

THE NAVIGATOR

FOR ATLANTIC MARINE HOLDING COMPANY AND SUBSIDIARIES
NAVIGATING THROUGH CONTEMPORARY BUSINESS TRANSACTIONS

**BUSINESS CONDUCT COMMITTEE
OF ATLANTIC MARINE HOLDING COMPANY AND SUBSIDIARIES**

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Herschel Vinyard
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Compliance Officer
Jacksonville: 904-251-1678

REPORTING

To anonymously report activities that may involve violation of our Business Conduct Policies, call the Compliance Line at 1-888-429-9462.

This is a proprietary line assigned to Atlantic Companies.

Call the Compliance Line even if you are not sure there is a problem. The company will look into the information you provide, attempt to verify it, and take appropriate action.

You may also contact the Navy Fraud, Waste and Abuse Hotline at 1-800-522-3451.



November 4, 2009

*A MESSAGE FROM
THE PRESIDENT AND CHIEF EXECUTIVE OFFICER*

Dear Fellow Employees,

I am pleased to provide you this booklet entitled *The Navigator*. This booklet sets out our business conduct code and personal ethics – in other words, the way we do business. We call it *The Navigator* because it is an attempt to guide and maintain our high standards for business practices.

The Company is committed to applying the values of honesty, integrity and fairness in all business operations. Implementation of *The Navigator* is proof of that commitment. Everyone has a responsibility to uphold our core values of honesty, integrity, and fairness and to apply them to their everyday work activities and responsibilities. When uncertain about a business decision, use the information in this booklet to guide you through the decision making process.

There are several ways to raise concerns or report possible violations of our business conduct policies. You may speak to your immediate supervisor, or to Walter Meigs, the Corporate Compliance Officer (Phone: 251-690-7061) in Mobile, or to Herschel Vinyard, the Corporate Compliance Officer (Phone: 904-251-1678) in Jacksonville.

Please read this booklet, and as we all do each year, sign the annual certification form on page 11 and return to Human Resources. If you have any questions about *The Navigator*, we encourage you to speak with your supervisor, a Compliance Officer, or any member of the Business Conduct Committee listed inside the front of the cover (noted page i).

Our Company's continued success depends on your commitment and diligence.

Sincerely,

Edward J. Fleming
President and Chief Executive Officer

The Navigator

FOR ATLANTIC MARINE HOLDING COMPANY AND SUBSIDIARIES NAVIGATING THROUGH CONTEMPORARY BUSINESS TRANSACTIONS

PURPOSE

The purpose of this policy is to set forth business conduct guidelines in regard to business transaction issues that may arise and to act as a guide for employees in common categories of business situations. In other words, it is a Code of Ethics or Code of Conduct. Compliance with this policy should ensure that the Company is operating within business standards that do not ever **appear improper**, as well as ensuring compliance with certain federal and state statutes, regulations, and guidelines. No policy of this nature can possibly address all situations that may arise, nor is it intended to provide final answers in all matters. As questions arise you should consult with your supervisor, a compliance officer, or any member of the Business Conduct Committee (Bob Birtalan, Mark Bishara, Rich Burna, Ed Fleming, John Gallagher, Greg Gay, Jeff Giese, Mary Jarrett, Walter Meigs, John Peranich, and Herschel Vinyard). This policy applies to all business conducted by the Atlantic group of companies, unless otherwise indicated.

GENERAL INFORMATION

The Company has set high ethical standards for employees in the performance of their duties and in dealings with the Company, fellow employees, customers, prospective customers, and suppliers. Also, the Company requires all employees to comply with all domestic and foreign laws and regulations governing business transactions and to use corporate funds and assets only for the legitimate and ethical advancement of the Company's business objectives.

Each employee shall conduct the Company's business in compliance with the letter and the spirit of all applicable laws and regulations. As **even the appearance of unethical or inappropriate behavior** could have a negative impact on the Company and its reputation, all employees are expected to conduct themselves in a manner that avoids even the appearance of improper conduct.

All officers and managers are responsible for the enforcement of and compliance with *The Navigator* within their specific areas of supervisory responsibility, including necessary distribution and communication to ensure employees' knowledge and compliance. Officers and managers should effectively train and communicate with employees to ensure their knowledge of and compliance with this policy, make reasonable efforts to detect and prevent violations of law or company policy, and take prompt remedial action when required to assure continuing compliance. Nonetheless, **each employee is ultimately responsible and accountable for his or her own actions.**

Violation of any provision of this policy may be considered sufficient grounds for disciplinary action, up to and including immediate termination of employment. Violations may also be grounds for legal action by the Company, including seeking reimbursement of any funds or amounts for which the Company may become liable or for which the employee has wrongfully disbursed or caused to be disbursed.

If any proposed program or course of action comes into question, employees must seek advice from their immediate supervisor and, when appropriate, from the Company's Compliance Officer, a member of the Business Conduct Committee, or via the Company's "Hotline." If an employee believes there is or may have been a violation of Company policy, then the employee must report such information to the Compliance Officer. No retaliatory action shall be taken against any employee for informing the Company of any violation of this Policy.

AREAS COVERED

While it is impossible to set forth policies regarding every situation that may arise, specific areas to be addressed herein are:

- I. Conflicts of Interest
- II. Gifts, Entertainment and Other Payments
- III. Political Contributions
- IV. Fair Business Practices
- V. Fair Employment Practices
- VI. Contract Compliance
- VII. International Business

I. CONFLICTS OF INTEREST

"...the manager is the agent of the individuals who own the corporation...and his primary responsibility is to them." – Milton Friedman

All employees shall avoid situations which do, or which appear to, present a conflict between any employee's personal interest and the best interest of the Company. Employees shall avoid any direct or indirect interest, investment, or association which is likely to interfere with an employee's ability to use independent judgment in performing one's duties to the Company, influence one's judgment or action in conducting the Company's business, or affect the employee's duty to give undivided loyalty to the Company. All situations or activities that may involve a conflict of interest must be reported immediately in writing to an employee's direct supervisor. Where an employee contemplates that an outside activity, interest, or relationship may present a conflict of interest, the employee should request advance approval through one's direct supervisor.

It is impossible to list all situations where conflicts of interest may arise. Facts that may cause a conflict of interest include: 1) the amount of business involved; 2) the extent to which an employee could influence the company's decision with respect to the transaction; and 3) whether the interest might affect the objectivity, business judgment, or loyalty of an employee, regardless of whether there was a material gain by the employee. Sections I and II of this Policy will attempt to provide guidance in the most common situations where conflicts of interest arise.

A. BUSINESS INTERESTS

No employee shall serve as a director, officer, partner, employee, consultant, agent, or representative of a competitor of, supplier to, or customer of the Company without specific written approval of the Company's Compliance Officer or the division's President. No employee shall obtain or possess any ownership interest in any competitor, vendor, or customer of the Company, but, an employee may own the greater of 5% or \$100,000 in market value of the capital stock of such other business entity so long as: (i) the employee's duties do not involve control over material transactions between the Company and such other organizations; (ii) all interests in excess of \$100,000 in market value are disclosed to the Compliance Officer; and (iii) the employee's supervisor is aware of the potential conflict.

B. INDIRECT INTERESTS/RELATIONSHIPS

No employee shall make or influence a decision relating to the Company's engaging in business with a relative of the employee. Relative for purposes of this section includes kin who are first cousin or closer kin. No employee shall derive a direct or indirect benefit from a Company transaction involving a relative. An employee should disclose to a Compliance Officer any situation in which a relative: 1) has an interest in a competitor or in any Company transaction; or 2) has an ownership interest in a competitor, supplier, or customer as described in Section I(A).

C. INFORMATION USAGE

No employee shall take advantage for himself or others of confidential information concerning any aspect of the Company's business acquired as a result of the employee's relationship with the Company. Such information should not be disclosed to any other person or entity, except as required in the performance of Company duties or as expressly authorized by the Company.

D. CORPORATE OPPORTUNITIES

No employee shall take personal advantage of nor divert to any other person or entity, a business or financial opportunity which the employee learns or develops in the course of employment and which the employee knows, or reasonably could anticipate, the Company would have an interest in pursuing.

II. GIFTS, ENTERTAINMENT AND OTHER PAYMENTS

“...when men live by trade – with reason...as their final arbiter — it is the best product that wins...” Ayn Rand

A. GENERAL

It is the Company’s policy to prohibit any employees from directly or indirectly soliciting, accepting, taking, receiving, acquiescing in the receipt of, promising, offering, or giving any gift, entertainment, prize, favor, personal discount or similar gratuity that might influence or call into question the integrity and impartiality of the recipient or that might damage the reputation of the Company. All Company personnel shall conduct business dealings in a manner above question in all respects and avoid any situation in which doubt of the Company’s impartiality and/or business integrity could arise. Any action that would indicate a deviation from such strict impartiality or fairness in business relationships will not be tolerated. No employee shall utilize directly or indirectly their position to gain personal advantage or benefit. The prohibitions against gifts and gratuities extend to members of any employee’s immediate family and household.

The Company’s policy allows the following: (i) Gifts and gratuities of purely nominal value that are normally distributed for sales promotion or advertising purposes, or both; (ii) advertising novelties, promotional items of nominal value, or modest gifts that are in accord with generally accepted and customary business practices may be provided, if:

- They are in compliance with the policies and standards of conduct of the organization or governmental entity employing the recipient;
- They are given only occasionally;
- They are unsolicited by the recipient;
- They do not give even the appearance of unduly influencing or obligating the recipient or of providing an improper advantage to the Company; and
- Their subsequent disclosure would not be embarrassing to the Company or to any of the parties involved; and

(iii) appropriate entertainment is an accepted business custom. Participation in business-related functions, including the occasional giving of meals, providing tickets to sports or other events, is a normal and permissible business practice. As long as a Company employee and representatives of one or more customers are present, such entertainment is permissible, if the value and frequency of such entertainment is reasonable and appropriate.

NOTE: The offering or giving of gifts, meals, and other considerations to federal or foreign government representatives is subject to additional restrictions (See Section VI, Contract Compliance for application to federal government and Section VII, International Business for application to foreign government representatives). All government entities may have additional restrictions or regulations. Therefore, Company employees doing business with such entities must know and comply with these limitations. All suspected violations of the foregoing should be reported to a Compliance Officer of the Company immediately.

B. ACCEPTING GIFTS AND ENTERTAINMENT

Employees and members of employees' immediate families shall not solicit or accept gifts, favors, and loans, etc., either directly or indirectly, from those with whom the Company does business. Advertising novelties, promotional items of nominal value, or modest gifts that are in accord with generally accepted and customary business practices, may be received subject to the same criteria for gift giving. Appropriate entertainment is acceptable so long as participation by employees serves a business-related function, the entertainment is a normal and permissible business practice – for example: golf, hunting, fishing, other sporting events – and representatives of one or more customers are present, and the frequency and value are not excessive. The occasional acceptance of lunch or other meals is a normal and permissible business practice when a representative of the donor is present. However, care must be exercised to ensure that any meals are appropriate and their value and frequency are not excessive.

C. OTHER PAYMENTS

The Company and its employees shall not, under any circumstances, tolerate the offer, solicitation, or giving of any payment by an employee, in the nature of an undisclosed commission, kickback, or bribe, in connection with obtaining or retaining business, a contract, or an award or otherwise bestowing a special favor or advantage. Further, employees shall not accept loans from any person or entities having or seeking business with the Company except recognized financial institutions at normal interest rates prevailing at the time of borrowing. This prohibition extends to an employee's family and household.

D. DOCUMENTATION AND RECORDING

No false or misleading entries shall be made in the books and records of the Company for any reason whatsoever. The documentation evidencing each transaction made on behalf of the Company shall fairly represent the nature and amount of the transaction. Contributions made, including donated services, shall be reflected at fair market value or other estimation of cost for purposes of accounting and obtaining approvals. All entries in expense reports shall fully and accurately disclose the amount and the purpose of the expenditure. Similarly, all withdrawals from a petty cash account shall be fully supported by appropriate documentation. No Company fund or asset may be established unless it is fully and properly recorded on the books and records of the Company or is specifically excepted from such recording pursuant to generally accepted accounting principles.

III. POLITICAL CONTRIBUTIONS

*“All that is necessary for the triumph of evil is for good men to do nothing”
– Edward Burke*

Government activity impacts the Company’s business opportunities. Because government and public affairs programs are often key factors in assuring successful operations, corporate political contributions are important. The Company has the privilege of and civic responsibility to participate in the political processes of the communities it serves and in which its employees live. Political contributions by the Company should be made only when permitted by applicable laws. “Contribution” includes any direct or indirect payment, distribution, subscription, loan, advance, deposit, or gift of money, services, or anything of value to any candidate, campaign committee, or political party in connection with any election or to any organization or group formed to support or defeat a referendum or ballot issue.

Every political contribution request will be subject to a compliance review and approval process by the Vice President in charge of Government Affairs.

An employee should be aware that:

- Company contributions to candidates running for federal office are prohibited, as are political contributions in some states. If any request is received, contact the Vice-President in charge of Government Affairs for further direction.
- Any political contribution made by the Company must be made by a check payable to the candidate’s committee name (cash contributions are strictly prohibited.).
- It is not legal to reimburse another person or entity that has made a contribution to a candidate.
- All political contributions should be clearly charged to the general ledger as such.

IV. FAIR BUSINESS PRACTICES

“To give the monopoly of the home market...must, in almost all cases, be either useless or a hurtful regulation.” – Adam Smith

The Company is committed to free and open competition in the marketplace. Strict adherence by all employees to the letter and spirit of the antitrust laws of the United States is absolutely required. No employee should assume that the Company’s interest ever requires any other course of conduct. The antitrust laws are complex and difficult to interpret. They also have application to a very broad range of corporate activities. The list of prohibited activities set forth below is not intended to be exhaustive and is only a general guide to antitrust compliance. Employees should consult with the Legal Department prior to taking action concerning a matter about which there is any question.

It is the Company's policy that no employee shall agree or attempt to agree with a competitor of the Company (whether orally or in writing) with respect to any of the following:

- Prices;
- Terms of sale (including discounts, credit terms, or freight allowances);
- Amount of production;
- Division of markets;
- Sales territories or customers; and
- The boycotting of transactions with third parties.

Further, no discussion or exchanges of information regarding such matters, including exchanges through trade associations, should take place with competitors or their representatives.

V. FAIR EMPLOYMENT PRACTICES

"A kingdom founded on injustice never lasts." - Seneca

EQUAL EMPLOYMENT OPPORTUNITY, CULTURAL DIVERSITY AND AFFIRMATIVE ACTION

Equal Employment Opportunity has been, and will continue to be, a fundamental principle of the Company, where employment is based upon personal capabilities and qualifications without discrimination or harassment. It is the policy of the Company to ensure Equal Employment Opportunity without discrimination or harassment on the basis of race, color, religion, sex, age, national origin, disability, or any other characteristic protected by law. This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment. The Human Resources Department has overall responsibility for this policy and maintains reporting and monitoring procedures. Questions concerning EEO should be referred to the Human Resources Department.

VI. CONTRACT COMPLIANCE

"It's not the things that we don't know that cause problems; it's the things we know that are not so." - Artemas Ward

Company employees, agents, consultants, and subcontractors must compete for, negotiate, and perform Company contracts in a fair and ethical manner and in strict compliance with this Policy and applicable laws and regulations. Additional compliance requirements apply to federal and other governmental entity contracts. Often these public contract requirements differ from acceptable private commercial practices. The violation of the laws and regulations applicable to such government contracts may result in civil and criminal liability for the Company, the employee, and supervisors who condone such acts or fail to take appropriate action.

U.S. GOVERNMENT CONTRACT REQUIREMENTS

Employees who work with prime contractors and government representatives on U.S. Government or other governmental contracts must know and comply with the laws and regulations governing those activities. These requirements include:

- No Company employee, agent, consultant, or subcontractor shall allocate or charge a cost if that cost is not allowed by the provisions of the contract/subcontract or applicable regulations, or if the cost is otherwise improper.
- "Whether property purchased or leased for the U. S. Government under a government contract may or must be given to the Government, may be stored for future Government usage, or may be retained by the Company after the conclusion of the contract is a complex question that depends upon a variety of factors including the type of contract, the contract language, and whether the Government has abandoned any rights in the property and its salvage value. Such questions should be referred to the appropriate Company contracting personnel, the Company Compliance Officer, or another member of the Business Conduct Committee. Special care needs to be taken in the handling, care, monitoring, tracking, reporting, and use of property that is, or arguably is purchased using Government funds or may be subject to Government claims of ownership through the passage of title to the Government."
- Certain contract specifications may require the Company to provide office equipment, such as computers, cellular telephones, televisions, videocassette recorders, and sundry items for use by prime contractors and government representatives. Such equipment should be either leased or purchased by the Company, whichever is more cost-effective, and provided for the use of the prime contractor and the government representatives during their work on the job. In no case should the prime contractor or the individuals who represented the government be permitted to retain the equipment or be supplied with the equipment after the conclusion of the work performed under the contract, unless there is express government authorization to do so.
- Employee time reports must be accurately kept.
- "Under certain conditions, and if the value of the Contract action in question exceeds certain amounts, the Truth in Negotiations Act (TINA) may require the Company to provide current, accurate and complete cost or pricing data that is material to the negotiation of the Contract or to a modification thereof. Questions about providing cost or pricing data and questions relating to providing any related certifications of the same should be referred to the Company Compliance Officers or to Company legal counsel before providing such cost or pricing data or certifications. Where such data is actually required, it must be provided in appropriate form, with proper and authorized Company execution, and with appropriate supporting documentation."
- "Regardless of whether formal TINA cost or pricing data or certifications are provided, any representations made to the Government shall be accurate and complete."
- All recruiting and hiring of present and former Government employees by Company employees, agents, consultants, and subcontractors must be in compliance with Government conflict of interest regulations. Consult with Human Resources and the Compliance Officer prior to participating in such activities.

- Company employees, agents, consultants, and subcontractors shall avoid soliciting or accepting confidential or vendor selection information not otherwise available under applicable laws or regulations. Company employees, agents, consultants, or subcontractors shall comply with all Government laws and regulations for the protection and proper handling of classified material, if any.
- No Company employees, agents, consultants, or subcontractors shall offer or give any payment, commission, or other fees to agents or brokers upon securing a Government contract.
- Offering or giving any payment or thing of value to a prime contractor on a government job or to a Government employee in order to influence the award of a contract or other favorable treatment is unlawful. All Company employees, agents, consultants, and subcontractors must be aware of the published policies of specific Government agencies with respect to the acceptance of entertainment, gifts, meals, refreshments, favors, travel and lodging expenses by agency employees. Further, the Company will timely disclose to the Office of Inspector General of the government agency which awarded the government contract and to the project manager any credible evidence which the Company has that a Company employee, agent, principal, or sub-contractor has violated federal criminal law involving fraud, conflict of interest, bribery, and gratuity violations set out in Title 18 of the United States Code or violations of the False Claims Act, (31 U. S. Code, Sections 3729 through 3733).
- Company employees, agents, consultants, and subcontractors must comply with other laws and regulations such as contract work hours, safety standards, prevailing wage rates, EEO, affirmative action and drug-free work place.

VII. INTERNATIONAL BUSINESS

Employees and consultants or agents representing the Company abroad or working on international business in the United States should be aware that the Company's Values and Standards of Conduct apply to them anywhere in the world. Less than strict adherence to laws and regulations that apply to the company's conduct of international business is considered a compromise of our Values and Standards of Conduct. All foreign agents of the Company must sign the representation agreement attached at the end of this document.

A. EXPORT CONTROLS

There are specific laws and regulations to be followed when engaging in export activities. Export activities include the sending or taking of items outside of the United States or releasing information or providing services to foreign persons in the United States or abroad. For this purpose, permanent resident aliens (or “green card” holders) and persons granted refugee or asylum status in the United States are not considered foreign persons. Information released is considered to include written materials, oral information exchanged in meetings or other conversations, including telephone conversations, information available by visual inspection, or electronically by e-mail, internet, fax, and/or by any other means. Exports may require government permission in the form of a license or written approval. The license will be issued for a fixed period of time and must specifically identify the items, services or data to be exported. Before engaging in export related activities, employees must consult with the Company’s export compliance personnel or General Counsel to determine whether a license will be required.

B. FOREIGN CORRUPT PRACTICES ACT (FCPA)

The FCPA 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 in order to obtain such an advantage. Officers and employees of foreign governments and public international organizations or any department thereof are considered to be foreign officials for FCPA purposes.

C. LAWS OF OTHER COUNTRIES

Abiding by company Values and Standards of 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 the Company anywhere in the world.

FOREIGN AGENT OR REPRESENTATIVE AGREEMENT

[Company], which is entering into a contract with Atlantic Marine, hereby represents and warrants that none of its principals, officers, or employees is a government official, political party official, or candidate for political office in [County].

[Company] hereby affirms and agrees that in connection with its representation of, or work for, Atlantic Marine, it shall not give, offer or promise to give, or authorize the giving directly or indirectly through any other person or firm, of any money or anything of value to any government official or employee, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action or the exercise of influence by such official, party or candidate in any governmental matter.

If there is any change in the ownership of [Company], then notice will be given to Atlantic marine of the identity of the new owner(s) as soon as possible but no later than 5 business days after such change is effective.

Date

Signature of Foreign Agent or Representative

THE NAVIGATOR EMPLOYEE ACKNOWLEDGEMENT

I acknowledge that I have received, read, and fully understand *The Navigator*, for Atlantic Marine Holding Company and Subsidiaries – *Navigating Through Contemporary Business Transactions Policy*.

In particular, I acknowledge and affirm that:

1. In carrying out my responsibility for Atlantic Marine, or any of its subsidiaries, I shall not pay, offer, promise to pay, or authorize paying, directly or indirectly, through any other person or firm, any money or anything of value to any representative of a prime contractor on a government contract, to any government official or employee, to a political party or official of such party, or to any candidate for political office, for the purpose of inducing or rewarding favorable action or the exercise of influence by such official, party, or candidate in any governmental matter.
2. If I become aware of a possible violation of any policies covered in *The Navigator*, I will report it to one of Atlantic Marine's Compliance Officers.
3. I am not aware of any information regarding any actual or possible violations of *The Navigator* and I will personally comply with the policies covered by *The Navigator* and will report actual and possible violations to a Compliance Officer.

Date

Signature of Employee

Printed Name of Employee

Please sign, detach and return this form to your Human Resources Department.