



Marine Fenders International, Inc.

CODE OF ETHICS Introduction

The *Code* takes the six values of Marine Fenders International (MFI) — Respect, Creativity, Empathy, Open Communications, Excellence, and Integrity--and applies them to specific functions, tasks, relationships, and challenges in dealing with our six primary stakeholders—Customers, Employees, Suppliers, Owners, Communities, and Partners. There is also a section on our relationship with governments. Each section explains our commitments and responsibilities more fully.

Our *Code* is a summary of how we do business. The *Code* applies to all—owners, managers, supervisors, part-time employees, agents, and consultants. It gets specific but is not an all-encompassing rulebook; we must rely on our values to guide us.

MFI will conduct its business in compliance with all applicable laws, rules, and regulations, as well as with integrity. We are committed to delivering the highest quality services to our customers, in both the government and private sectors, at fair and reasonable prices. Every job in our company is important and plays a vital part in our continued success. Only excellence, empathy, and open communication on the part of all employees will enable us to exceed the expectations of our customers.

We will compete fairly, ethically, and legally for all business opportunities. Our services must meet our contractual obligations, and our values of respect and creativity

Our *Code* sets forth the cornerstones of our business practices. MFI is prepared to discipline or terminate any employee or agent whose conduct violates applicable laws, regulations, MFI's *Code*, or basic standards of business honesty and integrity.

Employees who have any questions about how the *Code* relates to or conflicts with their understanding of the proper performance of their jobs, or any matter covered by the *Code*, must raise their questions with their supervisor.

When you have a question or concern about ethics or compliance, you can refer to our *Code*. If after reviewing it, you still have questions or doubts about the right thing to do, seek guidance from Jerry Thermos or our Ethics Program Advisor.

Note: Our *Code* is not an employment agreement, and does not supersede detailed standards and procedures of your employment agreement or any collective bargaining agreement to which MFI or any of its affiliated companies is a party.

Customers

Our customers' satisfaction is fundamental to our business success.

Bribes and Kickbacks

A bribe or kickback is the giving or accepting of money, fees, commissions, credits, gifts, or favors for the purpose of obtaining favorable treatment in return. We never offer or give any form of bribe or kickback. We want our customers to use our products and services because of their value, not because the customers have received something extra under the table. Transparency and full disclosure of all aspects of our dealings will usually prevent a potential problem in this area.

Commercial Customers: Contracting, Gifts, and Entertainment

We negotiate in good faith with our customers, adhere to the terms and conditions of our contracts, and resolve disputes in a timely fashion. We expect and encourage all of our employees to compete vigorously for our customers' business. We also expect that we compete for, negotiate, and fulfill all of our contracts in a fair and ethical manner, and in strict compliance with applicable laws, regulations, and contractual terms.

We compete on the value of our services. We do not try to influence customers to contract for our services by offering them gifts, meals, or entertainment. MFI's policy permits gifts of reasonable value, normal business meals and entertainment, and the exchange of customary reciprocal courtesies between employees and our customers.

Business meals and entertainment can be an appropriate means of communicating with our customers. We expect MFI employees to act as hosts and clearly document the business purpose of the event. Moderation and appearance are important to our company's reputation, so we expect that when entertaining a customer, MFI employees will not spend more than they would in a purely social gathering.

Government Customer: Contracting, Gifts, and Entertainment

When we bid on or perform government contracts, we must strictly comply with the government's requirements, including their rules on gifts, meals, entertainment, accuracy in reports and claims, and conflicts of interest.

The reporting of potential violations involving government contracts is particularly important. MFI will promptly investigate any report of misconduct. We will voluntarily disclose illegal activities involving or affecting any government contract to the appropriate public official, assess any possible impact, and take corrective action, including prompt restitution of any damage(s) to the government.

Most government employees cannot accept gifts, gratuities, or entertainment, regardless of value. MFI employees must not offer or give, either directly or indirectly, gratuities of any kind, including entertainment, transportation, meals at business meetings, tickets to sporting or other events, and the like.

Employees

Creating an entrepreneurial community that emphasizes our individual creativity and dignity is the key to success.

Equal Opportunity and Diversity

MFI is committed to equal employment opportunities for all persons, without regard to race, color, religion, gender, national origin, sexual orientation, marital status, age, or disability. We provide a positive working environment in which every employee may grow, contribute, and participate free from discrimination. We are committed to lawful policies in recruiting, hiring, evaluation, training, work assignments, compensation, promotion, and termination. Each of us is responsible for fostering a positive work environment. It is our responsibility to treat each other fairly all of the time in every circumstance.

Preventing Harassment

Each employee has the right to be free from improper or offensive conduct at work. Verbal, written, or physical conduct that disrupts another employee is harassment. All employees, customers, suppliers, and visitors should be treated with respect, courtesy, and dignity. To achieve this goal, each of us needs to exercise good judgment in our interactions and communications with others.

Safety, Health, and the Environment

We are committed to providing a safe and healthy work environment. MFI follows all laws regarding workplace safety and health. Each of us has a responsibility to be on the lookout for unsafe conditions or practices and to report them to his or her supervisor.

Confidential Information

Information that an employee develops or receives as part of his or her job is proprietary to MFI. Pricing and cost data, business processes and procedures, financial data, know-how, wage and salary data, customer/supplier/subcontractor information, and other kinds of information are company property and valuable business assets. Employees must protect this information because unauthorized disclosure could destroy its value to our company and give unfair advantage to others.

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, agency, or contracting officer. Federal law restricts the disclosure of such information during procurement. Proprietary information does not include information that is otherwise available without restriction to the government, another competing contractor, or the public.

Accuracy of Information, Documents, and Recordkeeping

Applicable laws and regulations require that MFI's books and records accurately reflect all transactions of the company. All revenues and expenses must be properly recorded and accrued. No undisclosed or unrecorded fund may be established for any purpose.

No false or misleading statement or entry is to be made for any purpose in the books and records, or in any correspondence, communication, or certification of any type, including telephone and e-mail communications.

MFI may be required to submit accounting and other records to prime contractors or to a government customer as the basis for payment on existing contracts and subcontracts, and may be required to submit estimates in support of future contracts or subcontracts. No employee should ever falsify supporting documentation to any customer's contract or proposal.

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. 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, inspection reports, or other records are violations of company policy and our values.

We are often required to certify compliance with quality control specifications and testing requirements imposed by the government or a prime contractor. The failure to conduct required inspections or testing, or the manipulation of inspectors, inspections, testing examiners, or test data are all violations of company policy and are to be reported to the company's Ethics Program Advisor.

Copyrights, Patents, and Trademarks

Our intellectual property is a valuable asset. Proprietary information may also qualify as a "trade secret." A trade secret may consist of a formula, pattern, device, or compilation of information that gives a business an advantage over competitors who lack such information. It is critical that we protect our data and information from competitors or those not required to maintain the confidentiality of such data.

Competitive Information

To keep current with developments in our industry, we obtain information about other companies, including those with whom we compete. This information should be obtained through public, ethical, and legal means at industry conferences, in trade journals, and in other published materials. We never seek information by inducing a competitor's employee or third party to disclose confidential information, to spy, or to commit theft.

Pricing and market data may be obtained from commercial customers; however, we don't use our customers as a funnel to gather competitors' pricing. We need to respect the confidential information of others. We need to inquire about confidentiality agreements, so we never solicit information that would knowingly violate such an agreement. We never disclose any customer or supplier proprietary information unless the organization

owning the information properly authorizes us to do so. Newly hired employees are not to be approached to divulge confidential material about their former companies.

Privacy

Employee information and data, e.g., Social Security number, home address and telephone number, and medical information are confidential and may be used only for valid business purposes. While MFI respects employee privacy, employees should not expect privacy when using services and equipment supplied by our company.

We reserve the right to inspect our facilities and business telephone records, lockers, e-mails, Internet usage, and business documents.

Conflicts of Interest

We all are members of Team MFI, and as such, we must base our business decisions on the needs and interest of MFI rather than our own personal interests. We should not participate in any activity that could conflict with—or appear to conflict with—our responsibilities to the company. Not only actual wrongdoing but also the appearance of impropriety can have an adverse impact on the company's reputation. Therefore, all employees must ensure that their actions reflect favorably on MFI.

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 to MFI.

We all must be sensitive to any situation that might cause others to doubt our fairness or to question the good faith of our acts or decisions. All employees and members of their immediate families need to avoid any professional involvement with other persons or organizations that would create or give the appearance of any conflict of interest. These could include any of the following situations:

Outside Employment or Consulting

Before they accept any employment outside MFI, employees should consider whether this job could create a conflict of interest or the appearance of a conflict of interest with their work here. They should not accept employment with a competitor, supplier, partner, or customer while employees of MFI.

Advancing of Employees' Personal Interests

Employees may not act in any manner that would place their personal interests, financial or otherwise, above those of the company. Close personal relationships that are not familiar but could lead to questions about the objectivity of an employee's judgment should also be disclosed to Jerry Thermos or the Ethics Program Advisor.

It is common for employees of MFI to have friends, acquaintances, and even relatives working for competitors. Close friends and business associates may be employed by a competitor. We would expect close friendships to be maintained, but great care and common sense need to prevail. Never discuss pricing, market share, or company proprietary matters with anyone outside of MFI.

Use of MFI Assets, including Electronic & Computer Technology

The assets of MFI are intended to be used in a manner that benefits our company. We must preserve these assets and use them wisely. The use of company time, equipment, supplies, and facilities for personal use, or taking company-owned equipment off company premises for personal use is permitted only when approved in advance by a supervisor. The unauthorized removal of company or government property could be considered theft.

Accepting Gifts and Entertainment

Employees should never accept gifts that might appear to undermine or influence good business judgment. Employees should never solicit gifts or favors from those with whom we do business.

From time to time, an employee may accept novelties, promotional items of nominal value, or modest gifts if:

1. The gift complies with the giver's company standards.
2. The gift was not solicited.
3. Full disclosure of the gift would not injure the reputation of our company.

Whenever possible, a gift should be shared with the other members of the group, team, or department.

An employee may occasionally accept an invitation to a sporting event, entertainment, or meal by a supplier or customer if the activity is infrequent and of reasonable value, the host is present at the event, and disclosure of the employee's attendance at the event would not embarrass our company.

Suppliers

Our suppliers are critical to our ability to exceed our customers' expectations.

Selecting Suppliers

Building strong relationships with suppliers is part of our ability to deliver high quality services to our customers. We treat our suppliers fairly, as we expect to be treated. Our purchasing decisions need to be based on sound, objective business criteria, such as performance, quality, delivery, and cost. Whenever possible, we encourage competitive bids. We are able to clearly explain to suppliers why their company was not chosen for a specific procurement.

Contract Negotiations

It is our duty to negotiate for the best prices and terms available. We have set very high standards of quality and performance that our suppliers must meet or exceed. Our ability to compete for our customers' business requires our costs to be competitive. All of our supplier agreements are documented and clearly identify the services or products to be provided, and the prices, terms, and conditions of sale. We honor the contractual obligations and commitments we have with our suppliers.

Supplier Information

Just as we value our proprietary information, we respect and guard our suppliers' proprietary information. We exercise the same care and sensitivity with supplier information that was outlined in the previous section under Competitive Information, and we do not share with third parties confidential information given to us by our suppliers unless directed to do so by the supplier involved.

Owners

Our owners provide MFI its vision, lead its people, and shape its processes. We must maintain their respect and trust.

Performance

The long-term success of MFI is directly related to the performance and accomplishments of each of us as individual contributors and as team members. We expect that each of us will endeavor to contribute our best efforts to achieve our individual, team, and business goals to make our company a success.

Open Communication

We provide accurate and timely information about our business. We always strive to manage our business activities to be both ethical and profitable. We strive to use good judgment and act prudently. If employees receive a request for information from an outside party, they must promptly notify their supervisor or Jerry Thermos. If they become aware that incorrect or improper information has been communicated, they need to take the necessary steps to see that the miscommunication is acknowledged and corrected in a timely fashion.

Communities

We strive to enhance quality of life in the communities in which we do business.

Community and Citizenship

MFI values encourage each employee to do his or her part to improve the well-being and goodwill of our local communities. We get involved in the life of our communities by being caring citizens, volunteering, and working to support local institutions as they grapple with the problems and challenges of our modern world.

Environmental Practices

MFI is committed to the protection of our natural environment and the conservation of all of its resources. We fully comply with all environmental laws and regulations. Employees play a critical role in ensuring that the methods by which services are provided do not unreasonably harm the environment.

Partners

Our Partners are critical to our ability to provide world-class service to our customers.

Selecting Partners

The ability to work effectively to serve our customers and to maintain the high ethical standards we have for ourselves is paramount when we select partners. We treat our partners fairly and expect them to maintain the highest levels of service to the customers we jointly serve.

Government

Local, state, and federal governments are both valued customers and the institutions that create the laws regulating our business activities.

Political Activities

MFI encourages employees to participate in political activities on their own time and at their own expense. However, employees can never pressure fellow employees to support or contribute their time or money to any candidate or political cause. When employees participate in political activities, they do so as individual citizens, not as representatives of MFI.

Antitrust

The basic provisions of the federal antitrust laws define as illegal the following:

"every contract, combination . . . or conspiracy" in restraint of interstate trade or trade between the United States and foreign nations;

for any person to "monopolize, or attempt to monopolize, or to combine or conspire with any other person or persons, to monopolize" such trade;

to sell goods at discriminatory prices, where the effect may be "to substantially lessen competition or tend to create a monopoly in any line of commerce";

to sell goods on the condition or understanding that the purchaser will not use the goods of a competitor where the effect may be "to substantially lessen competition or tend to create a monopoly in any line of commerce";

to engage in "unfair methods of competition" or in "unfair or deceptive acts or practices."

States, including California, also have antitrust laws that prohibit some of the same conduct as the federal laws, as well as related but different conduct such as locality discrimination and secret rebates.

The applicability of antitrust laws in some situations is clear and unmistakable. In other situations, the applicability of the laws is less certain. Our employees are obliged to observe the law in their day-to-day conduct of MFI's business. If an employee suspects that fraud, abuse, contract violations, or illegal acts have occurred, he or she must contact Jerry Thermos or the Ethics Program Advisor.

Many foreign countries, especially in Europe, also have antitrust laws governing competition that are generally similar to those in the United States. Throughout the world, the purpose behind all antitrust laws is to prevent unfair practices or acts that would harm the consumer.

Employees with involvement in our businesses that are highly sensitive to anti-trust policy must consult and understand the more detailed information in *MFI's Code of Business Conduct and Ethics*.

Regulatory Compliance

MFI operates in a regulated environment. Some of the government agencies that regulate our business include the Department of Transportation, Department of Defense, Internal Revenue Service, Environmental Protection Agency, Occupational Safety and Health Administration, Department of Labor, plus other federal, state, and local agencies.

This environment is both complex and ever-changing. Ignorance of the law is no excuse in our legal system. We must comply with the regulatory requirements of these agencies. This requires all employees to take an active role in being knowledgeable and up-to-date on the laws and regulatory environments that apply to their business activity. We are all responsible for attending training sessions and updating ourselves on these matters.

Regulatory Agency Investigations and Requests for Information

MFI cooperates courteously with all government inspection personnel. We provide information to which they are entitled during an investigation, and respond to any proper, specific request for information. All employees must immediately notify their supervisor whenever an inspection, investigation, or request for information occurs. During all communications with the government, we never:

1. Conceal, destroy, or alter any company documents or records
2. Lie or mislead anyone
3. Directly or indirectly obstruct the collection of information

Debarred or Suspended Organizations and Individuals

MFI will not knowingly employ on a government contract or subcontract any individual or organization 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. All employees must contact their supervisor or our Ethics Program Advisor if they become aware that an individual or organization may have been debarred or suspended.

Doing Business Overseas

We have business relationships around the world. In many locales, regulations, customs, manners, and cultural norms are unfamiliar or unwritten. Regardless of these challenges, MFI requires all of its employees to comply with local laws and adhere to the values, standards, and policies of this *Code*. MFI's values serve as the basis for all of our business dealings, everywhere.

There are several United States laws that govern our activities in international markets, including the United States Foreign Corrupt Practices Act. This law and company policy prohibit payment in any form, either directly or indirectly through a third party, to foreign officials for the purpose of gaining business or favorable government treatment.

In doing business abroad, as within the United States, focusing on complying with both the spirit and letter of the law, and conducting all of our relationships with excellence and integrity is the recipe for success.

Responsibility for Reporting Suspected Violations of our Code of Ethics, and Consequences

MFI and its employees are committed to operating according to the highest standards of business ethics and practices. Our *Code* and the values of MFI provide guidelines for how we conduct ourselves. They both have been carefully crafted and reviewed by our owners and employees within the company. We take these guidelines seriously, and we expect that all employees take them seriously, too.

Understanding and Compliance

Employees are personally responsible for understanding and complying with our *Code* and any other specific policies and procedures of MFI that relate to their positions or responsibilities. The employee's signature on the attached Employee Agreement to Comply with MFI's *Code* is an acknowledgment that he or she has read and understands the *Code*, and will make every effort to comply with it. All employees will be asked to sign an Agreement to comply on the anniversary date of their first signing. If employees do not understand something, they should ask their supervisor or contact our Ethics Program Advisor. They should keep asking until they understand the answer!

In many ways, our *Code* and values define the type of company we want to be and the work environment we want for each other. We desire MFI to continue to be a first class company of first class people, and have a vested interest in maintaining that status.

Failure to comply with our *Code* will result in disciplinary action up to and including termination of employment. An employee who witnesses a violation and fails to report it will be subject to discipline. Also, a supervisor or manager may be subject to discipline if the violation reflects inadequate supervision or lack of diligence.

Reporting Suspected Violations or Unethical Conduct

As a general guideline, employees should first discuss their concerns with their supervisor. However, employees are not required to contact a supervisor before contacting the Ethics Program Advisor or Jerry Thermos. Any issue involving federal government contracting policies and procedures must be referred to Jerry Thermos and the Ethics Program Advisor. All employees have a responsibility to communicate information fairly, honestly, and objectively, and an obligation to voice a concern until they are sure that their position has been understood.

MFI prohibits retaliation and/or retribution against anyone who in good faith reports or raises an ethical concern. Discouraging other employees from getting the help they need is also prohibited and will result in disciplinary action.

Help Line

Any employee needing information or wishing to discuss a matter can contact our Ethics Program Advisor, an independent party who is very familiar with our *Code* and many of the challenges we face in doing business with both commercial and government customers.

He will accept “collect calls” or anonymous calls from any employee of MFI. Our Ethics Program Advisor is available during most business hours in the Pacific Time Zone of the United States. He can also be contacted by mail or e-mail:

Mr. James Balassone, Executive in Residence
Markkula Center for Applied Ethics
Santa Clara University
500 El Camino Real
Santa Clara, CA 95053-0633
408-554-5466
jbalassone@scu.edu

Employees may also call the Department of Defense HOTLINE (1-800-424-9098) to report any suspected misconduct involving a government contract.

Rules of Reporting

The Ethics Program Advisor will adhere to the following rules when an employee makes contact:

1. Employees will be treated with empathy, dignity, and respect; communications will be kept in confidence;
2. Employees need not identify themselves. All anonymous reports will be acted upon in the same manner as identifiable reports. However, identifying yourself will facilitate an investigation of the reported matter.
3. Concerns will be addressed and the employee will be informed of the outcome, to the extent possible, as soon as a suitable set of actions has been agreed upon.
4. Direct or indirect retaliation against anyone using the Help Line, DOD HOTLINE, hard copy mail, or e-mail communication will not be tolerated.
5. We would like the opportunity to first resolve an issue or conflict within our company. However, if an employee is unable to gain appropriate attention within the company, our management system and Help Line will have failed to perform their roles. At that point, we encourage employees to contact an external organization or resource to seek assistance.

Employee Agreement to Comply with MFI's Code of Ethics

I have read MFI's *Code of Ethics*. Jerry Thermos or the Ethics Program Advisor has responded to all the questions I have raised concerning MFI's *Code of Ethics*. I fully understand its contents and the responsibilities it asks me to undertake, and I will comply with them.

Signature

Name (Print)

Department/Organization

Date

Promptly return the signed copy of this page to Ms. Joan Walker