

# INTRODUCTION

FacilityBUILD, Inc. is dedicated to conducting its business honestly and ethically wherever FacilityBUILD operates. In order to live up to this commitment, FacilityBUILD has set forth the principles and rules to be followed by all employees of the Company and Subcontractors/Suppliers and other individuals who work with FacilityBUILD. This Handbook will serve to familiarize Company employees and Subcontractors/Suppliers with the ethical standards that guide our business and customer relationships. For existing employees, it will reaffirm our commitment to ethical behavior in all that we do. Conduct in violation of these principles and rules may lead to serious sanctions, including termination.

What is included here cannot, nor was it intended to, cover every situation you may encounter. When the best course of action is unclear, I urge you to seek the guidance of your superiors or a member of the Corporate Staff. Although I, as the Ethics Committee Chairman, have assumed overall responsibility for the Compliance Program outlined in this Handbook, I have designated FacilityBUILD's Manager of Human Resources to administer the program and have designated the persons identified as the Compliance Committee.

Remember—illegal or unethical conduct is unacceptable at FacilityBUILD and will not be tolerated.

*Brian J Kilcup, CEO/Chairman*

# CODE OF ETHICS AND STANDARDS OF CONDUCT

## I. INTRODUCTION

FacilityBUILD, Inc. (“FB” and “COMPANY”) WILL CONDUCT ITS BUSINESS WITH ABSOLUTE HONESTY AND INTEGRITY. EVERY COMPANY EMPLOYEE AND SUBCONTRACTOR/SUPPLIER EMPLOYEES INCLUDING SECOND AND THIRD TIER SUBCONTRACTORS EMPLOYEES MUST ADHERE TO COMPANY’S CODE OF ETHICS AND STANDARDS OF CONDUCT.

Company will conduct its business in strict compliance with applicable laws, rules and regulations and with honesty and integrity. Company is committed to delivering the highest quality products to all of our clients, in both the Government and private sectors, at fair and reasonable prices. Every job at the Company is important and plays a vital role in the work of Company. Only excellence and integrity on the part of all Company’s employees will enable us to provide our customers with the highest quality products and services.

FB will compete for all business opportunities fairly, ethically and legally. Our production and delivery of end product and service must meet all contractual obligations.

FB’s Code of Ethics and Standards of Conduct set forth the cornerstones of FB’s business practices. The Company may immediately discipline or dismiss any employee, officer or subcontractor/supplier whose conduct violates applicable laws, regulations, the Code of Ethics, or basic standards of business honesty and integrity.

The company’s Manager of Human Resources is responsible for administering the Ethics program. Company employees who have any questions about the proper performance of their jobs, or any other matter covered by the Code and Standards, should feel free to ask their supervisor or any member of the attached Compliance Committee contact list. Employees are always free to contact the Manager of Human Resources or members of the Compliance Committee directly.

## II. CODE OF ETHICS

FB AND ITS EMPLOYEES AND IT'S SUBCONTRACTOR/SUPPLIERS WILL COMPLY WITH ALL LAWS AND REGULATIONS. ANY EMPLOYEE OR SUBCONTRACTOR/SUPPLIER WHO KNOWS OF ANY ACTIVITY THAT MAY VIOLATE FB'S CODE OF ETHICS, STANDARDS OF CONDUCT, OR LAWS AND REGULATIONS SHALL PROMPTLY DISCLOSE THE ACTIVITY TO A MEMBER OF THE COMPLIANCE COMMITTEE.

- A. Individual Responsibility. Every individual is responsible for maintaining the highest standards of ethics in his or her own actions.
- B. Integrity, Honesty and Fairness. FB will adhere to the highest standards of honesty, integrity and fairness when engaged in any activity concerning the Company, including our relationships with the Government, other customers, suppliers, the general public, and each other.
- C. Compliance. FB is committed to compliance with the letter and spirit of all laws and regulations governing our actions. FB will take particular care to ensure that it complies with all laws and regulations that pertain to contracting with the Government at either the prime or subcontract level.
- D. Appearance of Propriety. Not only are the actual consequences of the actions of Company employees and subcontractors/suppliers important, but also the appearance of propriety is also important to the Company's integrity and reputation. Therefore, FB will strive to ensure that the perceptions that may be created by our actions reflect favorably on the integrity and reputation of the Company. Employees of FB and subcontractors/suppliers will not undertake any activity while engaged in Company business that is, or gives the appearance of being, improper, illegal, immoral, harmful or embarrassing in any way to FB or its customers.
- E. Reporting of Violations. It is the responsibility of any FB and subcontractor/supplier employee who knows of any activity that is or may be in violation of law, regulations, contract, or FB's Code of Ethics and Standards of Conduct, to disclose such activity promptly.
- F. Reporting of Violations Concerning Government Contracts. The reporting of violations potentially involving Government contracts is particularly important to the Company. FB will immediately investigate any report of misconduct that comes to its attention. FB will notify the Government of possible impact on Government business, and take immediate corrective action.

- G. Protection of Employees. The identity of employees who report suspected violations will be treated as confidential and no reprisal may be taken against them. Any reprisal will itself be considered a violation of the Code, and the Company will take disciplinary action against any supervisor or employee who initiates such a reprisal.

### **III. STANDARDS OF CONDUCT**

FB EMPLOYEES AND SUBCONTRACTORS/SUPPLIERS AND MEMBERS OF THEIR IMMEDIATE FAMILIES SHOULD NEITHER GIVE NOR RECEIVE GIFTS (OTHER THAN THOSE FOR WHICH EXCEPTIONS ARE SET FORTH IN 5 C.F.R. § 2635.204 ET SEQ. (2001)) TO OR FROM GOVERNMENT EMPLOYEES OR EMPLOYEES OF SUBCONTRACTORS/SUPPLIERS OR CUSTOMERS.

FB EMPLOYEES AND THEIR SUBCONTRACTORS/SUPPLIERS AND MEMBERS OF THEIR IMMEDIATE FAMILIES SHALL AVOID ANY INVOLVEMENT THAT MIGHT APPEAR TO BE A CONFLICT OF INTEREST. QUESTIONS ON THESE MATTERS SHOULD BE ASKED OF APPROPRIATE COMPANY OFFICIALS.

COMPANY EMPLOYEES AND SUBCONTRACTORS/SUPPLIERS SHALL NOT OBTAIN UNAUTHORIZED GOVERNMENT BIDDING INFORMATION, AND SHALL SAFEGUARD COMPANY BIDDING INFORMATION.

- A. Understanding and Compliance. Employees are personally responsible for thoroughly understanding and conscientiously complying with FB's Code of Ethics and Standards of Conduct, and any other Company policies or procedures, relating to their positions.
- B. False Claims or False Statements or Certifications. It is a felony knowingly to make a false claim or false statement to the Government, and such conduct by any Company employee or subcontractor/suppliers will not be tolerated. Violations of these and other statutes can subject FB to liability, damaging publicity, expensive and time-consuming audits and investigations, reduction in contract prices and the loss of Government contracts. FB and individual employees and subcontractors/suppliers may also be subject to civil and criminal sanctions, including prison sentences, fines, and suspension or debarment from Government contracting.

Although it is not possible to specify all contract-related dealings with the Government that present a risk of making false statements, false claims, or other violations, particular attention is called to the following:

Record keeping and Communications:

1. Applicable laws and regulations require that FB's books and records accurately reflect all transactions of the Company. All disbursements of funds and all receipts must be properly and promptly recorded. No undisclosed fund or unrecorded fund may be established for any purpose.
  2. No false or artificial statement or entries may be made for any purpose in the books and records of FB or in any internal or external correspondence or communication of any type, including telephone or wire communications.
  3. FB is frequently required to submit accounting and other records to the Government as a basis for payment on existing contracts and estimates on future contracts. No supporting documentation shall be falsified in connection with any Government or other contracts. It is our policy to charge all labor and material costs accurately, to the appropriate account, regardless of the status of the budget for that account. Improprieties, such as charging labor or material costs improperly or to the wrong account, charging direct contract effort to an overhead or indirect account, or falsifying time cards or other records, will not be tolerated.
  4. These record keeping and communication requirements also apply to FB's subcontractors and suppliers.
- C. Gifts, Gratuities and Kickbacks. FB prohibits all employees from involvement with or the giving or receiving gifts (other than those for which exceptions are set forth in 5 C.F.R. § 2635.204 et seq. (2001)), gratuities, kickbacks or illegal payments to or from other persons or organizations. These include all of the following:
1. Entertainment and Gratuities for Government Employees. Government employees shall not be offered or given, either directly or indirectly, gratuities of any kind. FB will not offer any gratuity, or give or reimburse expenses for any entertainment provided, to any Government official or employee.
  2. Gifts, Entertainment, and Discounts from Non-Government Business Contacts. The requesting, acceptance, or giving of gifts (other than advertising specialties that promote and keep our name, logo and services in front of our prospects and customers) entertainment, or discounted items from or to a supplier, contractor, subcontractor, or any other non-Government business contact is strictly prohibited.

3. Kickbacks. A kickback is the payment back of a portion of the purchase price to a buyer or Government official to induce the purchase of goods or to influence improperly future purchases. No employee may offer, pay, solicit or receive, directly or indirectly, any fee, commission, compensation, gift or gratuity to or from any tier of any Governmental agency, prime contractor, or subcontractor.
- D. Conflicts of Interest. All employees and members of their immediate families shall avoid any professional involvement with other persons or organizations that would create or give the perception of any conflict of interest. These could include any of the following situations:
1. Interests in Competitors. FB's employees may not own a financial interest in any Company customer, supplier or competitor that might cause divided loyalty or even the appearance of divided loyalty. Whether there is a conflict of interest depends upon many factors, including: (a) whether he or she can influence Company decisions that might affect personal financial interests; (b) the size of the investments and financial needs; and (c) the nature and extent of the competition or the relationship between FB and the other business. Any potential conflicts must be reported in writing to Company's Manager of Human Resources or a member of the Ethics Compliance Committee.
  2. Political and Community Involvement. While FB supports and encourages employees to become involved with their community and Government, potential conflicts may arise from such involvement. Employees need to be certain that any such involvement is clearly represented to be that of the individual and not of the Company or fellow employees.
  3. Employment of Individuals Who Have Left Government Service. All employment, agent, or consulting arrangements with any person leaving Government service, or any other officer leaving military service within the last year must be reviewed in advance with FB's Manager of Human Resources to ensure that the Company complies with federal conflict of interest laws.
  4. Secondary Employment, Consulting or Advice. All employment, agent, or consulting arrangements with any person leaving Government service, or any officer leaving military service within the last year must be reviewed in advance with FB Manager of Human Resources to ensure that the Company complies with federal conflict of interest laws.

5. Advancing of Employee's Personal Interests. FB employees and Subcontractor/Suppliers may not act in any manner that would place their personal interests, financial or otherwise, above that of the Company.

E. Protection of Information. Most of the information that an employee develops or receives as part of his or her job is proprietary and/or classified. Federal law defines proprietary information as information contained in a bid or proposal, cost or pricing data, or any other information properly designated as proprietary by another contractor, the agency or the contracting officer. Federal law restricts the disclosure of such information during the conduct of a procurement. Proprietary information does not include information that is otherwise available without restrictions to the Government, another competing contractor, or the public.

Proprietary information may also qualify as what is known as a "trade secret." Common law provides that a trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business and which gives one an opportunity to obtain an advantage over competitors who lack such information.

Proprietary information is FB's property, a valuable business asset. You must protect this information because unauthorized disclosure of it could destroy its value to the Company and give unfair advantage to others. FB employees and the employees of subcontractors/suppliers who obtain proprietary information or trade secrets based on their employment or association with Company, cannot use that information to FB's detriment at some future time. Classified information is protected by law and cannot be disclosed except pursuant to official authorization. In the event an employee inadvertently receives information which the employee is unauthorized to receive, or learns of such disclosure, the employee should immediately notify the Manager of Human Resources, or any member of the Compliance Committee. FB will adhere to the following standards in protecting information:

1. Government and Competitor's Information. During the course of procurement by the Government, no Company employee shall attempt to obtain, from any source, Government information that is proprietary as defined above or security classified, unless the employee has the Government's written authorization to see such information. Also during the course of a Government procurement, Company employees and subcontractors/suppliers shall not seek to obtain information regarding competitors' bids or

proposals in circumstances where there is reason to believe that such release is unauthorized.

2. Confidential or Proprietary Information. Any information that is confidential or proprietary to FB and is released without authorization is a major breach of security. Employees and subcontractors/suppliers need to be sensitive about whether information is confidential and ensure that such information is not shared with persons who do not have a right to know it.
  3. Inside Information. In no instance will Company employees use or share Company-related information not available to the general public for any manner of personal gain.
- F. Antitrust. FB is firmly committed to compliance at all times with both the letter and the spirit of antitrust and trade regulation laws, which generally prohibit agreements or actions that restrain trade or competition. FB will compete vigorously in the marketplace, and will avoid any business dealings that violate antitrust laws.
- G. Equal Employment Opportunity. FB is committed to equal employment opportunities for all persons, without regard to race, color, religion, sex, national origin, age or handicap.
- H. Debarred or Suspended Entities or Individuals. FB shall not knowingly employ on a Government contract or subcontract any individual or corporation listed on the General Services Administration's Consolidated List of Parties Excluded from Federal Contracting unless it notifies the Government in accordance with applicable regulations, and otherwise complies with those regulations.

#### **IV. DISCIPLINE/MANDATORY SANCTIONS**

EMPLOYEES AND SUBCONTRACTORS/SUPPLIERS WHO DO NOT COMPLY WITH FB'S CODE OF ETHICS AND STANDARDS OF CONDUCT WILL BE DISCIPLINED, WHICH COULD INCLUDE DISMISSAL FROM FB OR CONTRACT TERMINATION.

FB and its employees and subcontractors/suppliers are determined to operate according to the highest possible standards of business ethics and conduct. Our Code of Ethics and Standards of Conduct are important to this Company and are to be taken seriously by all employees. Failure to comply with FB's Code of Ethics and Standards of Conduct will result in disciplinary action that may include: a written warning report filed in the employee's personnel record; probation; temporary suspension; or discharge from FB or Subcontract/Supplier termination. FB may seek reimbursement of losses or damages resulting from the



violation; or referral for criminal prosecution or civil action. As with all matters involving discipline, principles of fairness and dignity will be applied. Any Company employee or subcontractor/supplier charged with a violation of the Code or Standards will be afforded an opportunity to explain his or her action before disciplinary action is taken.

**V. REPORTING AND INFORMATION**

- A. Reporting Unethical Conduct. As a general guideline, Company employees and subcontractors/suppliers must first discuss concerns with supervisors. If that is not possible or effective, then the matter can be discussed with the Manager of Human Resources, or any of the Compliance Committee members. Employees of the Company and subcontractors/suppliers have a responsibility to communicate information fairly, honestly and objectively.
- B. HotLine. Any employee needing information or wishing to discuss a matter of concern with the Manager of Human Resources, or any of the Compliance Committee members can do so toll free by calling 800-327-8642 or emailing them at their addresses listed.
- C. The Rules of Reporting. When an employee contacts one of these individuals on the Compliance Committee contact list:
1. Employees will be treated with dignity and respect
  2. Communications will be kept in confidence to the extent possible
  3. Employee need not identify himself or herself
  4. Concerns will be addressed and the employee will be informed of the outcome without delay.
  5. Retaliation will not be tolerated.

# CODE OF ETHICS AND STANDARDS OF CONDUCT

**FacilityBUILD, Inc.**  
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5904 Florence NE  
Albuquerque, NM 87113  
[www.facilitybuild.com](http://www.facilitybuild.com)

HELPLINE 800-327-8642

## COMPLIANCE COMMITTEE CONTACT LIST

<u>Name</u>	<u>Title</u>	<u>Email</u>
Brian Kilcup	CEO/President	<a href="mailto:bkilcup@facilitybuild.com">bkilcup@facilitybuild.com</a>
Tina Benham	Mgr.of Hum. Resources	<a href="mailto:tbenham@facilitybuild.com">tbenham@facilitybuild.com</a>
Cailyn Kilcup	Vice-President	<a href="mailto:cailyn.kilcup@facilitybuild.com">cailyn.kilcup@facilitybuild.com</a>