

Penalties for violating the Procurement Integrity Act include possible imprisonment for up to five years, personal and corporate fines, suspension and debarment of the contractor, or contract termination. Since the cost to defend allegations of impropriety can be staggering, Envirocon personnel must be careful to avoid even the appearance of such an impropriety.

In all such relationships the employee will provide full and forthright reports covering transactions or proceedings in accordance with Chapter Four. Any perception of potential illegality shall be reported immediately to the Corporate Ethics Representative, and Envirocon will provide prompt direction to the employee before there are further dealings in the specific instance.

## **8. Cost or Pricing Data**

The Federal Acquisition Regulation (FAR) requires that contractors submit cost or pricing data to the Government whenever it negotiates a prime contract, which is not based on adequate price competition in an amount exceeding \$750,000, or in negotiating a contract change or modification which results in a total price adjustment exceeding \$750,000 for prime contracts awarded before July 1, 2018 and \$2,000,000 for Prime contracts awarded on or after July 1, 2018 . Under certain circumstances, negotiated subcontracts or subcontractor modifications are also covered by this law. The purpose of the requirement for cost or pricing data is to provide the Government all the information available to the contractor to insure that the Government is able to negotiate a fair and reasonable price.

The FAR requires submission of all data that a prudent buyer or seller would consider relevant or material to the pricing decisions. Even if the data is not used in preparing the proposal, it must be disclosed if a prudent buyer or seller would consider it material or relevant. The obligation to disclose this data ends upon price agreement for the contract or modification.

Envirocon's policy is to comply with all of the requirements relating to the submission of cost or pricing data. Usually, a Certificate of Current Cost or Pricing Data is required when a transaction is covered by these regulations. Envirocon personnel must carefully examine the certificate to determine that accurate dates are contained within the certificate and to ensure that all relevant cost or pricing data have been submitted to the Government. Care must be taken to document all the information that has been disclosed to the Government.

## **9. Procurement of Supplies, Subcontracts or Services**

Employees who either purchase or are in a position to influence the purchase of goods or services on behalf of Envirocon may **not solicit nor accept** gifts, entertainment, favors, personal discounts, concessions, or similar gratuities from suppliers or potential suppliers, that would violate federal laws where Government contracts are concerned.

No individual may receive a fee from Envirocon to obtain a Government contract which is contingent upon award of the contract. As previously discussed, bribes and kickbacks in cash, property, services, or any other illegal consideration to obtain work or favor in the United States or elsewhere, are illegal and will not be condoned or tolerated by Envirocon. This policy extends to Envirocon's treatment of subcontractors and suppliers. Envirocon employees shall not pay any gratuity or imply that such payment might be directly or indirectly considered or made to any person to secure any concession, contract or favorable treatment for the Company. If fees or commissions are required to conduct business, or in the case of foreign countries, so called "facilitating" payments which appear to be customary and necessary to obtain Governmental services to which Envirocon is otherwise entitled, Envirocon employees must notify the Corporate Ethics Representative and obtain written approval by Envirocon's President.

## **10. Changes, Billings and Claims**

Envirocon submits numerous invoices, changes and claims, and other requests for payment to the Government each year. Prior to submission to the Government or private owner, all of these documents must be scrupulously checked and examined to assure that each is complete, accurate, and current. If there is any concern that a submission may not meet these requirements, it must be withheld until the request can be verified or corrected, as needed, to assure its accuracy. **No exception to this rule will be tolerated.** Inaccurate claims and billings will damage the Company's credibility and reputation which it has worked so hard to build.

Envirocon strives to provide the Government the benefits for which it has contracted. Under no circumstances shall any Envirocon employee represent work as being complete when it does not conform to contract requirements,

substitute any product without proper authorization, or indicate that any work or product is adequate or properly tested if it does not conform to contract requirements.

## **11. Prompt Payment Act Requirements**

It is Envirocon's policy to comply with the requirements of the Prompt Payment Act, 31 U.S.C. § 3901, which law applies to Federal Government contracts.

## **12. Buy American Act and Other Preference Law Requirements**

It is Envirocon's policy to comply with the requirements of the Buy American Act, 41 U.S.C. § 8301, and other laws stating a preference for domestic (federal or state) goods or services (such as the employment of local labor). You must comply with these laws. You must never try to hide the manufacturing origin of any material or part, such as by filing off the name of the country of manufacture. Review your contract to see which regulations and laws are applicable.

## **13. Calls on Government Officials/Lobbying & Political Activities**

Any proposed contact with members of Congress or situations that could result in testifying before Government (Federal, State or Local) committees must be approved by Envirocon's President. Envirocon personnel are not to contact state and local Government personnel on behalf of Envirocon for the purpose of lobbying or any other political activity without prior approval from Envirocon's President. All requested lobbying activity on behalf of Envirocon shall be reviewed and approved by Envirocon's President. Of course, you are permitted to contact Government officials to perform your daily contract administration and procurement work.

This Guide is not intended to restrict your right to express personal views on legislation or Government policy. However, extreme care must be taken to ensure that personal views are not misconstrued as representing Envirocon's position. For example, do not use Envirocon letterhead, computers, or telecommunication equipment to communicate your personal views on legislation or Government policy.

While individual participation in political activities is encouraged, no employee, **acting for or on behalf of** Envirocon, shall contribute financially within the U.S. or in any other countries, to support or oppose any political party, partisan political committee, or candidate for elected public office. No employee shall make or seek reimbursement, either directly or indirectly, for such a contribution from corporate funds. Individual employee participation or contribution to lawful political funds, committees, or programs shall be voluntary and shall not affect employment or compensation.

## **APPENDIX A: Federal Anti-Fraud/False Claims Laws**

### **Criminal Statutes**

Title	Statutory Reference	Subject Matter/Notes
Anti-Kickback Act	41 U.S.C. §§ 8701-8707	Prohibits payments by subcontractors at any tier to prime contractors or subcontractors to obtain a Government contract.
Conspiracy to Defraud	18 U.S.C. § 286; 18 U.S.C. § 371	Addresses claims and general conspiracy to defraud the Government.
False Claims Act, Criminal Liabilities	18 U.S.C. § 287	False claim need not have been paid by Government to provide basis of liability.
Theft from Federal Programs	18 U.S.C. § 666	Applies to theft from agencies receiving federal funds by "agents" of those agencies.
False Statements Act	18 U.S.C. § 1001	Includes statements, false entries, oral and unsworn statements.
Mail and Wire Fraud	18 U.S.C. §§ 1341-1350	Applies to use of mails and telecommunications to execute a scheme to defraud the United States.
Major Fraud Act	18 U.S.C. § 1031	Applies to procurement fraud on a government contract or subcontracts thereunder valued at \$1 million or more.
Obstruction of Federal Audit	18 U.S.C. § 1516	Applies to any person employed on full, part-time, or contractual basis to conduct an audit or a <u>quality assurance inspection</u> for or on behalf of the United States.
Sarbanes-Oxley Act of 2002	18 U.S.C. § 1519	Applies to anyone who knowingly alters a document with intent to influence proper administration of any matter within jurisdiction of department or agency of the United States. Violators subject to fines or imprisonment up to 20 years, or both.

## Civil Statutes

Anti-Kickback Act	41 U.S.C. §§ 8701-8707	Prohibits kickback by subcontractors and suppliers.
Contract Disputes Act of 1978	41 U.S.C. § 7103	False or unsupported claims submitted to contracting officer; necessity for certification.
False Claims Act	31 U.S.C. §§ 3729-3733	Applies to any request related to the payment of money by the United States, directly or indirectly.
Forfeiture of Claims Act	28 U.S.C. § 2514	Allows a special plea in United States Court of Federal Claims providing for forfeiture of entire claim if any part of it is tainted by fraud.
Program Fraud Act	31 U.S.C. §§ 3801-3812	Administrative alternative to litigation in civil false statements and smaller false claims cases.
Truth in Negotiations	10 U.S.C. § 2306a; 41 U.S.C. § 3901	Cost or pricing data on negotiated contracts or subcontracts; modifications of contracts in excess of \$750,000; necessity for certification.

## **APPENDIX B: FEDERAL ACQUISITION REGULATION**

### **Grounds for Debarment**

#### 9.406-2 Causes for debarment.

The debarring official may debar—

- (a) A contractor for a conviction of or civil judgment for—
  - (1) Commission of fraud or a criminal offense in connection with—
    - (i) Obtaining;
    - (ii) Attempting to obtain; or
    - (iii) Performing a public contract or subcontract.
  - (2) Violation of Federal or State antitrust statutes relating to the submission of offers;
  - (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;
  - (4) Intentionally affixing a label bearing a “Made in America” inscription (or any inscription having the same meaning) to a product sold in or shipped to the United States or its outlying areas, when the product was not made in the United States or its outlying areas (see Section 202 of the Defense Production Act (Public Law 102-558)); or
  - (5) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a Government contractor or subcontractor.
- (b) (1) A contractor, based upon a preponderance of the evidence, for—
  - (i) Violation of the terms of a Government contract or subcontract so serious as to justify debarment, such as—
    - (A) Willful failure to perform in accordance with the terms of one or more contracts; or
    - (B) A history of failure to perform, or of unsatisfactory performance of, one or more contracts.
  - (ii) Violations of 41 U.S.C. chapter 81, Drug-Free Workplace, as indicated by—
    - (A) Failure to comply with the requirements of the clause at 52.223-6, Drug-Free Workplace; or
    - (B) Such a number of contractor employees convicted of violations of criminal drug statutes occurring in the workplace as to indicate that the contractor has failed to make a good faith effort to provide a drug-free workplace (see 23.504).
  - (iii) Intentionally affixing a label bearing a “Made in America” inscription (or any inscription having the same meaning) to a product sold in or shipped to the United States or its outlying areas, when the product was not made in the United States or its outlying areas (see Section 202 of the Defense Production Act (Public Law 102-558)).
  - (iv) Commission of an unfair trade practice as defined in 9.403 (see Section 201 of the Defense Production Act (Pub. L. 102-558)).

## **APPENDIX C: Contractor Certifications & Representations**

<b>Title of Provision</b>	<b>FAR Reference</b>	<b>Basic Subject Matter</b>
• Taxpayer Identification	FAR § 52.204-3	Ownership and tax status of bidder/offeror.
• Covenant Against Contingent Fees	FAR § 52.203-5	Agents engaged to solicit award.
• Small Business Program Representations	FAR § 52.219-1	Status of bidder/offeror under various SBA related preference programs.
• Disclosure Statement - Cost Accounting Standard Notices And Certification	FAR § 52.230-1	Applicability of cost accounting standards to offeror.
• Certification of Independent Price Determination	FAR § 52.203-2	Price competition and actions to influence others in submitting offers in connection with a solicitation.
• Certificate of Current Cost on Pricing Data	FAR § 15.406-2	Applicable when contractor submits cost or pricing data for proposals or modifications. (equitable adjustments).
• Subcontractor Cost or Pricing Data - Modifications	FAR § 52.215-13	Applicable when subcontractor submits cost or pricing data for pricing of contract modifications (equitable adjustments).
• Certification Regarding Responsibility Matters	FAR § 52.209-5	Debarment (actual or proposed), suspension, defaults, civil or criminal charges of fraud or criminal offense in connection any public contract or subcontract.
• Payrolls and Basic Records	FAR § 52.222-8	Certification that Davis Bacon wages fully paid and data on payroll records form (e.g. social security numbers) are accurate and complete.
• Exemption from Application of Service Contract Act Provisions	FAR § 52.222-48	Contractor certification that services qualify as "commercial items" and priced based on catalog or market prices.
• Recovered Material Certification	FAR § 52.223-4	Applies if specification required use of EPA designated products.
• NC State and Local Sales and Use Tax	FAR § 52.229-2	Certification and payment of NC taxes.
• Payments Under Fixed-Price Construction Contracts	FAR § 52.232-5	Amounts requested are only for performance in accordance with specifications, terms, and conditions of contract; payments to subcontractor have been made from previous payments; timely payments to subcontractors will be made; and payment request includes no amount which prime contractor intends to withhold (retain) from subcontractor or supplier.

• Disputes	FAR § 52.233-1	Claims in excess of \$100,000.00.
• Termination for Convenience Settlement Proposals (Total Cost Basis)	FAR § 53.301-SF 1436	Proposal reflects recognized commercial accounting practices and includes only those charges allocable to terminated contract and is fair and reasonable.
• Termination for Convenience Schedule of Accounting Information	FAR § 53.301-SF 1439	Disclosure of contractor's accounting practices.

- **Certificate of Independent Price Determination<sup>2</sup>**

The offeror certifies that –

- (1) the prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to –
  - (i) Those prices;
  - (ii) The intention to submit an offer; or
  - (iii) The methods or factors used to calculate the prices offered.
- (2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

- **Progress Payment Certification<sup>3</sup>**

I hereby certify, to the best of my knowledge and belief that –

- (1) The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;
- (2) All payments due to subcontractors and suppliers from previous payments received under the contract have been made, and timely payments will be made from the proceeds of the payment covered by this certification, in accordance with subcontract agreements and the requirements of Chapter 39 of Title 31, United States Code;
- (3) This request for progress payments does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of the subcontract; and

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<sup>2</sup> FAR § 52.203-2

<sup>3</sup> FAR § 52.232-5

(4) \* This certification is not to be construed as final acceptance of a subcontractor's performance.

\* If the Contractor elects to delete paragraph (4) from the above certification, the certification is still acceptable. See 52.232-3(c).

- **Contract Claim Certification<sup>4</sup>**

I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor.

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<sup>4</sup> FAR § 52.233-1

# **Envirocon, Inc.**

## **Code of Business Conduct and Ethics**

### **CHAPTER THREE: IMPLEMENTATION OF THE CODE OF BUSINESS CONDUCT AND ETHICS**

Knowledge of and strict adherence to this Code of Business Conduct and Ethics is the responsibility of every employee of Envirocon whether or not the person is employed in a supervisory capacity. This Code is strictly enforced and violation will expose you to sanctions which may include termination of employment. You should never fear that reporting an impropriety will cause retaliation against you. First, our corporate policy is to encourage you to report problems so that the concern can be investigated as quickly as possible. Remember, your job responsibilities require you to report these problems. Secondly, in some instances, federal law protects those who disclose improprieties. See 10 U.S.C. § 2409. To assure complete understanding and compliance with this Code, the following policies and procedures shall be followed in implementing Envirocon's Code of Business Conduct and Ethics. Any deviation from these procedures should be reported in accordance with Chapter Four of this Code.

#### **Compliance Review Committee**

A Compliance Review Committee shall be established to monitor and review compliance of the Company and its various job site representatives with this Code. The Committee shall be formed and agreed to by the Committee. Members of the Committee shall include the following personnel:

- Matt Bucklin, Chief Financial Officer, Modern Machinery
- John D'Antuono, Vice President of Contracts
- Samantha Hartman, Human Resources

The Committee shall meet not less than annually and shall review the Company's records relating to its compliance with the Code. The Corporate Ethics Representative shall brief the Committee on activities conducted during the prior year, including complaints received and corrective or remedial action taken; site visit reports and a review of periodic training. In addition, the Corporate Ethics Representative shall provide the Compliance Review Committee with a written assessment of Envirocon's implementation of the Corporate Ethics Plan and the effectiveness of that plan.

The Compliance Review Committee shall have the full and complete cooperation of all Envirocon personnel. The Committee shall prepare a written report of its findings. Revisions to the Code shall be made by the Committee as deemed necessary by its members.

Envirocon fully subscribes to the concept of preventive law to anticipate and implement measures to prevent legal or managerial problems from arising.

## **1. Initial Training**

Ethics and standards of conduct training for new employees will be provided as soon as possible after initial employment. Training will consist of the following:

- Each new employee will be furnished a copy of Envirocon's Code of Business Conduct and Ethics and will acknowledge receipt of the Code on the form contained in Exhibit "A". A copy of those records will be kept in each employee's personnel file;
- In addition, each new senior supervisory employee, as defined below, will review with a member of the Compliance Review Committee, or with a person designated by the Committee as a trainer, the content and purpose of the Code and the employee's role in Envirocon's business;
- Senior supervisory employees will acknowledge their understanding of the Code, and initial training on the form contained in Exhibit "A". A copy of those records will be kept in each employee's personnel file.

Senior supervisory employees are defined as:

- Employees who report directly to the President
- Controller
- Director of Operations
- Estimating Manager
- District Managers
- Project Directors
- Project Managers

## **2. Periodic Training**

Periodic ethics training may address any or all of the following topics:

- Review of Corporate Ethics Program including the Code of Business Conduct and Ethics.
- Discuss previous period's contract performance and any potential compliance problems.
- Review of contract clauses essential to the proper performance of Envirocon's contracts.
- Proper handling of contractor and Government changes, billings and claims.
- Briefing of recent developments in the law affecting the Code of Business Conduct and Ethics.

All supervisory personnel shall receive this periodic training.

### **3. Periodic Meetings**

- A member of the Compliance Review Committee may meet periodically with Envirocon's personnel to review and discuss the Code. Any matter of contract performance, Company policy, or site management may be discussed at this meeting. Employees are encouraged to identify any potential problems or irregularities concerning the Company or contract performance.
- A record of meetings will be prepared and maintained. The Corporate Ethics Representative will implement procedures to assure confidentiality of matters discussed. Attached as Exhibit "B" is a form for recording the sessions.

# **Envirocon, Inc.**

## **Code of Business Conduct and Ethics**

### **CHAPTER FOUR: REPORTING OF ETHICS PROBLEMS**

Honesty and fair dealing mean doing the right thing in terms of law, decency, and practical judgment. These words are clear enough. In both our personal and business lives we all deal with situations that can confuse our own sense of what is right or wrong under certain circumstances. This Code of Business Conduct and Ethics was drafted to outline the general parameters for ethical behavior during your employment by Envirocon.

Envirocon employees are expected to act promptly in the Company's best interest whenever wrong doing is perceived. In this context, their first obligation is to the Company, not to individuals, peers or particular organizations. Envirocon expects you to report any suspected violations of this Code as outlined in this Chapter.

No director, officer or employee who in good faith reports a violation of these standards or who participates in an investigation of a violation shall be subject to harassment, retaliation or adverse employment consequences. Any employee who retaliates against an individual who has reported a violation in good faith will be subject to discipline up to and including termination of employment.

Anyone reporting a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed in their report. Any allegations that prove not to be substantiated and which prove to have been made maliciously or which were known to be false will be viewed as a serious offense and subject the employee to disciplinary actions.

Violations or suspected violations may be submitted confidentially or anonymously. Information contained in the report will be kept confidential to the extent possible and subject to Envirocon's need to conduct an adequate investigation.

#### **How to Report**

Envirocon supports open communication and encourages employees to raise their questions, concerns, suggestions or complaints to their supervisor. Supervisors, in turn, are obligated to promptly investigate, evaluate, and review any such report, and then prepare a written report of their action and forward it to the Corporate Ethics Representative at Envirocon.

However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with

someone on the Compliance Review Committee, in the Human Resources department, or anyone in management that you are comfortable approaching, up to and including the President. Supervisors and Managers are obligated to investigate any suspected violations of Envirocon's standards of conduct reported under this policy.

In the event that you are uncomfortable speaking with anyone in management and wish to make an anonymous report, Envirocon has engaged a third-party ethics and conduct partner, Convercent, to receive confidential reports by telephone or via the internet. You may make a report to the call center, which is open 24 hours a day, 7 days a week, at **1-800-461-9330**. Alternatively, you can make an on-line report at: <https://www.envirocon.com/ethics-reporting/>.

To assist in the response to or investigation of the alleged violation, your report should contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of the alleged violation. Without limiting the foregoing, the report should, to the extent possible, contain the following information:

- The alleged event, matter or issue that is the subject of the alleged violation;
- The name of each person involved;
- If the alleged violation involves a specific event or events, the approximate date and location of each event; and
- Any additional information, documentation or other evidence available relating to the alleged violation.

## **ONE FINAL NOTE**

Every company has the dual objective of efficiently executing quality work and earning a profit. Neither can be achieved if this Code is not followed. Underlying all other objectives, the fundamental objective of Envirocon is its goal to operate its business honestly and fairly within the strict confines of the law. Violations of the Code will not be tolerated. Any employee who violates the standards in the Code may be subject to disciplinary action which, depending on the nature of the violation and the history of the employee, may range from a warning or a reprimand up to and including termination of employment and, in appropriate cases, civil legal action or referral for criminal prosecution.

## **EXHIBIT "A": ACKNOWLEDGEMENTS**

### **Initial Receipt**

I have received my personal copy of the Envirocon, Inc. Code of Business Conduct and Ethics and understand both my responsibility to comply with these ethical standards and the process for dealing with violations of these standards.

I understand that my performance will be evaluated according to my compliance with the standards of conduct and other provisions of this Code. I also understand that honesty and fair dealing are one of Envirocon's most valuable assets, and as such, shall not be compromised by any concern for profit.

If I have any questions or concerns regarding ethical conduct, I will immediately follow the procedures suggested in the Code.

As an employee of Envirocon, I am aware that nothing in this *Code of Business Conduct and Ethics* should be construed as a contract for employment for any duration. I realize that my employment is at-will (unless prohibited by State law), which means that either I or the Company may terminate my employment at any time for any reason. Nothing contained or referenced in this document should be interpreted to restrict or prohibit either myself or Envirocon from discontinuing the employment relationship at any time for any reason.

Print Full Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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### ***For Senior Supervisory Personnel Only:***

#### **Initial Training**

I have read my personal copy of the Envirocon, Inc. Code of Business Conduct and Ethics, have a thorough knowledge of its contents, and have received my initial training.

Print Full Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Trainer Print Full Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

