

CMSD

Code of Ethics & Business Conduct



CMG-A102 rev. A

Continental Maritime of San Diego, LLC

CMSD

President Message:

Dear CMSD Employees:

Our Code of Ethics and Business Conduct is not just an ideal, it is a set of core beliefs, standards and behaviors that guide employees' commitment to the highest ethical standards.

Our Company Beliefs focus on Honesty, Purpose, Quality and a Dedication to Performance. By putting our values into practice on a daily basis, we create long term benefits for employees, customers, communities, and suppliers.

We are committed to a work environment that encourages employees to raise concerns, speak up, and report suspected misconduct without the fear or retaliation. Continental Maritime of San Diego (CMSD) has zero tolerance for retaliation and activities that negatively impact good-faith reporting.

I encourage you to read this booklet carefully and keep it in your work site for reference. While the Code of Ethics cannot address every situation, and new concerns or questions may arise, you should speak to your supervisor, manager, Human Resources or Business Conduct Officer for assistance. You can also call anonymously through the company's 24/7 toll-free OpenLine number: 1-877-631-0020.

Thank you for everything you do every day to shape the culture of ethics and compliance at CMSD.

Carlos Aguayo
President
Continental Maritime of San Diego

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Introduction

1.1 The Purpose

The purpose of the Code of Ethics and Business Conduct is to provide officers, directors, and employees with guidelines for making ethical decisions in the conduct of their work. The Code is a set of core values, standards and behaviors within the organization that guide employees' commitment to the highest ethical standards. Abiding by these standards and strictly observing all U.S. and foreign laws and regulations is not only a legal requirement, but also an ethical obligation for all of us at Continental Maritime of San Diego (CMSD).

The Code does not cover every legal or ethical question you may face at CMSD. The Code contains the general standards of conduct that have always been and continue to be expected of all of us at CMSD. Remember, when confronted with ethical uncertainty, you should seek advice from your supervisor, manager, or Human Resources to ensure all actions you take on behalf of the company honor this commitment.

Behavior consistent with the Code of Ethics and Business Conduct is one of our most important workplace responsibilities. We have set high ethical standards. The Code applies to officers, directors, and employees regardless of position or level of responsibility. It also applies to non-employees who act on the company's behalf in any capacity. All of us are responsible for the integrity and consequences of our actions.

Company policies, procedures and publications on ethics, the ethics website, and your local Business Conduct Officer (BCO) can provide further information on our expectations and answers to your questions regarding ethical standards.

1.2 Our Values

We, the employees of **Continental Maritime of San Diego**, are guided by our company **Beliefs**. They describe our company as we want it to be. We want our decisions and actions to demonstrate the highest standards of professional and ethical behavior. We believe that putting our ideals into practice creates long-term benefits for employees, customers, community, and suppliers.

At Continental Maritime of San Diego, We Believe In A:

Culture and Honesty

- Treat each other fairly while fostering diversity, trust, mutual respect, teamwork, and integrity.

Meaningful Purpose

- To be useful, honorable, compassionate, and as corporate citizens, make differences in lives we touch.

Superior Quality & Results

- We strive for customer satisfaction by exceeding our customers' expectations.
- We ethically and aggressively pursue results while preventing fraudulent activity.

Dedicated to Performance

- We hold ourselves accountable to the highest standards of performance while encouraging our employees to speak openly with management.

1.3 Our Expectations

As a Continental Maritime of San Diego employee, you are expected to:

ETHICS:

Do the right things even when no one is looking.

COMPLIANCE:

Abide by the laws, regulations, policies, and procedures that apply to our business wherever we operate.

BUSINESS CONDUCT:

Conduct internal and external business fairly and ethically and to maintain the highest standards of ethical behavior.

CIVILITY:

Treat others with dignity and respect and communicate in a courteous and professional manner.

MISCONDUCT

Report known or potential violations of our Code of Ethics and Business Conduct, policies and procedures using available reporting channels. Cooperate with all investigations.

TRAINING

Complete all mandatory ethics and compliance training requirements in a timely manner.

Every supervisor/manager is expected to:

- Act with integrity and serve as an ethical model for others.
- Promote and support ethical behavior and business practices that comply with this Code.
- Ensure employees who report to them directly or indirectly understand where and how to report misconduct or violations of this Code.
- Never encourage or direct employees to achieve business results at the expense of ethical conduct or compliance with the Code of Ethics or law.
- Ensure employees who report to them directly or indirectly complete all ethics and compliance training requirements in a timely manner.
- Maintain an “open door” policy with regard to employee questions about business conduct, ethics and compliance.
- Encourage employees to challenge and report questionable misconduct.
- Encourage open and honest dialogue without retaliation.

1.4 Ethical Decision-Making

Ethical dilemmas may not always be readily resolved through the use of the Codes of Ethics and Business Conduct. With every business decision our leadership makes, they are expected to ask themselves and their staff, “What unforeseen ethical implications might arise from this decision”. If you are ever unsure of what to do, ask yourself these five questions:



If the answer to any of these questions is “**No**,” don’t do it! If you are unsure, ask for assistance.

When conducting business in any country, you have the following responsibilities:

- Remain current with all laws and regulations that apply to your work.
- Know and follow the laws regarding export and import of our products, technical data and services, including those restricting the release of technical data.
- Be careful when using consulting services to represent our interests. Consultants, sales representatives, distributors, and contractors must comply with CMSD’s standards of conduct.

Our Commitment to Our Employees

Our commitment to you requires that we take all credible good faith reports of suspected misconduct seriously, investigate them fairly and confidentially and take appropriate corrective action where warranted.

2.1 Refer to the Code and Ask Questions

Please read the Code of Ethics and Business Conduct and refer to it often. It is not something you read one time and forget about. It is your guidebook for performing with integrity. Employees must be able to ask questions and raise issues without fear of retaliation, secure in the knowledge that their concerns will be treated seriously, fairly and in a timely manner. Promptly raise ethics and compliance questions and immediately report suspected unethical, illegal, or suspicious behavior. CMSD will not tolerate direct or indirect retaliation against anyone who makes a good faith report of a violation of the Code of Ethics and Business Conduct or suspected misconduct or otherwise assists with an audit or investigation.

Speak Up! If you suspect that someone is behaving illegally or unethically, please speak up right away. If you also have concerns about your own behavior, speak up about that as well. Admitting mistakes and taking corrective action is the responsible thing to do.

Reporting: You are encouraged to raise questions, concerns, and issues with their supervisor or manager first. If that is not possible, contact the local Business Conduct Officer, Law Department, Human Resources or the OpenLine at **1-877-631-0020**. The company will treat such reports as confidential to the extent practical, except where disclosure is required to investigate a report or by applicable law or legal process.

Reporting Anonymously: You may make an anonymous good faith report if you desire. While making an anonymous report is allowable, please note that failure to provide all the information you have knowledge of may prevent our company from conducting as thorough an investigation as possible.

Making False Accusations: The Company will protect any employee who raises a concern in good faith, but it is a violation of the Code of Ethics to knowingly make a false accusation, lie to investigators, interfere, or refuse to cooperate with an investigation.

Responsibility: In addition to the Chief Executive Officer, the Chief Financial Officer and all other managers and employees, the Continental Maritime of San Diego Code of Ethics and Business Conduct applies to members of the Board of Directors, consultants, agents, contract labor and anyone who represents the company in any capacity.

All officers, directors and employees must adhere to our Code of Ethics and Business Conduct. If you believe in good faith that a Code violation has occurred, or you are asked to engage in conduct that violates the Code, it is your responsibility to report such violations or suspected violations immediately. Failure to report may violate this Code. As stated above, you have many different channels to report violations or potential violations.

Consequences: If you violate the Code of Ethics and Business Conduct, you are subject to disciplinary action, up to and including termination of employment. Violations may also result in civil or criminal penalties. If you witness a violation and fail to report it, you may be subject to discipline. Additionally, a supervisor or manager may also be subject to discipline to the extent that the violation reflects inadequate supervision or lack of diligence.

2.2 The OpenLine Process

Open communication is especially important when our integrity as a company is compromised. The company's OpenLine process offers a confidential way to ask questions, voice concerns or report a suspected violation of the Code of Ethics and Business Conduct. Contact the OpenLine to raise concerns about:

- Time reporting (intentionally falsifying or misstating time)
- Mischarging (unallowable or shifting costs)
- Misuse of company resources/information
- Government overpayments
- Procurement fraud or contract fraud
- Bribery
- Gratuities
- Accounting issues
- Conflicts of interest (organizational, financial, personal)
- Customers or suppliers
- Quality/manufacturing
- Other ethical violations
- Export/import control compliance issues
- Retaliation

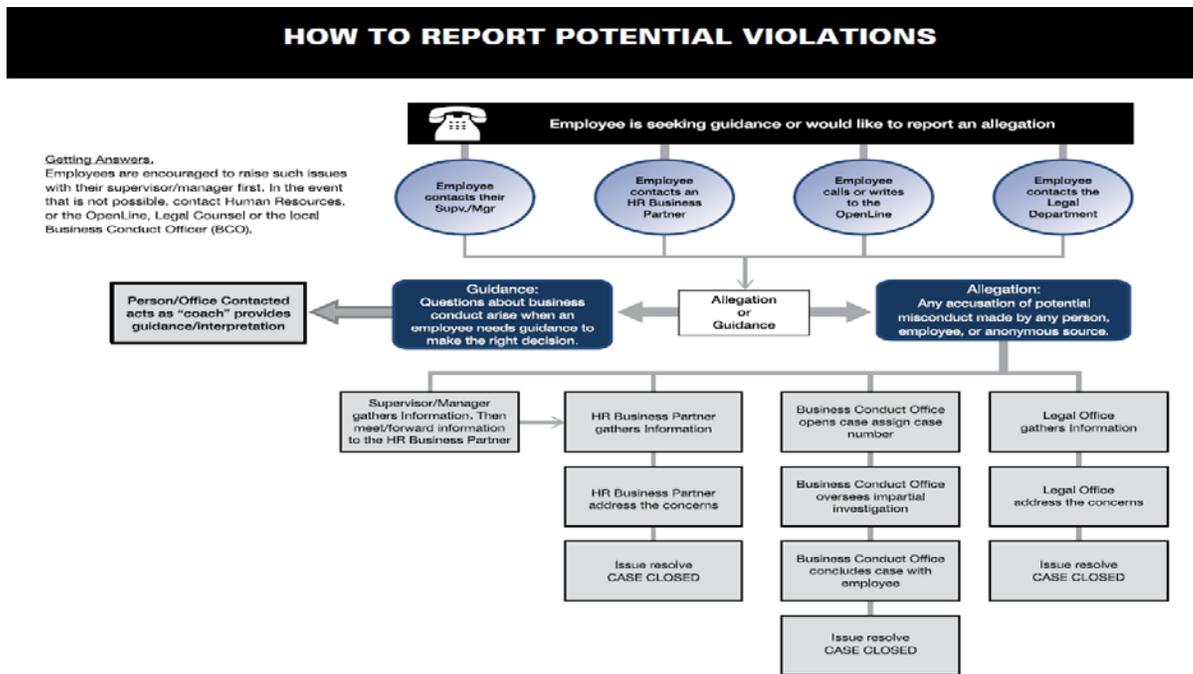
Continental Maritime of San Diego OpenLine: 877-631-0020

The toll-free number is answered 24 hours a day, 7 days a week, by an independent third party. OpenLine callers may identify themselves openly, remain anonymous or request confidentiality. Retaliation against any individual who in good faith reports a concern will not be tolerated.

Web reporting is also available at: <https://ethcomp.com/CMSD>. Emails can also be sent to openline@cmsd-msr.com. While the OpenLine is one alternative for reporting misconduct, any employee with a concern about misconduct such as fraud, waste and abuse can write directly to the Audit Committee at:

Chair, Audit Committee
Continental Maritime of San Diego
1995 Bay Front Street
San Diego CA, 92113

Process for Reporting Concerns and Potential Violations



Although you can report potential violations through the channels above, you can also contact the Department of Defense and the Department of Energy directly, if needed.

Department of Defense (DoD) Hotline The DoD Hotline provides a confidential avenue for individuals to report allegations of wrongdoing pertaining to programs, personnel, and operations that fall under the purview of the DoD, pursuant to the Inspector General Act of 1978. Anyone, including members of the public and Department of Defense employees (military members, civilian employees, and DoD contractor employees) may file a complaint with the DoD Hotline.

Reporting Fraud, Waste and Abuse to the Office of Inspector General: Under Department of Energy (DOE) Order 221.1A, you have a duty to report allegations of fraud, waste, abuse, misuse, corruption, criminal acts or mismanagement. You can report to your supervisor, any level of management or directly to the DOE office of Inspector General.

Note: Although you may also contact the DOE or DoD to report violations, a more expeditious route to resolution is **FIRST CONTACTING YOUR LOCAL SUPERVISOR, MANAGER, ETHICS OFFICE OR THE CMSD OPENLINE.**

In situations involving imminent threat of personal harm, you should immediately **notify SECURITY or other emergency services** as appropriate under the circumstance.

2.3 Investigating and Addressing Concerns

The Ethics Office is responsible for managing the OpenLine process and works with the Law Department and other organizations to ensure reported OpenLines have been properly investigated and closed out. Investigations will be conducted in an ethical and objective manner. CMSD may employ a variety of methods to conduct investigations. You have a duty to fully cooperate with an investigation and to comply promptly, completely, and truthfully with all requests for information, interviews, or documents during the investigation. CMSD treats all reports of alleged misconduct confidentially, and only those persons with a need to know are informed and involved in an investigation.

Disciplinary Action: CMSD promotes consistency in the application of disciplinary action. Factors considered in determining appropriate disciplinary action may include the relevant facts and circumstances, violations of laws, the Code of Ethics and Business Conduct or any policies or procedures, CMSD's responses to similar situations, employee tenure, performance and disciplinary history. At the end of an investigation, appropriate disciplinary action will be taken if necessary. In addition, CMSD may report civil or criminal violations to the relevant authorities.

CMSD will take disciplinary action against any employee who is found to have:

- Authorized, condoned, participated in or concealed actions that violate this Code or CMSD's policies, procedures or business standards
- Disregarded or approved a violation
- Through lack of diligent supervision, failed to prevent or report violations
- Retaliated, directly or indirectly, or encouraged others to retaliate against an employee who reported a potential violation

2.4 Retaliation and Coercion

CMSD prohibits any form of retaliation, coercion, or other attempt to discourage or interfere with an employee making a good faith report of misconduct or illegal act or assisting in the conduct of an investigation. If you feel that you were retaliated against, please talk to your supervisor, manager, Human Resources, your BCO or call the OpenLine.

Violators will be subject to disciplinary action, up to and including termination.

CMSD and its employees are expected and required to comply with all federal and state "whistleblower protection" laws and regulations including the federal Whistleblower Protection Act (WPA). The WPA prohibits employers from retaliating against employees who make good faith reports, internally or externally, of suspected misconduct. Retaliation against those employees could, in some cases, be illegal and subject the individual engaging in retaliation to criminal prosecution.

In conjunction with Department of Defense (DoD) contracts, 10 U.S.C. § 2409 prohibits contractors from discharging, demoting or otherwise discriminating against an employee as a reprisal for disclosing, to any of the following entities, information that the employee reasonably believes is evidence of gross mismanagement of a DoD contract, a gross waste of DoD funds, a substantial and specific danger to public health or safety or a violation of law related to a DoD contract (including the competition for or negotiation of a contract):

- A member of Congress.
- A representative of a committee of Congress.
- An Inspector General that receives funding from or has oversight over contracts awarded for or on behalf of DoD.
- The Government Accountability Office.
- A DoD employee responsible for contract oversight or management.
- An authorized official of an agency or the Department of Justice.

Any employee who believes that he or she has been discharged, demoted, or otherwise discriminated against contrary to the prohibition set forth above may file a complaint with the DoD Inspector General.

Professional Conduct: The Company's reputation and identity are among its most valuable assets. As part of keeping and furthering the corporate image locally and around the globe, Continental Maritime of San Diego believes in conducting business in accordance with the law

and the highest standards of business conduct. You are expected to conduct yourself in a manner that reflects positively on the company's image and identity. Employees must be professional and courteous when interacting with other employees and coworkers, customers, business associates, government employees, guests and visitors.

2.5 Diversity, Equal Opportunity, and Respect

Having a diverse workforce made up of employees who bring a wide variety of skills, abilities, experiences, and perspectives is essential to our company's success. We are committed to the principles of equal employment opportunity, inclusion, and respect. Continental Maritime of San Diego is dedicated to creating work environments in which all employees have the opportunity to perform quality work. We want to be known as a company where the diversity of our employees and the diversity of their thought and experience is recognized, understood and valued. Through fair, equitable, inclusive treatment of every employee, we foster an environment of respect and one that lets our employees know they are our most important asset.

2.6 Preventing Harassment

Work Environment: Continental Maritime of San Diego is committed to providing a safe and respectful work environment free from threats, violence, harassment, bullying and discrimination. Employees must act with honesty and integrity in all company dealings, comply with laws that govern our business, maintain an ethical and professional work environment, and comply with company policies and procedures. Employees whose behavior is found to violate ethical standards will be subject to disciplinary action, up to and including termination.

Discrimination and Harassment: Continental Maritime of San Diego has a policy of zero tolerance for discrimination, sexual harassment, bullying, or other harassment based on race, color, religion, gender, sexual orientation, gender identity, age, national origin, disability, military status, veteran status, marital status, citizenship status or any other unlawful discrimination or harassment based on categories protected under applicable laws. Harassment includes, but is not limited to, racist, sexist or ethnic comments, jokes or gestures or any conduct or statement creating an intimidating, hostile or offensive work environment. Any discrimination or harassment must be brought immediately to the attention of your supervisor, manager, Human Resources, EEO or the OpenLine.

2.7 Ensuring a Non-Violent Workplace

Continental Maritime of San Diego will not tolerate any workplace violence, threatening, hostile, abusive, obscene, immoral, or indecent language or behavior in the workplace. The company also prohibits such behavior while operating company vehicles, on company business or by any persons on company property. Immediate and appropriate action will be taken against offenders, up to and including termination of employment and referral for criminal prosecution. Possession of a dangerous weapon or damage to company property is also prohibited. You must report any instance of violence, hostile behavior, or possession of weapons on company property to Security and a supervisor or manager immediately.

2.8 Maintaining a Drug-Free and Alcohol-Free Workplace

Substance Abuse - Illegal Drugs and Controlled Substances: Continental Maritime of San Diego is committed to maintaining a safe and drug-free environment. While on company time, company property or while operating company equipment or vehicles, you may never use, transfer, sell, manufacture, or possess illegal drugs or drug paraphernalia. You may not report to work under the influence of any illegal drug or refuse to cooperate with fitness-for-duty evaluations, including testing procedures. Employees should seek assistance before substance

abuse problems lead to attendance or performance problems. Employees are expected to notify the relevant Security organization of any conviction under any criminal drug violation no later than five days after such conviction.

Alcohol: Continental Maritime of San Diego prohibits the introduction, manufacture, possession, sale, purchase, distribution, solicitation for sale, or use of alcohol on company premises. You may not report to work under the influence of alcohol or refuse to cooperate with fitness-for-duty evaluations, including testing procedures. CMSD sponsors an Employee Assistance Program (EAP) to help employees with personal and/or medical problems, especially those that relate to job performance. You are expected to notify the relevant Security organization of any conviction under any criminal alcohol violation no later than five days after such conviction.

2.9 Respecting Employee Privacy

Continental Maritime of San Diego acquires and retains personal information about its employees in the normal course of operations, such as for employee identification purposes and provision of employee benefits. You must take appropriate steps to protect all personal employee information, including Social Security numbers, identification numbers, passwords, financial information and residential telephone numbers and addresses. You should never access, obtain, or disclose another employee's personal information to persons inside or outside of the company, unless you are acting for legitimate business purposes and in accordance with applicable laws, legal process, and company policies.

2.10 Workplace Health and Safety

Continental Maritime of San Diego is committed to providing a safe workplace for all employees and meeting its environmental responsibilities. You must perform your job in a safe and environmentally responsible manner in compliance with applicable policies, practices, and the law. If you believe that a safety, health, or environmental hazard exists, that there has been a release of any hazardous substance, or that safety, health, or environmental requirements are not being followed, you must immediately report the situation to your supervisor, safety office or the OpenLine. Continental Maritime of San Diego is also required to record and report work-related accidents. If you are involved in a work-related accident, you must immediately report it to a supervisor and follow the company's policies for reporting accidents and injuries.

2.11 Solicitation and Fund-Raising

Solicitation and fund-raising distract from work time productivity and may be perceived as coercive. Solicitation and fund-raising during work time, the distribution of non-business literature in work areas at any time or the use of company resources at any time (emails, fax machines, copiers, computers, telephones, etc.) to solicit or distribute, is prohibited. The only exception to this policy is where the company has authorized activities in connection with company-sponsored charitable organizations or other authorized company-sponsored events or activities. To determine whether a particular activity is authorized by the company, contact Human Resources.

2.12 Gambling on Company Property

You may not gamble or participate in any games of chance (sports pools or lotteries) on company premises, using company resources or while conducting company business. The company prohibits visiting gambling sites on electronic communication devices such as mobile phones, computers and tablets supplied by the company for the purpose of work.

2.13 Personal Relationships

Continental Maritime of San Diego permits the employment of individuals in the same family or those who have a personal relationship. However, employment within the chain of command normally is prohibited for individuals of the same family or for those who have a personal relationship. To avoid a conflict of interest or an appearance of a conflict of interest, no employee may initiate or participate in, directly or indirectly, employment-related decisions, e.g., hiring, promotion, demotion, supervision, determination of salary, performance appraisals, termination, work assignments or other working conditions involving family members, or members of the same household, including domestic partners or persons with whom an employee has a romantic/intimate relationship. It is the responsibility of both the employee and the manager to disclose to management or to Human Resources potential or actual conflicts that might arise.

2.14 Misconduct off the Job

You must avoid conduct off the job that could impair work performance or affect the company's reputation or business interests. The company's reputation and brand are among its most valuable assets. You are expected to conduct yourself in a manner that reflects positively on the company's image and identity.

2.15 Preventing Theft and Fraud

Theft and fraud will not be tolerated. When you steal or commit fraud, it damages our reputation and brand and hurts us all. Any employee who engages in or assists others with theft or fraud will be subject to disciplinary action up to and including termination and can be subject to prosecution. Always report suspicious activity immediately.

2.16 Communicating Responsibly

Our communications help us connect with each other, our customers, and other stakeholders. What we say reflects who we are and what we stand for. We should always communicate in ways that demonstrate our company values and enhance our reputation and brand.

Be careful with your communications with others especially in any form of written communication, which includes electronic and online communications such as email, instant messaging, online chats, blogs, or posts on social networking sites. Be objective and professional. Avoid offensive, inflammatory, or aggressive language, as well as anything that would embarrass or disparage CMSD.

To ensure the accuracy of information that we provide to the public, employees should not make any statement (written or verbal) on behalf of Continental Maritime of San Diego or any of its business units to the media, news publications, trade publications or any other media source without prior approval from Communications and in compliance with applicable policies and procedures.

Our Commitment to Our Customers

Our customers rely on us to listen and provide solutions that will help them succeed. To earn and maintain their trust, we are committed to doing business fairly, honestly, legally and ethically wherever we operate in the world.

3.1 Relationship with Customer

We will endeavor to deal fairly with Continental Maritime of San Diego' customers and suppliers. To this end, we will not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice involving unfair dealing.

We conduct our business in an open and transparent manner, and we do not seek any improper influence. Our policies, procedures and practices are designed to prevent even the appearance of such influence. Our products and services are expected to conform to the customer's requirements. Changes to these requirements must comply with applicable contract procedures and requirements.

3.2 Confidentiality of Information

Continental Maritime of San Diego employees, officers and directors are expected to maintain the confidentiality of information entrusted to them by the company, its customers, and others, except when disclosure is authorized or legally mandated. Employees, officers and directors should not discuss internal company matters or developments with anyone, whether inside or outside of the company, except as authorized and required in the performance of company duties, to those who have a need to know the information or as legally required.

Continental Maritime of San Diego employees, officers and directors are expected to maintain the confidentiality of non-public information concerning third parties, whatever the source of such information may be, in the performance of their responsibilities for the company.

This prohibition on disclosing confidential information also applies to inquiries about the company that are made by the financial press, investment analysts or others in the financial community. Unless expressly authorized to the contrary, if an employee, officer, or director receives any inquiries of this nature, he or she should decline comment and refer the inquirer to our corporate vice president of communications, vice president of investor relations or our Law Department.

The obligation to preserve confidential information continues even after employment ends.

3.3 Avoiding Conflicts of Interest

Each member of the Continental Maritime of San Diego' Board of Directors and each officer and employee occupies a position of trust and is responsible for complying with the Code of Ethics and Business Conduct and the Conflict of Interest Corporate Procedure. We must be particularly sensitive to any situation on or off the job that could erode that trust or cause others to doubt our fairness or question the good faith of our acts and decisions.

Potential conflicts can involve customers, suppliers, current or prospective employees, company owners, or members of the communities in which we live and work.

Avoiding the appearance of a conflict can be as important as avoiding an actual conflict because others tend to judge a situation by what they think it is. If you have any questions in this area, ask for help and guidance.

Financial Interests: Situations in which personal or financial interests involving you or your immediate family conflict with the interests of Continental Maritime of San Diego must be carefully avoided. If you or any member of your family has a substantial financial interest in any firm that is supplying goods or services to Continental Maritime of San Diego or that is bidding on or proposes to do work for Continental Maritime of San Diego, you must promptly advise your supervisor and disclose in writing the nature of your interest on the Conflict of Interest form. A substantial interest is defined on the form and in the Conflict of Interest corporate procedure. If you are an executive officer or director and you are or may be involved in a transaction covered by the Continental Maritime of San Diego Policy and Procedure regarding transactions with related persons, you must promptly advise the Offices of the General Counsel.

The relevant business Conduct Officer, in consultation with the Law Department and management, as necessary, will consider and resolve any conflict of interest questions concerning employees.

3.4 Proper Use of Company Resources and Information Technology

Continental Maritime of San Diego resources made available to help you do your job include time, material, facilities, equipment, information, and services. These resources should only be used for authorized business purposes unless a specific exception is approved by management.

Time: Whether signing your timecard or reporting your time electronically, you are certifying that your time is being charged in accordance with your business unit's time charging policies and procedures. Improperly shifting cost from one contract to another, improperly charging non-contractual technical activity, improperly charging labor or materials and falsifying timecards are strictly prohibited.

The accuracy of your time directly affects the accuracy of the data upon which our cost systems depend. Willful or careless false reporting or mischarging will result in discipline up to and including termination.

Property: Government-owned and company-owned equipment, including telephones, fax machines and computers, should be used for authorized business purposes only. Exceptions must be specific and approved by management. Such equipment must never be used for purposes that are disruptive or to communicate messages that could be considered offensive or that violate company policies or procedures in some other way.

Accountability for company-owned property means that it should be used, maintained, accounted for and, when necessary, disposed of properly as directed in company procedures. The unauthorized removal of company or government property may be considered theft.

In addition, you should treat the resources of prospective or current customers or suppliers as you are required to treat company resources. Customer-owned property must be used for purposes specified in the appropriate contract requirements and/or government regulations.

Information: Any information, knowledge or know-how that gives a competitive advantage is considered intellectual property under our laws and those of most countries. It is an asset as valuable as money, property, time or skill and must be used for authorized company business purposes only. You must protect Continental Maritime of San Diego proprietary or private information, which can include technical designs, employee records or information learned in a partnership or teaming arrangement.

In conducting our business, we will not seek any information to which we are not entitled, especially that involving the integrity of any competitive bidding involving the company. We will respect copyrights and honor the licensing requirements of computer software.

Continental Maritime of San Diego complies with Department of Defense and Department of Energy requirements for the handling of government classified information. All classified documents must be handled and safeguarded in strict compliance with the requirements stated in your business unit's security procedures.

Expenses: Continental Maritime of San Diego will reimburse you for reasonable expenses incurred in the conduct of your work. Such expenses must be permitted in company procedures and must be adequately documented. Reports must be accurate and submitted promptly. Special attention must be paid to any expenses involving business conferences or meetings with customers and suppliers.

Records: The use, expenditure and disposal of company resources must be documented as required by company procedures. Any action by an officer, manager, employee or anyone acting on the company's behalf to circumvent the company's system of internal controls or to provide misleading information on company documents is strictly prohibited. See the Corporate Policy on Internal Control.

3.5 Responsible Business Travel

You are expected to record business travel expenses accurately. Use CMSD funds only for legitimate business purposes and don't spend more than necessary. Follow company policies regarding the use of corporate credit cards, preferred travel vendors, necessary management approvals, receipts, expense reports and other travel-related matters.

Be honest and accurate when submitting expense claims for reimbursement and never use CMSD funds for personal travel, entertainment or to supplement your income. Do not go to places that would reflect negatively on you or CMSD.

Reimbursement of meals and lodging may be different for employees supporting government or commercial work. Please refer to your local policies and procedures as they relate to business travel.

3.6 Contracting Authority

As one of our many customers, the U.S. government operates under and expects its contractors to operate under and to comply with complex laws and regulations that govern business activities with the federal government. The following summaries of some of those laws are not comprehensive. You should look to your business unit procedures, consult your Business Conduct Officer (BCO), the Law Department, your company website or contact the OpenLine if you have any questions.

Procurement Integrity: Absent a written agreement between Continental Maritime of San Diego and the owner of or a person with a right to license any proprietary, trade secret or competition sensitive information, employees may not use, distribute, copy, discuss or cause to be brought into any Continental Maritime of San Diego facility or equipment any information that, to the best of their knowledge and belief, is the proprietary, trade secret or competition sensitive information of another company, firm, organization or individual, including, but not limited to (i) any of their previous employers; (ii) any competitor of Continental Maritime of San Diego, its business units and affiliates; or (iii) any current or prospective customer of Continental Maritime of San Diego, its Business units and affiliates without the prior written permission of management and the Law Department. To the extent an employee has possession of or access to such proprietary information, other than under a written agreement referred to above, the employee will inform the Contracts Department of exposure to such proprietary information. The Procurement Integrity Act also places restrictions on employment discussions with current and

former federal officials regarding future non-government employment. CMSD employees should avoid such discussions and refer any questions or requests to Human Resources.

Restrictive Trade/Boycotts: A request to participate in any activity that could have the effect of promoting a boycott or restrictive trade practice fostered by a foreign country against customers or suppliers located in a country friendly to the United States or against a U.S. person, firm or corporation must be reported promptly.

Sherman Anti-Trust Act: This most important of the anti-trust laws prohibits and makes unlawful any contract, combination or conspiracy with any competitor, potential competitor or representative of same that restricts interstate commerce or competition in the marketplace like price fixing, boycotts, or limitation of product end sales.

Truth in Negotiations Act (TINA): Employees involved in the negotiation of contracts or other business transactions related to U.S. government procurement must ensure that all cost and pricing statements, communications, and representations of fact to customer representatives are complete, current, accurate and truthful.

Federal Acquisition Regulation (FAR) Mandatory Disclosure Rule: The rule requires that contractors and subcontractors make a timely disclosure to the relevant government agency Office of Inspector General, with a copy to the contracting officer, when they become aware of credible evidence of certain types of wrongdoing relating to a U.S. government prime contract or subcontract. The rule further requires that contractors and subcontractors make a timely disclosure to the government when they become aware of a significant U.S. government overpayment.

3.7 Giving and Accepting Gifts and Entertainment

You should never solicit or accept tangible or intangible business courtesies (gifts, meals, gratuity, entertainment, or other favors) that are given expressly or implied in exchange for securing CMSD business or providing favorable business terms, or that might create or give the appearance of influencing or creating a sense of obligation on your part with to the giver. Never give or accept business courtesies that are illegal, immoral or would reflect negatively on CMSD.

Except as described above, you may accept occasional unsolicited business courtesies of nominal value that is not frequent or lavish as measured by reasonable standards in the relevant business community such as meals, refreshments or promotional items.

A business courtesy must never be provided to or accepted from a Domestic Government Official or Foreign Official without prior written approval.

Our Commitment to Our Company Owners

We are committed to sustaining long-term enterprise value growth through improved performance and an intense focus on delivering excellent results.

4.1 Integrity of Financial Statements and Regulatory Filings

We are committed to full, fair, accurate, timely and understandable disclosure in reports and documents that we submit to the Company Owners and government and regulatory agencies, as well as in other public communications. Therefore, all officers and employees involved in preparing such reports, documents and communications establish and manage our reporting systems and procedures with due care and diligence to ensure that:

- Reports filed with or submitted to government and regulatory agencies, as well as other public communications, contain information that is full, fair, accurate, timely and understandable and does not misrepresent or omit material facts.
- Business transactions are properly authorized and completely and accurately recorded in all material respects on our books and records in accordance with Generally Accepted Accounting Principles (GAAP), Cost Accounting Standards (CAS), Federal Acquisition Regulations (FAR), and our established financial policies.
- Retention or disposal of company records is in accordance with applicable legal and regulatory requirements.

4.2 Company Opportunities

Continental Maritime of San Diego employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered in the use of company property, information or position and prohibited from using company property, information, or position for personal gain. Employees, officers, and directors may not compete with Continental Maritime of San Diego and owe a duty to the company to advance its legitimate interests when the opportunity to do so arises.

4.3 Outside Employment and Business Ventures

Secondary employment, outside business ventures or other commercial or financial activities of CMSD employees may not take away from their responsibilities to the company. Do not use CMSD or government equipment or resources (including confidential information or intellectual property) in connection with outside activities and ensure such outside activities do not reduce your productivity or ability to perform your duties for CMSD. Never engage in any outside employment or other activity that competes with CMSD, violates your confidentiality or other obligations to CMSD or that is illegal, immoral or would otherwise reflect negatively on CMSD.

4.4 Speaking on CMSD's Behalf

As a publicly traded company, CMSD's public statements must be carefully managed to ensure accuracy, fairness, and compliance with legal requirements, as well as to protect our reputation and ensure consistency with our purpose, values, and brand.

Only authorized individuals may communicate the company's official position on certain topics, such as financial performance, strategic business plans, legal matters, and public policy issues.

If you receive an inquiry from the media, industry, or financial analysts, a request for CMSD to participate in a public relations event, are invited to participate in a survey or invited to speak publicly on behalf of CMSD at conferences, seminars, trade shows or other events, contact your local or Corporate Communications office before responding or participating.

Our Commitment to Our Community

We are dedicated to being a visible and positive citizen in every community where we do business.

5.1 Political Contributions and Activities

Personal Political Activities: CMSD encourages individual participation by employees in the political process. This includes service on governmental bodies and participation in political activities. However, such activities should not interfere with the employee's job responsibilities or create a conflict of interest. It is important that officers and employees review the company's Employee Political Contributions Activity corporate policy. You should seek immediate advice from the Law Department or Ethics Office whenever they have a question concerning political activities.

Political Contributions: Continental Maritime of San Diego respects the right of employees to be involved in political activity, contributing their own time and resources. Such activity, however, must not take place on company time or property nor involve the company name. Laws governing contributions to local candidates vary from state to state.

Lobbying: Lobbying activities are subject to corporate policy and law, and are highly scrutinized. As such, we follow the spirit and letter of the law when engaging in lobbying activity, regardless of whether it is direct or indirect.

5.2 Charitable Contributions and Activities

CMSD is committed to giving back to the communities where our employees live and work. We make charitable contributions and encourage employees to support their communities through appropriate volunteer activities.

Many CMSD employees volunteer their time, talents, and energy to support charitable causes and non-profit organizations. CMSD is proud of the generous spirit of our employees and encourages these kinds of activities provided they do not conflict with CMSD's interests or reflect negatively on CMSD.

5.3 Protecting the Environment

We are environmentally responsible in the design and provision of our products and services, in the operation of our facilities and in the selection of suppliers and other business activities. We comply with all applicable environmental laws and regulations, as well as our voluntary commitments to sustainable practices and environmental protection.

5.4 Promoting Human Rights

All human beings should be treated with dignity and respect. While certain conduct is specifically prohibited or restricted by applicable laws, regulations, and policies, such as the use of child labor and the trafficking in humans, we can respect the rights of our coworkers, customers, vendors, and members of the communities in which we live through the consistent application of our values and Code of Business Conduct.

Our Commitment to Our Suppliers

Suppliers are an integral part of our team and essential to our ability to achieve our business objectives.

6.1 Supplier Relationships

Helpful, friendly, professional relationships are essential to any business. While cultivating such relationships with our suppliers, we must also maintain an honest, objective, and efficient procurement process. The purchase of materials and services must comply with Continental Maritime of San Diego's procurement policies and procedures.

CMSD employees and members of their immediate families may not solicit or accept gifts, payment, or gratuities from our suppliers. (Promotional items of nominal value may be accepted.) See CMSD's Business Courtesies company procedure. Any substantial financial interest in a Continental Maritime of San Diego supplier or someone seeking to become a supplier must be reported to the company.

Continental Maritime of San Diego policies in this area go beyond the law prohibiting kickbacks. We must avoid even the appearance of improper conduct in all our business dealings. Exceptions to the Code of Ethics and Business Conduct are not allowed unless specifically provided for in the company's written policies or procedures.

Consultant: Before serving as a consultant to, or a director, trustee, officer or employee of a company, organization or government agency that competes, deals with or is a supplier to Continental Maritime of San Diego or that is involved in national defense work, you must contact Human Resources and obtain management's written approval.

If you are recommending or approving the recommendation of a particular supplier or taking any similar action and you know that a member of your family or that of another Continental Maritime of San Diego employee is employed by or controls a substantial interest in that supplier, you shall disclose this fact in writing to the head of the organization in your business unit as soon as you learn of it. Close personal relationships that are not familial but that could lead to questions about the objectivity of your judgment should also be disclosed.

6.2 Revolving Door

Continental Maritime of San Diego adheres to the federal, state, and international conflict-of-interest laws regarding the recruitment and employment of current and former government employees.

You must refrain from discussing possible employment with any current government employee or high-ranking military officer, or member of the external auditor. Refer employment inquiries to the CMSD Careers website or human resources where potential applicants can receive employment information and apply for employment through appropriate channels and controls.

Human Resources will consult with the legal counsel to ascertain any applicable restrictions before engaging in employment discussions and before any offer for employment is extended to any Congressional employee or any employee of a local, state, or international government entity.

Further, Continental Maritime of San Diego does not provide employment or compensation or assign duties or responsibilities to any current or former U.S. government employee in circumstances that would violate these laws.

6.3 Compliance with Trade Laws

Employees and consultants or agents representing the company abroad or engaging in international business in the United States should be aware that the company's Code of Ethics and Business Conduct applies to them anywhere in the world. Less than strict adherence to laws and regulations that apply to the company's conduct of international business would be considered a violation of our Code of Ethics and Business Conduct.

Export Controls: Specific laws and regulations apply to exports, which are items or knowledge provided to foreign persons in the United States or abroad and to U.S. citizens in foreign countries. Covered items or knowledge can be provided physically or verbally in conversation or by telephone, electronically by e-mail, internet, or fax, or by any other means. Exports require government permission in the form of a license or written approval. The license is issued for a fixed period of time, must be specific and identify the items, services or data to be exported.

Import Controls: These regulations apply to the permanent and temporary import of any type of hardware, material, piece parts or systems. All imports must be cleared through U.S. Customs for inspection prior to release into the U.S. commerce. Various U.S. government agencies have an interest in items that are imported into the U.S. ranging from weapons of mass destruction to hazardous material and contraband.

Specific paperwork must be filed with U.S. Customs at time of entry of imports for review and release. U.S. companies must act with reasonable care in completing all paperwork filed with U.S. Customs and must establish a system that captures evidence of compliance with the various import regulations.

Laws of Other Countries: Abiding by the Code of Ethics and Business Conduct and strictly observing all U.S. and foreign laws and regulations is not only a legal requirement but also an ethical obligation for all employees and anyone who represents the interests of Continental Maritime of San Diego anywhere in the world.

6.4 Anti-Bribery and Anti-Corruption

Anti-Kickback Act of 1986: Directly or indirectly offering, providing, soliciting or accepting anything of value in return for favorable treatment in connection with a government contract or subcontract is a violation of company policy and federal law, which may result in company discipline as well as severe civil or criminal penalties.

Foreign Corrupt Practices Act: FCPA, as it is known, is intended to prevent bribery of foreign officials by representatives of U.S. companies for the purpose of securing an improper business advantage. It prohibits the payment or offering of anything of value directly or indirectly to a foreign government official, political party, party official or candidate for the purpose of influencing an official act of the person or the government to obtain such an advantage.

Byrd Amendment: This law prohibits the use of federally appropriated money to pay any person for influencing or attempting to influence officials of the Executive or Legislative branches of U.S. government, including members of Congress and their staffs, in connection with the award or modification of U.S. government contracts.

6.5 Preventing Money Laundering and Terrorist Financing

CMSD abides by all laws designed to deter criminal enterprise, keep us safe from terrorism and protect the national security of the countries where we do business. Money laundering is the

process by which funds generated from criminal activity such as drug trafficking are moved through legitimate businesses in order to hide their criminal origin. Terrorist financing refers to funding for terrorist activities and can come from legitimate or criminal sources.

You must never knowingly facilitate either money laundering or terrorist financing and must take steps to prevent inadvertent use of CMSD's business activities for these purposes.

7.0 A Final Word

The Code of Ethics and Business Conduct provides an introduction to the responsibilities and expectations of all employees, along with an overview of certain important policies. Following the Code is an important part of your employment with Continental Maritime of San Diego. The Code of Ethics and Business Conduct and the policies of CMSD may be modified at our sole discretion, without notice, at any time, consistent with applicable law. Violations of this Code of Ethics and Business Conduct can result in disciplinary action up to and including termination.

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