



*International Strategies Against Corruption:
Public-Private Partnership and Criminal Policy*

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B&W is a U.S. company with global businesses, focused on technology innovation that benefit the fossil, nuclear, and renewable power industries.



\$2.7B sales. \$5.2B backlog. 22,000 employees. 32 countries.

Setting the Standard for B&W's Business Conduct – In the United States

- Sarbanes-Oxley Act of 2002
 - *All U.S. publicly-traded companies must comply*
 - *Internal controls for managing risk*
- Dodd-Frank Act
 - *Whistleblower provision – recovery up to 30% of penalties*
 - *No requirement to report internally*
- Department of Justice U.S. Federal Sentencing Guidelines
 - *Mandates robust ethics and legal compliance program*
- U.S. Government Contractor Requirement
 - *FAR 52.203-13*

Setting the Standard for B&W's Business Conduct - Internationally

- Foreign Corrupt Practices Act (FCPA)
 - *Applies to JVs and Wholly Foreign Owned Entities (WFOE)*
 - *Allows facilitation payments*
- U.K. Bribery Act
 - *No facilitation payments*
 - *Personal liability for UK Citizens*
- OECD Anti-Bribery Convention
- Anti-corruption laws of the countries in which we do business (ex. India, China)

Strategically Addressing the Issues

- *Creation of Chief Compliance Officer role on Executive Staff, reporting directly to CEO and Board of Directors*
- *Compliance Managers embedded in Operating Groups*
- *Quarterly Business Review meetings with Operations Team and rest of Executive Staff*
- *Participation in annual Strategic Planning Sessions*
- *Performance Appraisals for all upper management tied to E&C practices*
- *Educate, Educate, Educate (A lot of training)*
- *Annual Compliance Certifications*
- *Annual expense reporting*
- *Policies (Gifts & Entertainment, Sales Reps, Export Control)*

Strategically Addressing the Issues

- Robust vetting of potential partners, suppliers, third parties
- Partnerships - terms and conditions in the operating agreement address ethics and compliance
 - Termination for evidence of violation of laws
 - Requirement for Ethics & Compliance program
 - Regular Training
 - Independent call line for reporting issues
 - Designation of responsible persons for Ethics & Compliance
 - Regular reporting to B&W Chief Compliance Officer
- JVs require seat on the Board of Directors
- Audits

Synergistic Group of Businesses ***Headquartered in Charlotte, NC, USA***

- The Babcock & Wilcox Company
- Babcock & Wilcox Nuclear Energy, Inc.
- Babcock & Wilcox Nuclear Operations Group, Inc.
- Babcock & Wilcox Power Generation Group, Inc.
- Babcock & Wilcox Technical Services Group, Inc.
- Babcock & Wilcox Beijing Company, Ltd.
- Babcock & Wilcox Canada Ltd.
- Babcock & Wilcox Construction Co., Inc.
- Babcock & Wilcox Conversion Services, LLC
- Babcock & Wilcox de Monterrey
- Babcock & Wilcox Technical Services Pantex, LLC
- Babcock & Wilcox Shaw Remediation, LLC
- Babcock & Wilcox Technical Services Clinch River, LLC
- Babcock & Wilcox Volund A/S
- Babcock & Wilcox Technical Services Y-12, LLC
- American Centrifuge Manufacturing, LLC
- Diamond Power International, Inc.
- DM Petroleum Operations Company
- Ebensburg Power Company
- Ebensburg Investors Limited Partnership
- Fluor B&W Portsmouth, LLC
- Generation mPower LLC
- Götaverken Miljö AB
- Halley & Mellowes Pty. Ltd.
- Isotek Systems, LLC
- Lawrence Livermore National Security, LLC
- Los Alamos National Security, LLC
- Nuclear Fuel Services, Inc.
- National Security Technologies, LLC
- Savannah River Remediation, LLC
- Thermax Babcock & Wilcox Energy Solutions Private Limited

Clean Energy Technology
High-Consequence Operations
Advanced Engineering and Manufacturing