



# Code of Business Conduct and Ethics

S e t t i n g   t h e   R i g h t   C o u r s e



# Our Mission, Vision, and Values

## Our Mission

MODEC delivers and safely operates high-quality, innovative floating solutions for the offshore industry.

## Our Vision

To be the global leader in delivering and operating innovative and reliable floating solutions by cultivating diverse and talented teams that work with integrity, communicate openly, serve the community and protect the environment.



# Our Values

CORE VALUES			
KEY COMPETENCIES	INTEGRITY	PEOPLE	PERFORMANCE
	<b>Human Rights</b> Protects the lives, health, and dignity of all persons regardless of race, ethnicity, color, sex, language, religion, political affiliation, national origin, birth, or any other protected status.	<b>Development</b> Mentors, coaches and develops people. Invests in own development and /or the development of others preparing self and others to grow in the organization. Transfers knowledge. Motivates and empowers others to achieve common objectives and improve the organization and its people. Encourages and supports other employees to reach their maximum potential.	<b>Accountability</b> Manages and responds to actions, performance and consequences respectfully. Take ownership of own performance, interactions and reporting both responsibly and proactively. Stands by decisions, actions, and the overall well-being of the organization by completing projects, tasks, and performance expectations. Answers to superiors for actions with respect and responsibility. Completes tasks as per assignment, performs duties as per job requirements, is punctual, and fulfills or furthers the goals of the organization. Supervises others responsibly and professionally.
	<b>Compliance</b> Complies with applicable laws, standards, policies, procedures and regulations. Acts with the highest standards of honesty, integrity and fairness at all times. Complies with the letter and the spirit of MODEC's standards and policies. Does what is right consistently. Works in a transparent manner at all times.	<b>Collaboration</b> Establishes high quality cooperation and teamwork. Contributes to a positive work environment. Embraces diversity. Takes the opportunity to build diverse teams and values their varied approaches to work. Collaborating with others to achieve tasks and goals that benefit the organization. Fosters cooperation and transparency across teams, functions, segments, entities, countries and regions.	<b>HSSEQ Effectiveness</b> Understands the causes of safety and environmental incidents and creation of controls to prevent their recurrence. Takes all proactive and corrective actions related to HSSEQ. Controls quality of work performance and products that adhere to standards and performance requirements. Finds ways to improve the quality of products and services regularly.
	<b>Commitments</b> Keeps commitments. Strives to deliver as per commitments and expectations. Shares knowledge with peers. Commits to excellence in quality and continuous improvement on self, others and the organization.	<b>Communication</b> Communicates effectively – written and verbal. Offers constructive feedback and receives feedback in a professional manner. Asks questions and follows up appropriately and timely.	<b>Process Safety Management</b> Supports continuous improvements in process safety. Adheres to process safety programs and procedures to ensure facilities are safe, equipment is maintained, and proper operating procedures are in place.
	<b>Professionalism</b> Treats others with respect and professionalism at all times with internal and external stakeholders. Punctual. Consistently reflects the best standards of behavior. Performs work at the best of his/her ability. Represents MODEC well and is a reliable example during business meetings, related business social activities with customers, vendors, employees and any other stakeholder.	<b>Customer Focus</b> Provides great customer service to coworkers and customers and problem solving as per the needs of customers and the interests of the organization. Anticipates customer needs and meets their short term and long-term needs. Timely with delivery of tasks and providing updates as per customers' expectations.	<b>Value Creation</b> Leads and improves the business vitality effectively. Defines, sets, follows up, and performs well based on adding value to the customer, employees and community. Business acumen (finances, budgets, etc.). Finds ways to reduce costs and increase profitability, as appropriate. Shows initiative, creativity and enterprise to help MODEC improve and reach success at all times in all areas of the business.



# A Message from Our President & CEO

Dear MODEC colleagues,

Welcome to MODEC’s Code of Business Conduct and Ethics (or “Code”), where you will find practical guidance to help you do business the right way, every day. Since MODEC’s founding in 1968, we have been fully committed to developing innovative products and offering great service to our customers, while never compromising our Values or integrity. MODEC’s Values are essential to our business success and who we are as a company. Our Values help us provide the best products and services, attract the best business partners, and take pride in our work. We all represent MODEC in every action we take on MODEC’s behalf, and we should always be committed to upholding our Values that have defined MODEC as a company and a global citizen since its founding.


But it is not always easy to know how to act consistent with our Values. That is why we have a Code to help us do the right thing. However, the Code cannot provide guidance for every scenario, so it is important that you seek help when you have questions or concerns. As you read the Code, you will find references to MODEC’s policies and procedures and information about whom to contact if you have questions.

One of our most important responsibilities when working for MODEC is speaking up when we become aware of potential ethical or legal issues. If you find yourself in such a situation, you can contact any of the resources listed in the Code or our Ethics Hotline, where you can report anonymously (if allowed by local law). You will never face retaliation for making a report in good faith.

Around the globe, our Company does business in a way that reflects our dedication to ethics and doing the right thing. Our Mission, Vision, and Values represent our everyday commitments to all stakeholders and our sincere pledge to strive to fulfill these commitments at every level of our business.

Thank you for doing your part to make MODEC successful.

Sincerely,



Yuji Kozai  
President and Chief Executive Officer



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## Doing Business the Right Way

Within the MODEC Group, our strength is measured by more than just our financial or operational success. It is also measured by our commitments to our Values: integrity, people, and performance. We take pride in demonstrating these Values in our work for the MODEC Group ("MODEC" or "the Company").

Our Code of Business Conduct and Ethics ("Code") is here to help us do exactly that. The guidance in our Code helps us make sound decisions that meet MODEC's commitment to acting ethically, which is in line with our Values, protects our reputation, and enables us to thrive in today's complex and competitive global business environment.

## Following Our Code

This Code has been developed to ensure that all directors, officers, and employees working on behalf of the MODEC Group companies (including MODEC-controlled joint venture partnerships, as well as special purpose companies and consortia) will follow the ethical and legal standards that apply to our work. In addition, we expect our business partners who act on MODEC's behalf—such as suppliers, contractors, consultants, and temporary workers—to abide by the standards of our Code.

In addition to following the principles set forth in our Code, we must know and follow the laws and regulations that apply to the work we do in the locations where we work, including applicable local content and participation laws. Of course, we must also follow the requirements of all contracts related to the execution of projects. At times, we may find ourselves in a situation where applicable local laws or regulations appear to conflict with the guidance provided in our Code. In these situations, we should always seek guidance before taking action.

## Our Ethical Responsibilities

For MODEC to succeed, we all need to act with integrity in all of our business activities. All of us who work on MODEC's behalf have the following responsibilities:

- Always act professionally, honestly, and ethically
- Be familiar with this Code and MODEC's policies
- Complete all required training by the specified due date
- Promptly report any possible legal or ethical misconduct to your manager or another resource listed in this Code

Those of us who serve as managers, with or without direct reports, are integral to MODEC's ethical culture and have additional responsibilities, including:

- Lead by example: demonstrate the highest standards of ethical business conduct, act as a mentor to others, and help others understand how to do business the right way
- Communicate to direct reports and business partners about how the Code and policies apply to their daily work
- Look for opportunities to discuss ethically challenging situations with direct reports
- Create an environment where compliance and ethics are valued and others feel comfortable asking questions and reporting potential misconduct
- Foster a safe work environment
- Consider ethics and compliance-related factors in addition to job performance when evaluating direct reports
- Encourage employees to include compliance, safety, and quality goals in their annual performance goals and business objectives

## Who Is a Manager?

Throughout the Code, "manager" refers to anyone who supervises others at MODEC. Some locations may use the term "supervisor" instead, but for the sake of simplicity, the Code will always use the term "manager."



## Guidelines for Making Ethical Decisions

Making ethical decisions is not always easy, and there may be times when you are unsure of the right course of action. If you find yourself in this situation, remember that you are not alone. Please refer to the “Getting Help” section of this Code to find key resources available to assist you.

When faced with a difficult ethical decision, ask yourself the following questions to help make the right choice:

- Is it the right thing to do?
- Is it legal?
- Is it in line with MODEC’s Mission, Vision, and Values?
- Does it follow our Code, policies, and procedures?
- Have I considered all the consequences, both for me and for the Company?
- Will I be comfortable telling others (including my family and my manager) about my decision?

If the answer to any of these questions is “no,” or if you still have doubts about whether your decision is ethical or legal, seek guidance before taking action.

## Getting Help

It is important that we come forward with any questions or concerns we have about a situation that does not seem quite right. That could include violations of applicable laws or regulations, the Code, or MODEC’s policies and procedures. By

reporting potential misconduct promptly, we help MODEC maintain its culture of honesty, trust, and integrity, which in turn ensures our Company’s business success. Early reporting also allows the proper parties to address potential issues before they grow into serious problems.

If you have a question or concern, consider taking the issue to your manager. After all, they know the most about your work. If you would rather not contact your manager, you may report your concerns to:

- A Compliance representative
- A Human Resources representative
- A Legal Department representative, such as the General Counsel
- The Chief Compliance Officer [cco@modec.com]
- A member of management
- MODEC’s Corporate Auditor [hotline.auditor@modec.com]
- The MODEC Ethics Hotline
  - By Phone: Country-specific telephone numbers are posted in all locations and are available on the Web Portal
  - Via Web Portal: [www.modec.ethicspoint.com](http://www.modec.ethicspoint.com)
  - On MODEC’s Intranet: Click the telephone icon located on the home page

The MODEC Ethics Hotline is operated by an independent third party and is available 24 hours a day, 7 days a week, and 365 days a year. You have the option to report anonymously via the hotline, provided it is allowed by local law. However, you are encouraged to provide your contact information, as this allows MODEC to better investigate your report. Your contact information will be kept confidential, as the law allows. MODEC will promptly review all reported concerns, investigate, and take appropriate action to address them.

Unethical or illegal actions not only expose our Company to possible legal

## MODEC Ethics Hotline

When reporting your concern to your supervisor is uncomfortable, use any of the alternative resources listed in the Code or use the Ethics hotline:

**By Phone:** Toll-Free 24 hours a day, 7 days a week, 365 days a year Country-specific Ethics hotline telephone numbers are posted in all locations and are available on the Web Portal.

**WEB Portal:** [www.modec.ethicspoint.com](http://www.modec.ethicspoint.com)





## Illustration

Ana works in Accounting, where she processes expense reports. She receives a report from a senior manager in another department that lists a large charge for “entertainment” with no supporting details or gifts and hospitality form. When Ana asks her about it, the senior manager tells her not to worry about it because it was for a longtime customer. Ana is uneasy because this seems to violate MODEC’s policies, even though the manager said it was okay. What should she do?

Ana should contact her manager or report the situation to the Ethics Hotline right away. This could be a violation of MODEC’s Gift and Hospitality Policy. It does not matter if the senior manager told Ana not to worry about this expense—if the situation does not seem right, she should report it. Speaking up about issues helps to maintain MODEC’s culture of ethics, and no one will ever face retaliation for making a good faith report.

consequences, but such behavior also undermines our ethical culture. For this reason, the Company will take disciplinary action against those who violate our Code, policies, or the law, up to and including termination of employment or a contractual relationship.

### Additional Resources for More Information

For more information on the Ethics Hotline and how compliance and ethics concerns are investigated, refer to the Group Compliance and Ethics Reporting Policy and the Compliance and Ethics Investigation Procedure Policy. You can also contact a Compliance representative or the Chief Compliance Officer at [cco@modec.com](mailto:cco@modec.com).



## MODEC’s Commitment to Non-Retaliation

MODEC never tolerates retaliation against anyone who makes a good faith report of suspected legal or ethical misconduct. “Good faith” means that you provide all the information you have and you believe your report is true—even if it later turns out that you were mistaken.

Our Company takes reports of retaliation seriously. MODEC will investigate such reports, and, if warranted, take appropriate disciplinary action, up to and including termination of employment or a contractual relationship. If you believe you have experienced retaliation, you should contact one of the resources listed in the “Getting Help” section of this Code.

### Cooperating with Investigations


If you become involved in a compliance investigation (whether conducted by MODEC or a government entity), you should cooperate fully and answer all questions completely and honestly. Before responding to a request for information related to a government investigation, contact the Legal Department or local leadership. At times, you may be notified that certain records are under a legal hold as part of an audit, investigation, or legal proceeding. Always make sure to follow MODEC’s records hold requirements in these situations. If MODEC discovers through an investigation that a legal violation occurred, MODEC will cooperate fully with the authorities.



## INTEGRITY







At MODEC, we hold ourselves to high standards of integrity and always do the right thing. Of course, we are committed to following all laws that apply to us—but we do not stop there. In our work for MODEC, we demonstrate high standards of honesty, integrity, and fairness. That means we make good choices for our Company and keep our commitments to all our stakeholders. Doing so helps us succeed in the market and improve the global business environment. We are all responsible for doing the right thing and demonstrating integrity every day, in all of our actions.

## Acting in MODEC's Best Interests and Avoiding Conflicts of Interest

As part of our commitment to integrity, we always act with MODEC's best interests in mind and avoid conflicts of interest. A conflict of interest arises whenever you have a competing interest that may make it difficult for you to make an objective decision on behalf of MODEC. We should never allow personal interests to interfere with our ability to make good judgements on MODEC's behalf.

There are many types of conflicts of interest, but they all have one thing in common: they could put us in a situation where we have to choose between doing what is best for MODEC and doing what is in our personal interest (or our family members' or friends'). We must always avoid situations that can lead to even the appearance of a conflict, in order to maintain MODEC's reputation for integrity and the trust that the people we work with and our communities place in us.

## Our Responsibilities

It is impossible to describe every potential conflict of interest, but here are some common examples.

**Outside Employment.** A conflict of interest may arise if outside work, including self-employment, interferes with your ability to fulfill your MODEC responsibilities, may cause you to disclose our Company's confidential information, or could negatively affect MODEC's reputation. This includes working—or intending to work—as an employee, director, officer, consultant, or contractor of a MODEC business partner, supplier, or competitor. If you are considering taking on outside work with one of these organizations, disclose the situation to your manager and a Compliance representative to ensure there is no conflict of interest.

**Working with Family Members or Friends.** If you work with a friend or family member (such as a child, spouse or significant other, sibling, parent, aunt or uncle, grandparent, or other close relative), you may face a conflict of interest. In this situation, you might treat your friend or family member differently than you would other employees, which is not in MODEC's best interest. To prevent this, contact your manager if you supervise or work closely with a friend or family member.

**Family Business Relationships.** Our family members' employment could also create a conflict of interest for us. If a family member works for a MODEC business partner, customer, or competitor, you must disclose the situation.

**Investment Interests.** You must disclose any investments that you or your family members have in any MODEC business partner, customer, or competitor, unless the company is publicly traded and the investment is less than ten percent of the outstanding shares. You should also disclose an investment in one of these companies if it makes up the majority of your investments. Contact a Compliance representative or a member of the Legal Department about any such investment right away to determine how to handle this potential conflict.

**Corporate Opportunities.** Through your work for MODEC, you may learn of a business opportunity you would like to take advantage of for yourself. Before doing so, you should be certain that MODEC has decided not to pursue the opportunity, and you must confirm that taking this opportunity for yourself would not be a breach of any confidentiality obligation. Contact a member of the Legal Department to ensure you avoid a potential conflict or breach of confidentiality.

## It is not always easy to identify conflicts of interest.

Here are some real-world situations that may result in a conflict of interest.

**Working with family:** Your brother-in-law is an engineer, and you hire him for a job on a MODEC vessel. You will be supervising his work.

**Investments:** Your father recently used his life savings to buy a large amount of stock in one of MODEC's competitors.

**Outside employment:** One of MODEC's suppliers is looking for a part-time engineer to advise them. You do similar work for MODEC, so you offer your services to our supplier.

**Corporate opportunities:** A MODEC customer asks if the Company can develop a new feature for one of its vessels. While your manager is still considering the opportunity, you contact the customer and tell them you can do the work for half the price in your spare time.

**Public Officials.** We need to be certain that we are dealing fairly and impartially with all public officials and government employees. If you or a family member currently is or has been a public official or an employee of a government entity, or is currently running for public office, disclose the situation promptly.

If you find yourself involved in an actual or potential conflict of interest situation, you must disclose it to your manager and a Compliance representative. Our personal circumstances can change, and new conflicts can surface over time. Therefore, we should report any new potential conflicts as they arise.



## Additional Resources for More Information

For more information on conflicts of interest, contact your manager, your Compliance or Human Resources representative, or a member of management.

## Exchanging Gifts and Hospitality

Gifts and hospitality can strengthen business relationships with our customers and business partners, but it is important to offer and accept them with integrity in mind. At MODEC, we do not offer or accept gifts or hospitality, no matter their value, if the intent is to improperly influence a business decision.

In general, gifts and hospitality may only be exchanged when they are modest, reasonable, and in line with both the applicable law and the policy of the recipient. In addition, make sure to report any gifts or hospitality you offer or receive from a business partner—even on a personal level—and receive approval according to MODEC's policies.

MODEC has offices in many regions around the world, and specific limits may apply depending on our location. We should learn and follow the local rules, both the applicable laws and MODEC's policy, for offering or receiving gifts or hospitality. These rules are based on where the gift is offered or received, regardless of the MODEC company with which we are associated. Where no local rule exists, we should follow the global limits described in MODEC's Gifts and Hospitality Policy.

## Illustration

Mina recently had dinner with a potential customer who was not a public official. It was not extravagant, and she followed MODEC's policies about offering hospitality. Does she still need to report the dinner?

If the dinner was more than USD 50.00 or if Mina has had dinner with this potential customer frequently, then yes, she does. To keep track of expenses and to make sure we are doing business the right way, we need to report gifts and hospitality expenses in line with MODEC's Gifts and Hospitality Policy.

In addition, we must exercise extra care when offering gifts or hospitality to public officials. We cannot offer a public official any business courtesy that could be seen as an attempt to influence a business decision or obtain an improper advantage. Because of legal restrictions, make sure to ask for guidance from a Compliance representative before offering gifts or

hospitality to public officials, and always report any interactions you have with public officials to MODEC. For more information about working with public officials, see the "Doing Business without Corruption" section of this Code.

## Our Responsibilities

- Only offer or accept modest gifts and hospitality consistent with MODEC's policies
- Never offer or accept cash or cash equivalents, such as gift cards and gift certificates
- Be particularly sensitive when exchanging business courtesies with representatives of organizations that are currently involved in MODEC's purchasing or business decisions, as this could look like an attempt to influence a business decision
- Never request personal gifts, favors, entertainment, or services in connection with your employment with MODEC
- Understand and follow the policies of the recipient's organization and the laws that apply to that organization
- Report any requests for gifts or hospitality to a Compliance representative or the Chief Compliance Officer

## Additional Resources for More Information

Refer to the Group Anti-Corruption Compliance Policy, the Group Gifts and Hospitality Policy, and the Group Third Party Intermediary and Business Partner Policy. You can also contact your manager, a Compliance representative, or the Chief Compliance Officer for guidance.

## Doing Business without Corruption

We conduct business free from the influence of bribery and corruption, not only because of our commitment to doing the right thing, but also because doing so is better for the global business community. We all have a responsibility to know and follow all

## Who Is a Public Official?

"Public official" is a broad term that refers to many different people, including:

- Any elected or appointed government official, officer, or employee
- Anyone acting in an official or public capacity on behalf of a government at any level
- Any official or employee of a non-governmental international organization, such as the United Nations, Red Cross, International Monetary Fund, and the World Bank
- Anyone acting for or on behalf of any entity that is wholly or partially owned or controlled by the government (such as a national oil company)
- Any political party official, officer, or employee, or anyone else acting for or on behalf of a political party
- Any candidate for public office, even if not currently in office

It is not always easy to tell who is a public official or if a company is state owned. If you have any questions, contact your Compliance representative or the Legal Department.

applicable anti-corruption and bribery laws everywhere we do business, such as the Japan Unfair Competition Prevention Act, the US Foreign Corrupt Practices Act (FCPA), the Brazilian Clean Company Act, and the UK Bribery Act.

Our stance on bribery is simple: we never—directly or indirectly—offer, give, promise, or authorize anything of value to anyone, including any public official, to get or keep an improper advantage. An improper advantage is one MODEC is not entitled to and/or is not readily available to other companies.

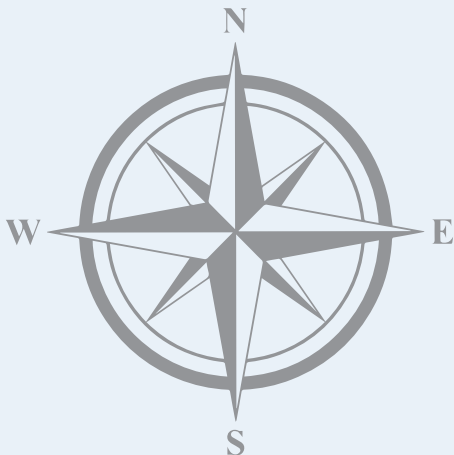
Bribes can take any of the following forms:

- Cash or a cash equivalent
- Lavish gifts
- A business advantage
- A job offer for an individual, their friend, or a member of their family
- Political or charitable contributions

In addition, we never offer or accept kickbacks. A kickback is a corrupt payment that is made after a business deal is completed, such as an inflated commission. Like bribes, kickbacks have no place at MODEC.

## Third Party Intermediaries and Business Partners

In certain situations, a third party may represent MODEC. In these cases, third parties must meet our standards for ethics and integrity. If you work with these third parties, you have a responsibility to help ensure that they do not make or offer bribes on MODEC's behalf. Similarly, never ignore circumstances







## Our Responsibilities

- Do not accept, offer, give, promise or authorize bribes or kickbacks directly or indirectly to influence a business decision
- Record all expenses and transactions accurately in MODEC's financial records
- Do not make any payments intended to improperly influence anyone, including a public official
- Report any suspicious offers or requests to a Compliance representative or the Chief Compliance Officer

## Additional Resources for More Information

For more information on MODEC's anti-corruption stance, refer to the Group Anti-Corruption Compliance Policy and the Group Third Party Intermediary and Business Partner Policy, or contact a Compliance representative or the Chief Compliance Officer.

## Anti-Social Forces

In some countries where MODEC does business, anti-social forces, such as gangs and similar groups, may be present. These groups have a negative impact on society, the business environment, and the rule of law. As such, we will never deal with anti-social forces or allow them to influence MODEC's business or our high standards of integrity.

## Our Responsibilities

- Never make any payment to an anti-social group (or a company affiliated with this type of group) for hush money, bodyguard fees, or any other reason
- Do not engage in negotiations with any anti-social force
- Do not make one-time payments as a temporary solution to an anti-social force's threats or intimidation

## Illustration

Kwame needs to get an important environmental permit for a new MODEC vessel, but the public official in charge of permits told him it could take up to six months to process the request. The official's daughter recently graduated from college, and he asks Kwame if he could get her an internship with the Company. "If I knew my daughter was taken care of," the public official says, "I would show my gratitude as quickly as possible." Kwame understands that this means the permit would be processed more quickly. He does have an open internship position, and he really needs the permit. Can he offer the public official's daughter an internship with MODEC?

No, he cannot. Even though the internship is for the official's daughter rather than the official himself, it could still qualify as bribery of a public official—and we never offer or accept bribes. Gaining a business advantage is never worth engaging in corruption. Kwame will just have to wait for the permit he needs.

that could indicate improper conduct or unlawful actions, and never pay any business partner if you know that the funds will be used improperly.

## Facilitating Payments

Facilitating payments, sometimes known as grease payments, are typically small payments to lower-level public officials to expedite or secure certain non-discretionary, routine governmental administrative actions. These could include obtaining permits or starting utility services. In some cases, these payments may be legal, but that does not mean it is right to offer them. To uphold our commitment to integrity, MODEC only allows facilitating payments when our health or well-being is threatened. If you have to make a facilitating payment in such a situation, immediately disclose it to the Chief Compliance Officer. You should also make sure that it is accurately recorded in MODEC's books and records.





### Additional Resources for More Information

If you are threatened or intimidated by anyone associated with an anti-social force, notify your supervisor or the appropriate member of management immediately.

### Avoiding Insider Trading

Doing business with integrity also requires that we appropriately handle all information we have access to in our work for MODEC. In particular, we may never trade securities on the basis of inside information—that is, information that is both material and nonpublic. Information is material if it could impact someone’s decision to buy, sell, or hold a security, and it is nonpublic if it has not been made publicly available to ordinary investors.

No matter your position within MODEC, you may never trade securities on the basis of inside information. And you may never pass such information on to others so that they can make trades (a practice known as “tipping”). Once inside information is released to the public, you need to wait two days to allow the market to absorb it before making any trades.

### Our Responsibilities

- Do not buy or sell securities of MODEC (or any other company) on the basis of inside information
- Be careful when someone requests confidential information about MODEC, our business partners, or customers—even casual conversations could be viewed as tipping
- To avoid the appearance of trading on inside information, do not engage in “short sales” or trade in puts, calls, or other options or derivatives on MODEC’s stock
- Information that has not been made public must not be released outside of MODEC unless requested as part of an audit, investigation, or similar legal process

### Additional Resources for More Information

For more information on insider trading, contact the General Affairs Department in Tokyo, the Chief Compliance Officer, or a Compliance representative.

### Competing Fairly

In our competitive industry, we want to win business based on the quality of our services and the integrity of our business practices, not by manipulating the market. We must never engage in any improper activity that may limit competition through illegal or unfair means or violate competition or antitrust laws.

## Examples of Anti-Competitive Activities

There are many different types of anti-competitive business practices, including:

- Agreeing with other companies not to do business with certain suppliers or customers
- Dividing customers or suppliers with other companies
- Price fixing
- Bid rigging
- Bundling or tying goods and services
- Taking advantage of a dominant market position
- Sharing supplier pricing information with other competing suppliers

This is not a complete list of actions that might violate competition or antitrust laws. If you have questions, contact your manager, a Compliance representative, or the Legal Department.

There are many different business activities that may be considered anti-competitive. For example, agreements to improperly limit or restrain trade always violate antitrust laws. These agreements do not need to be written or formal; they can be oral, implied, or informal. In addition, there are many other business activities that may violate antitrust laws in certain situations. These activities may include restrictive supply or distribution agreements or using a strong market position unfairly to harm competitors or customers.

Antitrust laws are very complex, and the risks of non-compliance can be severe. As a general rule, limit contact with competitors and always avoid discussing anti-competitive topics. If you find yourself in such a conversation, state your objection, leave the meeting immediately, and report it to your manager.

### Our Responsibilities

- Always conduct business in a way that promotes free trade practices, avoiding any activities that could be considered anti-competitive
- Never exchange competitively sensitive information with competitors, such as pricing, costs, or MODEC’s future business plans
- Avoid any conduct that may violate competition or antitrust laws, rules, or regulations
- Report any suspected anti-competitive activity to a Compliance representative or the Chief Compliance Officer

### Additional Resources for More Information

For more information on fair dealing and antitrust compliance, contact the appropriate member of management, a Compliance representative, the Legal Department, or the Chief Compliance Officer.

### Creating Sales and Marketing Materials with Integrity

We want to succeed on the merits of MODEC’s products and services—not because of dishonest marketing practices. In MODEC’s sales and marketing materials, we must always

present our products and services honestly and truthfully, without disparaging our competitors. This commitment to honesty and integrity helps us develop and maintain the best possible relationships with our customers.

### Our Responsibilities

- Never exaggerate or knowingly make misstatements in MODEC’s sales or marketing materials
- Do not make untrue claims about our competitors or their products and services
- Make sure you are following MODEC’s trademark and brand standards
- Focus on the benefits that MODEC offers to its customers and other business partners

### Additional Resources for More Information

For more information about creating sales and marketing materials, talk to a member of management, the General Affairs Department in Tokyo, a Compliance representative, or the Legal Department.





# Doing Business with Integrity around the Globe

We must be committed to following all laws related to trade compliance (export and import controls, customs, economic sanctions, and anti-boycott laws) that apply to us in the countries where we do business. These include laws and regulations in effect in Japan, Brazil, Ghana, Singapore, Australia, the United States, and other countries where MODEC operates, as well as MODEC’s own policies and procedures. Because these laws may vary based on our location, it is up to us to know and follow the laws that apply to our work, and to seek advice if we are unsure of the right course of action.

Import and export laws do not just apply to physical products. They also place restrictions on certain technologies, software, and technical information that is shipped to or from shipyards, vessels, platforms, or other MODEC facilities. These laws can even restrict information that is viewed by or provided to nationals of certain countries. Regardless of the work we do for MODEC, we need to know and follow the import and export laws that apply to us.

We must also be sure to comply with applicable laws related to embargoes and trade sanctions, which may limit our ability to do business with certain countries, nationals of those countries, or specific entities or individuals. In addition, we should never participate in any unsanctioned boycotts, or refusals to do business with specific countries or individuals.

## Our Responsibilities

- Follow all applicable export control laws when exporting products, technologies, software, and technical information
- Understand what is considered an export under applicable laws
- Provide accurate information about import tariff classifications, value, description of goods, country of origin, product marking, preferential trade status, and other critical elements
- Follow all applicable laws related to embargoes and trade sanctions
- Do not participate in unsanctioned boycotts
- Be cautious of requests to boycott a country or individual, which can often appear in contracts, shipping documents, or purchase orders
- Ask questions so you know the final use and user of our goods and technologies
- Report any requests that violate our policies or applicable laws to a Compliance representative or the Legal Department

## Additional Resources for More Information

For more information, contact your manager, your Procurement Management representative, a Compliance representative, the Legal Department, or the Corporate Planning & Strategies Department in Tokyo.

## Money Laundering

MODEC seeks to do business with customers and business partners whose business activities are legitimate and whose funds come from legal sources. Money laundering—the process of “washing” or hiding the proceeds of criminal activities to make it seem that the money comes from a legitimate source—is a global problem with far-reaching and serious consequences for our business and the world. Even the appearance of taking part in money laundering activities can undermine our integrity and damage our Company’s reputation.

Signs of money laundering can include:

- Overpayments with a request for a partial refund
- Requests to break one large transaction into smaller ones
- Cash payments
- Payments made by a third party on another person’s behalf
- Requests to transfer money to another country

## Our Responsibilities

- Be watchful for signs of money laundering and report any suspicions immediately to a Compliance representative or the Chief Compliance Officer

## Additional Resources for More Information

For more information about money laundering, contact your Procurement Management representative, a Compliance representative, or the Chief Compliance Officer.

# Speaking and Sharing Information on Behalf of MODEC

To be certain that public information about our Company is clear, consistent, transparent and truthful, only authorized individuals may speak on our Company’s behalf. If you are not an authorized Company spokesperson and receive a request for information related to MODEC or our business from an analyst, investor, or a member of the media, forward the request to the appropriate member of management.

Many of us use social media, such as online forums, blogs, or social networking websites, to communicate with friends and family and keep up with events around the world. However, we need to make certain that we use caution if we speak about topics related to our Company on social media. When using your personal social media accounts, be careful not to give the impression that you are speaking on behalf of MODEC. Make it clear that your views are yours alone, and do not reveal confidential MODEC information online.

## Our Responsibilities

- Only communicate with investors, analysts, or members of the media if you are authorized to do so
- If you intend to write or speak publicly (for example, at a seminar, at a conference, or on social media) about a topic related to MODEC’s business, be sure to get prior approval from your manager and the Corporate Planning & Strategies Department in Tokyo
- When communicating about matters related to our Company, be sure that you clearly state that the views expressed are your own and do not necessarily reflect MODEC’s views

## Illustration

Philip reads an article online about a safety issue that one of MODEC’s competitors has encountered recently. He shares the article on his social media account and comments, “MODEC is working on a new proprietary technology to prevent these types of issues on our vessels! MODEC believes that things like this can always be avoided—only companies without integrity let these problems happen.” Has he done anything wrong?

Philip should delete this post immediately. Not only has he revealed confidential information about MODEC’s future products, but readers could also interpret his comment to mean that he is speaking on MODEC’s behalf. Instead, Philip should protect MODEC’s information and make sure to state that his views do not reflect MODEC’s stance.





## Additional Resources for More Information

For more information, refer to the Global Human Resources Electronic Communications Policy or contact the Corporate Planning & Strategies Department in Tokyo or your local management.

## Choosing Ethical Business Partners

Our suppliers and other business partners help MODEC perform at the highest levels and achieve business success. To be sure we are doing business with integrity, we should choose only suppliers and business partners who meet our commitment to ethics. For those of us who work with suppliers and other business partners, ensure their actions reflect that they embrace high ethical standards and share our commitment to operating with integrity. Promptly report any potential issue that you observe to a Compliance representative.

## Our Responsibilities

- Communicate our standards for high performance and integrity in the areas of health, safety, security, the environment, and human rights to our business partners
- Watch for signs that our business partners are violating applicable laws or regulations
- Report unethical requests from suppliers or other business partners to a Compliance representative
- Cooperate with audits of our business partners

## Additional Resources for More Information

For more information on business partner relations, contact your Procurement Management representative or a Compliance representative.

## Following Wage and Hour Laws and Protecting Human Rights

We respect and support universal human rights. At MODEC, we believe that all human beings are born free and equal, and we conduct our business in line with this core belief. MODEC does not employ underage workers or use any type of forced labor. Our Company will not knowingly partner or do business with any third party that illegally or improperly employs underage workers or uses forced labor.

## Our Responsibilities

- Report suspected human rights violations to your Human Resources representative
- Understand and obey all human rights laws that apply to your work

## Additional Resources for More Information

For more information about human rights, see the [MODEC Corporate Social Responsibility Policy](#) or the [MODEC Human Rights policy](#). You can also contact your Human Resources representative or the Legal Department.



PEOPLE



## Illustration

Yamamoto-san works with a MODEC supplier that manufactures an important component of the Company's vessels. When he visited their factory, he noticed that some of the workers looked very young, and not everyone had the right protective equipment. He is worried that the supplier might be hiring underage workers and cutting corners on safety. Should he say anything?

Yamamoto-san should report what he has seen to his Human Resources and HSSEQ representatives. MODEC is committed to working only with third parties that follow labor laws, respect and support the protection of universal human rights, and adhere to workplace safety requirements. If you know or suspect that any of MODEC's suppliers are not meeting our Company's high standards, speak up about it.



## PEOPLE

Working effectively as a team is key to MODEC's success. We collaborate, communicate, and cooperate in order to achieve our goals and solve our customers' problems. To accomplish this, we must always maintain a respectful, positive, and safe work environment where we can all do our best work. We are committed to developing ourselves, both in terms of professional skills and in terms of helping MODEC maintain its positive work environment where everyone can succeed.

## Harassment and Discrimination

At MODEC, we maintain a diverse workforce, where personnel are hired, retained, compensated, disciplined, and promoted solely based on their contribution to MODEC and their performance. This helps us build the strongest possible team and succeed as a company. Our Company is committed to providing equal employment and career opportunities free from discrimination or harassment wherever we do business. We support this principle by providing equal employment opportunities to all employees, applicants for employment, and qualified individuals regardless of race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age, or any other characteristic protected by applicable national and local laws or regulations.

Likewise, harassment is never acceptable in our workplace. Harassment is behavior that is unwelcome and offensive to specific individuals or groups or that unreasonably disrupts

### Illustration

Mingyu is a piping engineer at MODEC, and she recently interviewed for a lead engineer position, which would involve supervising a team of ten other engineers—all men. She found out that the hiring manager gave the job to someone else. When Mingyu asked him what she could have done better to get the job, he told her, "You are a great candidate for the job, but I just do not think the guys on the team would listen to a girl." What should Mingyu do?

Mingyu should contact a manager she trusts or a Human Resources representative, or report the incident through the Ethics Hotline. It sounds like the hiring manager's decision was influenced by factors other than Mingyu's qualifications, skills, and potential. MODEC wants to have the most qualified people in every job, regardless of their gender, race, or other protected characteristics.

## What Is Harassment?

Here are some examples of behavior that might qualify as harassment:

- Using foul language or gestures
- Commenting on someone's appearance, even after they ask you not to
- Displaying suggestive images in the workplace
- Calling someone names (or giving them a nickname) based on their race, gender, ethnicity, religion, or other protected characteristic
- Repeatedly invading someone's personal space

their work. We never tolerate actions, comments, inappropriate physical contact, sexual advances, or any other conduct that is intimidating, offensive, or hostile. Regardless of the form it takes, harassment based on any protected characteristic is never acceptable at MODEC.

To work together effectively, we all have a responsibility to uphold a workplace in which we all feel safe and respected. Accordingly, bullying—such as threats or acts of violence, intimidation, abusive language, and instilling a sense of fear in others—has no place at MODEC.

## Our Responsibilities

- Do your part to help maintain a productive, professional, and harassment-free work environment, treating all co-workers, business partners, customers, and visitors with respect
- If you feel you have experienced or witnessed harassment, speak up and tell the person responsible that you are upset by their actions
- Even if you believe your acts or words are innocent, stop at once if someone asks you to do so

- Report any harassment you experience or witness to your Human Resources representative or the Ethics Hotline

## Additional Resources for More Information

For more information on harassment and fair employment, see the Global Human Resources Code of Employer-Employee Relations Policy and the Global Human Resources Productive Work Environment Policy or contact your Human Resources representative. Remember that you will never face retaliation for reporting a concern about harassment or discrimination.

## Creating a Safe Workplace

Maintaining a safe and secure work environment requires active support and participation from each of us. Our Company works to ensure the security of its property, employees, and authorized visitors by putting procedures in place to effectively respond to crisis, emergency, and security situations. As part of the MODEC team, we must know and follow all safety policies that apply to our work.

For all of us to do our best work for MODEC, we need to feel safe and respected in our workplace. Accordingly, our Company never tolerates acts or threats of physical violence against co-workers, visitors, or anyone on MODEC property, or during Company travel or Company-sponsored events. That includes any of the following:

- Engaging in horseplay
- Making threatening remarks
- Stalking or harassing behavior
- Causing physical injury
- Intentionally damaging someone else's property
- Acting in an aggressive, threatening, intimidating, or coercive manner
- Ignoring posted safety signs or directions

In addition, unless otherwise addressed by local law, we must never bring firearms or other weapons, explosives, or unauthorized dangerous materials onto MODEC property. This includes parking lots, alternate work locations maintained by MODEC, and Company-sponsored events. We must follow the rules that govern the MODEC office location where we are working or visiting.

## Our Responsibilities

- Be alert to safety risks
- If your work location issues identification badges, be sure to wear yours in clear view at all times
- Participate in emergency and security annual reviews, drills, and exercises
- Understand the regulatory requirements, controls, and preventive measures that apply to your work

- Understand your responsibility for responding to emergencies and security threats
- Promote proper work habits and use good judgment
- Report any issues to your manager or HSSEQ representative

## Additional Resources for More Information

For more information on maintaining a safe and secure work environment, refer to the MODEC Group HSSEQ Policy and the MODEC Group HSSEQ Standards and Procedures or contact your HSSEQ representative.

### Illustration

Arturo works on a MODEC vessel, and he has noticed that his co-worker, Javier, sometimes plays practical jokes on other members of their team, such as hiding their work equipment. Javier thinks he is just being funny, but not everyone agrees. What should Arturo do?

Arturo should contact his manager or another resource. Even if Javier thinks his behavior is funny, this kind of horseplay is never acceptable, and it could lead to accidents or injury. Workplace safety is no joking matter, and we all need to take our responsibility to promote a safe workplace seriously.

## Alcohol and Drug Policy

To keep our workplace safe and productive, we must be free from illegal drug use, misused prescription medications, or alcohol use that may impact our ability to work safely.

Of course, we must never use, possess, distribute, purchase, sell, or manufacture illegal drugs on MODEC's premises. In addition, we may not report to work under the influence of alcohol or any substance that negatively affects our ability to work





safely. While MODEC allows for limited consumption of alcohol at Company-sponsored events, we should always use good judgment and exercise moderation in these situations. If warranted, our Company may impose stricter guidelines about alcohol consumption at assignment locations or on vessels.

### Our Responsibilities

- Always be alert and ready to carry out your work duties
- Never report to work if you are impaired by any substance
- If you have a problem with substance abuse, seek professional help or contact your Human Resources representative

### Additional Resources for More Information

Refer to the Global Human Resources Code of Employer-Employee Relations Policy, the Global Human Resources Productive Work Environment Policy, and the Global Human Resources Drugs and Alcohol Policy for more information. You can also contact your Human Resources representative if you have questions about MODEC's drug and alcohol policy.

## Protecting Employees' Personal Information and Privacy

In recent years, individuals, companies, and governments have grown increasingly concerned about the privacy and security of personal information, and many governments have put laws in place to protect such information. We must do our part to protect our co-workers' personal information. Personal information is anything that, either alone or in combination, identifies

an individual. Common examples include government issued identification numbers, contact information, health information, performance evaluations, and personnel records.

### Our Responsibilities

- Collect personal information only for legitimate business purposes, and keep it only as long as necessary
- Protect personal information, handle it securely, and use it only according to the terms by which it was collected
- Only share personal information with others who have a legitimate need to know it and are authorized to receive it
- Keep in mind that there may be legal restrictions on transferring personal data to another party or another country
- Make sure that third parties understand the importance we place on privacy and uphold our standards for protecting employee personal information

### Additional Resources for More Information

Since data privacy laws vary by country, make sure to contact the Legal Department or a Compliance or Human Resources representative if you have any questions

about the right way to handle employee personal information. Please also refer to your local Data Protection Policy for further information.

## Training and Continuing Education

Developing ourselves as employees and professionals is key to helping MODEC succeed, and it helps us perform our best work and make MODEC a place where we are all proud to work. We are expected to complete all assigned training—whether related to safety, ethics and compliance, or specific work skills—in a timely manner, and we should feel free to raise questions related to the training materials. By fully engaging in all training, we help MODEC remain competitive and do business with integrity.

### Our Responsibilities

- Complete all training assigned to you by the due date
- Contact your manager if you are interested in learning about certain topics or developing specific skills

### Additional Resources for More Information

For more information on training and continuing education, contact a member of management or your Human Resources representative.

## Participating in Our Communities

MODEC encourages each of us to participate in our communities and in the political process, including making our own personal charitable and political contributions. However, except as authorized within the scope of an existing support program at a MODEC Group Company, we must do so on our own time and at our own expense, making it clear that our views and actions do not represent MODEC.

At times, MODEC may make contributions to charitable organizations that support our Company's Values and business objectives. These contributions must comply with applicable laws and regulations and MODEC policies and procedures. There are specific guidelines that must be followed when lobbying or making contributions on behalf of MODEC. If you are involved in these activities, be sure to know and follow the laws that apply to your work.

### Our Responsibilities

- Make it clear that your individual political activities are not endorsed by MODEC
- Unless you have prior approval do not associate your individual charitable contributions with MODEC
- Do not use MODEC resources for your personal political purposes
- Without permission, do not use MODEC resources for your personal charitable purposes
- Never pressure anyone—whether an employee, customer, or business partner—to contribute to, support, or oppose any political candidate or party
- Never pressure anyone—whether an employee, customer, or business partner—to contribute to, support, or oppose any political candidate or party
- Before you campaign for, seek, or accept appointment to public office, contact your manager
- Be sure that your charitable and political activities do not create, or appear to create, a conflict of interest
- Follow all applicable laws related to lobbying and making political contributions for MODEC
- Complete the necessary Compliance forms for any MODEC contributions

### Additional Resources for More Information

Refer to the Group Social Contributions Policy, the Group Gifts and Hospitality Policy, or the Corporate Social Responsibility Policy. You can also contact the appropriate member of management, a Compliance representative, the Legal Department, or the Chief Compliance Officer.

## Illustration

Maria's daughter's school choir is holding a fundraising drive, so she uses the office copier to make 100 fliers for the upcoming event. She decides to distribute some fliers to her coworkers and ask them to consider donating to support her daughter. Is she doing the right thing?

No, she is not. Though Maria is free to support any cause she chooses in her spare time, she should not use MODEC's resources to do so—and that includes making fliers at work.





Our commitment to delivering high-performance solutions and services to MODEC's customers is one of our Company's driving principles. But that never means that we take shortcuts when it comes to workplace safety, protecting our environment, and performing our work with integrity. By living up to these commitments, we can not only provide high-quality solutions to our customers—we can also improve the world in which we live. We are all accountable for the choices we make when we are working for MODEC, and we work to create the most value possible for our customers, our Company, and each other.

## Working Safely

Maintaining a safe work environment is one of our Company's most important goals, and it helps to ensure that we can all perform at our best every day. We must always comply with the applicable health, safety, security, environmental, legal, and quality requirements that apply to our work, as well as MODEC's Health, Safety, Security, Environment, and Quality (HSSEQ) management systems. To keep ourselves and others safe, we have a responsibility to conduct our business activities in line with applicable HSSEQ laws, MODEC policies and procedures, and customer requirements. Doing so helps us avoid accidents and produce the best outcomes for our Company, our personnel, our suppliers, our customers, our communities, and our environment.

## Our Responsibilities

- Be knowledgeable about all HSSEQ policies, standards, and procedures that apply to your work
- Identify, evaluate, and correct HSSEQ risks and conditions while performing your work
- Report all HSSEQ incidents immediately to your manager or local HSSEQ representative
- Keep in mind your responsibility to stop work if you see unsafe conditions or practices
- Know your role in emergency situations
- Complete all HSSEQ training assigned to you by the due date

## Additional Resources for More Information

For more information, refer to the [MODEC Group Health, Safety, Security, Environmental and Quality Policy](#), the [MODEC Group HSSEQ Standards Framework](#), or the [MODEC Corporate Social Responsibility Policy](#).

You can also contact your HSSEQ representative.

## Illustration

Julian works on a MODEC vessel, and he regularly performs the same series of safety checks on each crane. There are never any problems with these checks. He is running a bit behind schedule today, so he decides to skip a few of the safety checks to save time. Is that okay?

No, it is not okay at all. We always need to follow all required safety policies and procedures as a part of upholding MODEC's commitment to maintaining a workplace free from hazards and security risks. Even if Julian is behind schedule, that still does not make it okay to cut corners on safety. Working safely and preventing injuries and accidents is our number-one priority in every area of our work.

## Protecting the Environment

As citizens of the world, we recognize our responsibility to protect and improve the environment, whenever possible. We work to identify all significant environmental impacts of our activities and manage our work processes with the environment in mind. In all of our business activities, we meet or exceed applicable environmental laws, ordinances, and regulations. MODEC promotes environmentally safe designs, construction, and operations at all locations, and we expect the same commitment from our suppliers and those with whom we do business. With the help of our business partners, we are committed to strengthening our environmental stewardship.

In every aspect of our work, we do our part to protect the environment. We are all expected to continuously improve our environmental performance through monitoring, pollution prevention and waste minimization, water and energy efficiency, effective use of raw materials, and using resources efficiently.



## Our Responsibilities

- Follow all applicable environmental laws, regulations, and MODEC policies and procedures
- Think ahead and be proactive—help identify opportunities for improving MODEC’s environmental performance
- Promptly report any potential threats to the environment (such as spills or releases of oil or other materials) and any violations of environmental, health, or safety laws or requirements to HSSEQ management, who will then notify the proper authorities
- Prevent environmental incidents through proactive monitoring and measuring

## Additional Resources for More Information

For more information, refer to the [Health, Safety, Security, Environmental and Quality Policy](#), the [MODEC Group HSSEQ Standards Framework](#), or the [MODEC Corporate Social Responsibility Policy](#), or contact your HSSEQ representative.

## Creating High-Quality Products and Services

For MODEC to perform at its best as a company and succeed with customers, our Company’s products and services need to meet the highest quality standards. At no time may we cut corners or take shortcuts when developing products or performing services. Instead, we must make sure that our activities consistently meet—or exceed—our customers’ expectations.

## Our Responsibilities

- Never take shortcuts when it comes to quality
- Be sure that all quality control processes are performed correctly, and that all products and services meet MODEC’s high standards
- Report any product or service quality issues to your manager

## Additional Resources for More Information

For more information, refer to the [Health, Safety, Security, Environmental and Quality Policy](#), the [MODEC Group HSSEQ Standards Framework](#), or the [MODEC Corporate Social Responsibility Policy](#), or contact your HSSEQ representative.

## Safeguarding MODEC’s Assets

We all have a responsibility to use MODEC’s resources wisely and with care, doing our part to ensure that our Company’s property is not misused, damaged, lost, stolen, or wasted. MODEC’s assets are provided to us for business-related purposes, and at no time may we use them unlawfully or unethically. There are many different types of Company assets that we use each day.

Some common examples include:

- Physical facilities
- MODEC’s brand and logos
- Equipment
- Computers
- Office and cell phones
- Faxes, files, and documents
- Inventory and supplies

## Using Network and Information Technology

MODEC’s computer and network hardware, software, telephones, and other communication resources are key assets that are critical to our Company’s business. We



must use them responsibly and primarily for business purposes.

Our use of MODEC’s information technology assets should always be in line with our commitment to doing our best work and acting with integrity. We must never use these assets to access or distribute any sexually explicit images or text, materials that condone violence, hatred, terrorism, or intolerance, or harassing, obscene, abusive, or discriminatory material. When we use MODEC’s technology assets, we should have no expectation of privacy. MODEC may monitor any information created, sent, or received with these resources, where allowed by applicable laws and regulations.

## Our Responsibilities

- Use MODEC’s resources and property for legitimate business purposes, making sure any personal use is in line with our Company policies and is kept to a minimum
- Only use properly licensed software
- Always accompany visitors on MODEC’s property, to be sure that they do not use MODEC’s assets without permission
- Remember that your work time is an important Company asset and should never be wasted
- Report any concerns you have about fraud, theft, or misuse of Company resources

## Additional Resources for More Information

Refer to the Global Human Resources Electronic Communications Policy or contact your Human Resources, Compliance, or Information and Technology Department representative.

## Protecting Confidential Information

One of MODEC’s most valuable assets is its confidential information. We use it to perform our daily work, develop innovative new products and services, and serve our customers. Common examples of confidential information include:

- Trade secrets
- Drawings, specifications, and calculations
- Business plans, strategies, designs, and programs
- Training manuals
- Financial, cost, and pricing information
- Sales and marketing data
- Technology, operations, research, and technical data and documentation
- Techniques, processes, and methodologies
- Employee files, compensation data, and other employee personal information
- Customer requirements and contractual terms and conditions
- Supplier data such as Approved Vendor Lists

We must always protect MODEC’s confidential information and use it only as needed to complete our work. We do this by keeping the information secure, limiting access only to those who have a need to know it, using it only for permitted purposes, and avoiding discussions about confidential information in public or open areas. Keep in mind that

## Illustration

When Rafael needs a break from work, he will sometimes spend a few minutes looking at videos on his favorite comedy website. Some of the videos include jokes that play on ethnic stereotypes. Rafael never spends more than 15 minutes looking at videos, so he figures it is okay—it is not really detracting from his work time. Is he right?

No, Rafael is not right. Our work time is a valuable asset, and we need to be careful how we spend it. Watching videos at work is not a good use of our time. In addition, we must never use the Company’s information technology assets to access materials that could be considered offensive or inappropriate. If you have questions about the right way to use these assets, contact your manager.



the obligation to protect MODEC’s confidential information continues even after our employment with the Company ends.

One type of confidential information deserves special attention: intellectual property (“IP”). IP includes, but is not limited to, the following:

- All patented or potentially patentable inventions
- Rights in designs
- Know-how
- Trade secrets
- Copyrighted works, ideas, or materials
- Inventions
- Technology
- Database rights
- Software and software programs
- Any other proprietary information
- Trademarks and service marks
- Trade names
- Domain names

As a general rule, any IP that we create during the normal course of our work for our Company belongs to MODEC. We must safeguard IP by ensuring that we have appropriate confidentiality agreements in place, and by complying with all related agreements and MODEC’s procedures.

In addition to protecting MODEC’s confidential information, we have a responsibility to respect confidential information that belongs to others. For example, we may not use confidential information belonging to our former employers without their express written authorization. Of course, we may not encourage

others—including new hires—to violate their obligations by sharing a former employer’s confidential information without explicit written authorization.

We must also protect confidential information that belongs to our business partners, customers, suppliers, or any government entities. Never solicit, acquire, or use third party confidential information without express written permission. If you receive another organization’s confidential information unintentionally, make sure to secure the information, keep it separate from MODEC’s information, and report the situation to your manager. Similarly, you should never offer confidential information to a competitor, and you should promptly report any request for such information to a Compliance representative or the Legal Department.

It is not always easy to know how to protect MODEC’s confidential information. Here are some illustrations of common situations you might encounter and advice on how to handle them.

It is not always easy to know how to protect MODEC’s confidential information. Here are some illustrations of common situations you might encounter and advice on how to handle them.

Situation	Why is it a problem?	How should I handle it?
You and a colleague are discussing MODEC’s product development process in a coffee shop	Others could easily overhear your conversation and learn MODEC’s confidential information	Move your conversation to a more private location, such as a secure meeting room in your office building
You use a chat app on your phone (such as WhatsApp) to ask your manager about an upcoming sales opportunity	Chat apps can be compromised by hackers. In addition, these apps can auto-delete conversations, leaving no record of them	Use a Company system such as email or instant messaging to have this discussion instead
You send some confidential information to your home email address to use at an upcoming out-of-office meeting	Home or personal email addresses are not considered secure by MODEC	Make sure that you can access your Company email account from wherever you are, if you need it
You use your phone to take a picture of a MODEC product in development, to show your sister what you are working on	The picture could be accessed by someone else, which could harm MODEC. You also should not share information about MODEC’s product development process with anyone—even your sister	Do not take this picture, and wait until the product is released publicly to tell your sister about it—but be mindful not to share any confidential information



Our Responsibilities

- Use and disclose confidential information only for legitimate business purposes
- Properly label confidential information to indicate how it should be handled, distributed, and destroyed, using encryption where appropriate
- Share confidential information only with people who are authorized to receive it
- Avoid discussing confidential information in public places
- Do not send confidential information to unattended fax machines or printers
- Never use copyrighted materials without permission
- Immediately report the loss of any confidential information
- Do not use MODEC’s confidential information or IP to advance your personal interests

Additional Resources for More Information

For more information on the appropriate use of confidential information and IP, contact a member of management, the General Affairs Department in Tokyo, a Compliance representative, or the Legal Department.

Creating and Maintaining Accurate Books and Records

Many of us create business and financial records as part of our work for MODEC. Records can include:

- Purchase orders and contracts
- Expense reports
- Invoices
- Manufacturing data
- Shipping and receiving records
- Financial disclosures and other financial statements
- Regulatory reports to government entities
- Emails and other communications
- Timesheets

These records are important to our Company’s business decisions and operations. For this reason, each of us is responsible for ensuring that MODEC’s records are accurate, complete, and maintained in accordance with the Company’s records management standards. In particular, if you are responsible for creating and maintaining MODEC’s financial reports, be sure that they are always full, accurate,



timely, and understandable.

Keeping accurate records is not just about creating accurate documents. Our Company's records must also be managed appropriately. We must know and follow MODEC's internal policies about maintaining, retaining, and correctly disposing of records.

At times, you may be notified that certain records are under a legal hold as part of an audit, investigation, or legal proceeding. In this situation, you should follow the relevant record retention requirements. Never destroy any records subject to a hold. If you have questions about whether a record is covered in a legal hold notice, contact the Legal Department or Chief Compliance Officer before destroying it.

## Our Responsibilities

- Never make false claims on an expense report or timesheet
- Always create accurate, complete, and truthful records
- Never hide or disguise the true nature of any transaction
- Do not record or approve back-dating, false or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation
- Maintain all corporate records in accordance with the Company's document retention procedures that apply to you, as well as applicable laws and regulations

## Additional Resources for More Information

For more information on accurate books and records, contact your manager, an accounting manager or controller, or refer to MODEC's accounting policies and procedures.

## Waivers

In extremely limited circumstances, MODEC may waive a provision of the Code in its sole discretion and only if MODEC considers the waiver to be based on good cause. Any waiver of a provision of this Code for any director, executive officer, or senior financial officer (including the principal financial officer, the principal accounting officer, or the controller) must be approved in writing by the Compliance Committee or the Company's Board of Directors and be promptly disclosed as required by law. The Chief Compliance Officer must provide written approval of a waiver of any provision of this Code for an employee, agent, business partner, or contractor.







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September 2020