



## **CODE OF ETHICS AND STANDARDS OF CONDUCT**

### **I. Code of Ethics**

#### **1. Introduction**

FacilityBUILD, Inc. (Company) will conduct its business with absolute honesty and integrity. Every employee must adhere to the Company's *Code of Ethics* and *Standards of Conduct*.

The Company will conduct its business in strict compliance with applicable laws, rules and regulations and with honesty and integrity. The Company is committed to delivering the highest quality products and services 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 the Company. Only excellence and integrity on the part of all the Company's employees will enable us to provide our clients with the highest quality products and services.

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

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

The Personnel Administrator is responsible for administering the Ethics program. 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 Personnel Administrator or the President directly.

#### **2. Individual Responsibilities**

Every individual is responsible for maintaining the highest standards of ethics in his/her own actions.

#### **3. Integrity, Honesty, Fairness**

The Company's personnel 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 clients, suppliers, the general public, and each other.

#### **4. Compliance With All Rules and Regulations**

The Company is committed to compliance with the letter and spirit of all laws and regulations governing our actions. The Company will take particular care to

ensure that it complies with all laws and regulations that pertain to contracting with the U.S. Government at either the prime or subcontract level.

### **5. Appearance of Propriety**

Not only are the actual consequences of the actions of the Company's employees important, but also the appearance of propriety is important to the Company's integrity and reputation. Therefore, the Company's employees 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 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 the Company or its clients.

### **6. Reporting Violations**

It is the responsibility of any Company employee who knows of any activity that is or may be in violation of law, regulations, contract, or the Company's *Code of Ethics* and *Standards of Conduct*, to disclose such activity promptly.

### **7. 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.

## **II. STANDARD OF CONDUCT**

### **1. Understanding of and Compliance to Standards of Conduct**

Employees are personally responsible for thoroughly understanding and conscientiously complying with the Company's *Code of Ethics* and *Standards of Conduct*, and any other Company policies or procedures, including QualPRO®. The employee's signature on and submission of the attached agreement to comply with the Company's *Code of Ethics* and *Standards of Conduct* is an acknowledgment that he/she has read and understands them, and will make every effort to comply with them. If you do not understand something, ask your Supervisor or any of the individuals listed on the attached contact list.

### **2. Personal Conduct**

It is impossible to write guidelines to cover every situation. Generally, the Company expects employees to exercise common sense and good judgment. Conduct that is dishonest, insubordinate, or illegal cannot and will not be tolerated.

The following rules of conduct are not all-inclusive but should give you an idea of what the Company expects. Violations of these and other established work or

safety rules may result in disciplinary action, up to and including termination, depending on the circumstances.

- Violation of the Company's anti-harassment policy is prohibited.
- Employees must be courteous to others at all times. Insubordination or disrespectful conduct towards other employees, clients, vendors, or members of the public is prohibited.
- Theft or inappropriate removal or possession of Company property is prohibited.
- Falsification of any Company records, including employment applications, payroll records, reports regarding absences, claims regarding workplace injuries, or time records (including clocking in or out for another employee) are prohibited.
- Possession or use of cameras or tape records of any kind on Company premises is prohibited, unless you have specific, written authorization from Management.
- Sleeping on the job is prohibited.
- Smoking in unauthorized areas is prohibited.
- Unauthorized disclosure or personal use of confidential information is prohibited.
- When an employee is unable to work for any reason, he or she must report the expected absence or tardiness to a Supervisor as soon as possible.
- Possession, use, distribution, or reporting to work under the influence of alcoholic beverages or illegal drugs is prohibited. Employees may be required to undergo substance abuse testing. Please see your Supervisor for a copy of the substance abuse program at your facility.
- Where permitted by law, possession of concealed handguns or other weapons on company premises is prohibited.
- Where permitted by law, vehicles parked on company premises may be subject to searches where there is reasonable suspicion of wrongdoing.
- Any equipment owned by the Company, such as computers, electronic equipment, and software, is limited to Company use only. Employees may not operate the computer or other equipment assigned to another employee unless authorized by a member of management. Computer software may not be removed from the workplace, and personal software may not be brought into the workplace, without prior authorization from Management.
- Threatening behavior, including intimidating language or threats of violence, will not be tolerated. Employees are to report all such behavior or other unlawful or suspicious activity to their Supervisor or another member of Management immediately. Reports may be made anonymously. No employee who makes a report in good faith will be subject to retaliation, intimidation, or discipline.
- Employees must comply with the dress code contained in this Handbook.

- Employees may neither invite nor allow any non-employee to enter a non-public area without authorization from management. An employee must escort authorized guests at all times.
- Negligent or improper use of Company property or equipment is prohibited.
- Employees must wear personal protective equipment when required and follow safety rules and practices at all times.
- Horseplay and practical jokes will not be tolerated. Do not play with, jump on, or go for rides on or in any Company vehicles.
- Turn off all machinery when not in use or when unattended.
- Machines must be unplugged before work is undertaken on any electrical parts.
- If an operation calls for more than one person, all required persons must be present before starting that operation.
- Operating equipment without authorization or prior training is prohibited.
- Proper lifting procedures must be utilized.
- Employees must comply with all the Company's policies and/or directives, including the rules, policies, and procedures outlined in this Handbook.

### **3. False Claims or False Statements of Certifications**

It is a felony to knowingly make a false claim or false statement to the Government. Such conduct by any Company employee will not be tolerated. Violations of these and other statutes can subject Company to liability, damaging publicity, expensive and time-consuming audits and investigations, reduction in contract prices and the loss of Government contracts. Both Company and individual employees may also be subject to civil and criminal sanctions, including prison sentences, fines, and suspension or debarment from Government contracting.

### **4. Record Keeping and Communications**

A. Applicable laws and regulations require that the Company'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.

B. The Company 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.

## 5. Gifts, Gratuities and Kickbacks

The Company's employees 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 the Company's suppliers or clients.

The Company prohibits all employees from involvement with or the giving or receiving of 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:

### A. Entertainment and Gratuities for Government Employees:

Government employees shall not be offered or given, either directly or indirectly, gratuities of any kind. The Company will not offer any gratuity, or give or reimburse expenses for **any** entertainment provided, to any Government official or employee.

### B. 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 clients), entertainment, or discounted items from or to a supplier, contractor, subcontractor, or any other non-Government business contact is strictly prohibited.

### C. 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.

## 6. Workplace Violence

The Company is committed to preventing violence in the workplace and maintaining a safe work environment. Given the increasing violence in society, the Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of violence that may occur on its premises.

A. The Company maintains zero tolerance for any conduct that threatens, intimidates, or coerces an employee, client, or member of the public at any time, including off-duty periods. The Company reserves the right to determine in its sole discretion whether an occurrence constitutes workplace violence.

B. Members of the public, including but not limited to, clients, suppliers, or other third parties, visiting or doing business with the Company who are in violation of this policy may be requested to leave the Company

premises and, if appropriate, shall be reported to state and/or federal law enforcement agencies.

**Affirmative Duty:**

All employees are required to report suspicious individuals or activities, including threats, both direct and indirect, immediately to their Supervisor or any other member of management. Failure to report a known occurrence of workplace violence may result in disciplinary action up to and including termination.

Additionally, firearms, weapons, and other dangerous or hazardous devices or substances are strictly prohibited from the premises and workplace of the Company.

**7. Gambling**

Gambling is prohibited on Company time, job sites and facilities. Gambling may include card playing, dice, lotteries, betting in general, or any other kind of wagering. Any employee found gambling is subject to disciplinary procedures up to and including dismissal.

**8. Obscenity**

The use of vulgar language or obscene gestures is not conducive to good morale and may be offensive to a client or fellow worker. Any employee being obscene or using vulgar language, as determined by his/her Supervisor, will be disciplined accordingly.

**9. Insubordination**

Insubordination is refusal to follow an instruction from Supervisory or Managerial personnel. Insubordination undermines the discipline and teamwork needed in the work place. If an employee refuses a job assignment for safety reasons, the refusal will not be considered insubordination. If the dispute cannot be resolved to the satisfaction of both parties, either party may request a senior Supervisory Manager to investigate the situation.

**10. Courtesy**

The Company believes strongly in an atmosphere of cooperation and consideration. Be considerate in your dealings with your supervisor, co-workers, subcontractors, vendors, architects and engineers and clients, etc. Remember, you represent the Company. The professionalism that you display is a direct reflection upon the professionalism of this Company.

**11. Harassment**

Anti-Harassment Policy:

The Company is committed to maintaining a workplace free of harassment and intimidation based on sex, race, color, religion, national origin, age, disability, military status, or any other category protected by law.

#### Defining Harassment:

Harassment is a form of employee misconduct that undermines the integrity of the employee relationship. All employees are entitled to work in an environment free from harassment. While it is difficult to define what constitutes illegal harassment under law, the Company realizes that any type of harassing behavior based on race, color, sex, religion, age, national origin, disability, military status, or any other category protected by law is inappropriate in the workplace.

Therefore, the Company will not tolerate any behavior that creates an intimidating, offensive or hostile work environment or that interferes with work performance. Examples of harassing behavior include, but are not limited to: racial slurs, ethnic jokes, stereotyping, the display of posters or other materials that are offensive or show hostility to a group or individual based on race, color, sex, religion, age, national origin, disability, military status or any other category protected by law.

Included in this policy is a prohibition of sexual harassment. Sexual harassment includes, but is not limited to:

- A. Unwelcome sexual advances, requests for sexual favor, unwanted physical contact, including touching, patting, pinching, etc., unwelcome comments of a sexual or demeaning nature, the display of sexually offensive emails, posters, pictures or objects.
- B. Any use of an employee's submission to or rejection of the conduct described above as the basis for employment decisions affecting the employee (such as hiring, firing, promotions, compensation or working conditions).
- C. Any explicit or implicit implication that submission to such behavior is a term or condition or an individual's employment.

#### Reporting Harassment

Any employee who believes that he/she has been the victim of some form of workplace harassment from a fellow employee or from a non-employee (client, contractor, etc.) should report the incident immediately to the Company's Personnel Administrator and/or your immediate Supervisor and/or the Supervisor above your immediate Supervisor.

#### Investigation of Complaint:

Persons submitting complaints of harassment are assured that a thorough investigation of the complaint will be conducted. The contents of the complaint will be kept confidential to the extent possible and consistent with the need to conduct a thorough investigation.

Sanctions:

If, following a complaint of harassment, an investigation reveals that inappropriate behavior has occurred, the person who has violated this policy will be subject to appropriate sanctions or penalties. The sanction or penalty administered under this policy will depend on all circumstances, including the offending employees prior work record and the specifics regarding the nature of the violation. It should be understood that suspension and/or termination of employment may be the penalty administered to persons who violate the policy.

Retaliation Prohibited:

The Company does not tolerate retaliation against any employee for making a complaint under this policy or for cooperating in an investigation of any complaint under this policy.

## **12. Equal Employment Opportunity**

The Company will recruit, hire, train, and promote persons in all job titles without regard to race, color, religion, national origin, sex, age, military status, or physical or mental disability (except where the disability prevents the individual from performing the essential functions of the job and cannot be reasonably accommodated in full compliance with law). The Company will make employment decisions so as to further the principle of Equal Employment Opportunity. The Company will ensure that promotion decisions are in accordance with principles of Equal Employment Opportunity by imposing only valid and nondiscriminatory requirements for promotional opportunities. The Company will also ensure that all personnel decisions and actions, including, but not limited to, compensation, benefits, transfers, promotions, layoffs, return from layoffs, terminations, Company-sponsored training, education, tuition assistance and social and recreational programs, will be administered without regard to race, color, religion, sex, age, national origin, military status, or disability as indicated above.

## **13. Conflict 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:

### **A. Interests in Competitors:**

Company employees may not own a financial interest in any of our Company clients, suppliers, or competitors that might cause divided loyalty or even the appearance of divided loyalty. Whether there is a conflict of interest depends upon many factors, including:



1. Whether he/she can influence Company decisions that might affect personal financial interest
2. The size of the investments and financial needs and
3. The nature and extent of the competition or the relationship between the Company and other businesses

Any potential conflicts must be reported in writing to the Company's Personnel Administrator or a member of the Compliance Committee.

**B. Political and Community Involvement.**

While the Company 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.

**C. 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 three years must be reviewed in advance with the Company's Personnel Administrator to ensure that the Company complies with Federal Conflict of Interest Laws.

**D. Advancing of Employee's Personal Interests:**

The Company employees may not act in any manner that would place their personal interests, financial or otherwise, above that of the Company.

**14. Protection of Information**

Company employees shall not obtain unauthorized government bidding information, and shall safeguard the Company bidding information.

Most of the information that an employee develops or receives as part of his/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 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, a valuable business asset, is Company property. You must protect this information because unauthorized disclosure of it could destroy its value to the Company and give unfair advantage to others. Company employees, who obtain proprietary information or trade secrets based on their employment by the Company, cannot use that information to the Company'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 Personnel Administrator, the Chairman, or any member of the Compliance Committee. The Company will adhere to the following standards in protecting information:

A. Government and Competitors 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 shall not seek to obtain information regarding competitors bids or proposals in circumstances where there is reason to believe that such release is unauthorized.

B. Confidential or Proprietary Information:

Any information that is confidential or proprietary to the Company, and is released without authorization is a major breach of security. Employees 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.

C. Inside Information:

In no instance will Company employees use or share Company-related information not available to the general public in any manner including personal gain.

**15. Anti-trust**

The Company 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. The Company will compete vigorously in the marketplace, and will avoid any business dealings that violate antitrust laws.

**16. Debarred or Suspended Entities of Individuals**

The Company 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. If your name is added to this list, you must notify the Personnel Administrator.

**17. Individual Discipline/Mandatory Restrictions**

Employees who do not comply with The Company's *Code of Ethics* and *Standards of Conduct* will be disciplined, which could include dismissal from the Company.

The Company and its employees 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 the Company *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 the Company. The Company 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 employee charged with a violation of the *Code* or *Standards* will be granted an opportunity to explain his or her action before disciplinary action is taken.

### III. REPORTING AND INFORMATION

#### 1. Reporting Unethical Conduct

As a general guideline, employees must first discuss concerns with Supervisors. If that is not possible or effective, then the matter can be discussed with the Personnel Administrator, Chairman or any of the Compliance Committee members. Employees have a responsibility to communicate information fairly, honestly and objectively.

#### 2. Rules of Reporting

When an employee contacts an individual on the Compliance Committee contact list:

- Employees will be treated with dignity and respect
- Communications will be kept in confidence to the extent possible
- Employee need not identify himself or herself
- Concerns will be addressed and the employee will be informed of the outcome without delay
- Retaliation will not be tolerated

#### 3. Help Line

Any employee needing information or wishing to discuss a matter of concern with the Personnel Administrator, Chairman or any of the Compliance Committee members can do so toll free by calling 1-800-327-8642.

#### 4. Anonymous Tip Box

There is a tip box located in the corporate office. Here, individuals can anonymously report violations. Individuals can fill out the form, or write on a piece of paper, what the violation is, where it occurred, and when. This form or paper is then placed in the drop box, which will be checked daily by a member of the compliance committee.

### IV. COMPLIANCE COMMITTEE

<u>NAME</u>	<u>TITLE</u>	<u>PHONE</u>	<u>EMAIL</u>
Brian Kilcup	President	505-821-7547	bkilcup@facilitybuild.com
Tina Benham	Personnel Administrator	505-821-7547	tbenham@facilitybuild.com

### V. POLICY CHANGES

The Company reserves the right to change or amend policies, codes and standards, or conduct at any time, at its discretion.

*A COPY OF THIS MANUAL IS KEPT AT ALL COMPANY FACILITIES FOR YOUR REFERENCE.*