

STANDARDS OF CONDUCT



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PRESIDENT'S LETTER

RailWorks sets high standards for the quality of the work we perform, for how our Employees interact with Customers, Suppliers and each other, and for safely completing our projects. As a result, RailWorks enjoys an excellent reputation as a leader in its industry; our success is achieved by each and every Member of the RailWorks Team.

Our commitment to values and ethics is essential to our success. RailWorks' Values and Standards of Conduct are the foundation of our business operations. They define our operating principles and our standards for fair and ethical behavior as we conduct business, including complying with all applicable laws and regulations. To be a respected corporate citizen throughout North America, each of us has a personal responsibility to work diligently, to adopt our Values and to abide by our Standards.

RailWorks' Standards of Conduct address our ethical responsibilities to our Customers, Partners, Suppliers, Competitors and the RailWorks Group of Companies. These Standards cannot cover every conceivable circumstance. RailWorks relies on you to use your intelligence, common sense and good judgment to apply the Standards in each situation.

Please read this Document thoroughly and refer to it when confronted with a situation that may compromise your position as a RailWorks representative. It is essential that each of us clearly understands our responsibility to follow the highest ethical and moral standards, which includes treating others with whom we do business, as well as our fellow employees, with courtesy and respect. Please feel free to discuss these with your Colleagues and Supervisor or Manager. If you have questions during the course of your work, consult your Supervisor and/or the General Counsel of RailWorks Corporation.

Holding fast to our ideals and maintaining high ethical behavior – both individually and collectively – are essential to our success. Thank you for your commitment to follow our Values and Standards and help RailWorks maintain its excellent reputation as a construction industry leader.

A handwritten signature in black ink, appearing to read 'J. Levy'.

Jeffrey M. Levy
President & CEO

VALUES

RailWorks' Values guide our Business and are reflected in the work we do and in all of our relationships.

CUSTOMER FOCUS

We listen closely to our Customers' needs, their objectives and their concerns. We communicate with them openly and work hard to get the right job done well and on time.

EMPLOYEE FOCUS

Employees are our most important asset. We treat our Employees with respect and provide them with a safe workplace, training and opportunities for personal development. We celebrate their accomplishments.

INDUSTRY LEADERSHIP

We don't just build and fix; our work keeps the economy moving. We endeavor to develop new and innovative ways to work in collaboration with our Customers, Suppliers and Peers to meet the competitive challenges of the market. Good enough is never good enough.

INTEGRITY

We conduct all aspects of our Business in an ethical manner. We are forthright in our dealings with our Customers, Suppliers, Peers and everyone we interact with in the course of our work. We understand the importance of the commitments we make and strive to not only do things right, but to always do the right things.

INTRODUCTION

It is the policy of RailWorks Corporation (RailWorks Corporation and/or its Subsidiaries or affiliates as definition requires is hereinafter referred to as the “Company” or “RailWorks”) and its Subsidiaries to abide by sound business ethics and all applicable laws and regulations. Ethical business conduct includes complying with the law and adhering to fair and reasonable dealings with customers, suppliers, competitors and employees.

RailWorks Corporation’s interests are best served when its Employees are up-standing citizens and responsive to the needs and demands of the communities in which they work and live. All members of Management are responsible to ensure all RailWorks Employees understand the Standards of Conduct and act in a manner consistent with these Standards. It is each individual’s responsibility to comply with these Standards and to avoid any activity or interests that may compromise the Employee or RailWorks.

For purposes of these Standards, the term “Employee” includes all employees as well as agents, sales representatives and consultants (“Representatives”). When Management of RailWorks Corporation or any of its Companies retain a Representative, it is the responsibility of that Management to provide a copy of the Standards to the Representative and advise the Representative to act in accordance with the Standards while representing RailWorks.

Any Employee who is aware of unethical behavior or other behavior inconsistent with these Standards should immediately inform the Office of the General Counsel of RailWorks Corporation so that appropriate action may be taken.

The Standards of Conduct are intended to guide Employees in fulfilling responsibilities in these areas. The Company expects its employees to always exercise reasonable judgment. When an activity falls into a “gray area,” Employees should discuss the question with their Supervisor and obtain approval from Management before engaging in any such activity. Where appropriate, contact the General Counsel for further direction.

COMPLIANCE

RailWorks' activities must always be in full compliance with all applicable laws and regulations. When such laws or regulations are ambiguous or difficult to interpret, seek the advice of the General Counsel. Promptly notify the General Counsel about any actual or threatened criminal investigation or litigation against RailWorks.

US Equal Employment Opportunity Laws

It is the policy of RailWorks to maintain a work environment that is free from unlawful discrimination, harassment, and/or retaliation. US Equal Employment Opportunity (EEO) laws prohibit discrimination on the basis of race, color, religion, sex, age, national origin, pregnancy, physical or mental disability, citizenship, and disabled and other veteran status. Various state and local EEO laws also prohibit other forms of discrimination, including on the basis of marital status, sexual orientation or HIV status.

RailWorks does not tolerate discrimination toward or harassment of applicants or Employees by anyone, including other employees of all classifications, suppliers, business partners, contractors and customers. These policies govern your Employment regardless of workplace location, which may include a Customer's premises or an off-site business meeting. They also govern conduct at all Company-sponsored activities. As a RailWorks Employee, you must familiarize yourself with EEO policies, abide by them and immediately report any conduct you believe is inconsistent with them.

Environmental Laws

RailWorks is committed to responsible stewardship of environmental resources. To maintain this commitment, Employees must understand and comply with applicable environmental laws and regulations. Construction activities, in particular, often require complying with numerous environmental laws, regulations and permit conditions. Employees who conduct work contrary to these laws may face serious personal consequences, including criminal prosecution and may subject the Company to fines and penalties. If you are unsure of any environmental laws and/or requirements related to your work, immediately contact your Supervisor or the General Counsel.

Safety and Health

All RailWorks Companies and Employees are responsible for maintaining a safe and healthful work environment. You have a duty to adhere to RailWorks' safety practices and guidelines and to immediately report any concerns to your Supervisor. In some instances, certain incidents must be reported promptly to the appropriate government agency. If you are uncertain if reporting is required, check with your Supervisor or Manager. RailWorks' Policy strictly forbids retaliation or reprisals against an Employee for reporting a safety concern.

RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS, LABOR ORGANIZATIONS AND GOVERNMENT OFFICIALS

Giving Gifts

RailWorks recognizes it sometimes is a customary business practice and common courtesy to present prospective customers or suppliers with gifts, favors and entertainment. These occasions, however, must be strictly limited and are carefully defined. There is never an occasion for secret commissions, kickbacks or hidden payments to third parties who might have influence on customers, suppliers or officials.

These strict rules and conditions must be followed to ensure compliance with RailWorks' Policy:

Gifts, Favors and Entertainment

An employee may extend gifts, favors or entertainment to any customer, potential customer, supplier or potential supplier, only if all the following conditions are met:

- They are not in violation of any applicable law.
- They are consistent with customary business practices.
- They are not offered in exchange for gain or in exchange for any action.
- They are of such limited value and are in such a form that they cannot be construed as a bribe or payoff.
- Public disclosure of the facts surrounding them would not embarrass RailWorks or the recipient.

Trips and Outings – Business and/or Pleasure

It is entirely proper to take current and prospective customers or suppliers on trips or outings if the purpose is to conduct business and projected expenses meet all of the following conditions:

- They are not in violation of any applicable law or RailWorks' Policy. For example, outings to adult entertainment venues such as "gentlemen's clubs" are not consistent with RailWorks' Harassment and Discrimination Policy.
- They are of such limited value and are in such a form that they can-

not be construed as a bribe or payoff.

- Public disclosure of the facts surrounding the trip or outing and/or its location would not embarrass RailWorks or the recipient.

Relations with Government Personnel

Federal, state and local government departments and agencies have regulations on government employees accepting money, entertainment, meals and gifts from firms and persons with whom such governmental bodies do business or over which they have regulatory authority. RailWorks Employees may not give, or offer to give, to any such employees any money, entertainment, meal or gift regardless of value.

Relations with Labor Organizations

Federal law and various state laws prohibit employers or their representatives from paying, lending or delivering any money or other thing of value to any labor organization or any representative, officer or employee of any labor organization. No RailWorks Employee or Representative may make any payment, loan or delivery of anything of value, including the provision of any entertainment, gift or meal, regardless of value, to any labor organization or any representative, officer or employee of a labor organization. This prohibition does not include payment by RailWorks to an Employee who is also an officer or employee of a labor organization as compensation for service as an employee.

Receiving Gifts

No RailWorks Employee or member of the Employee's immediate family should solicit, accept or retain any personal benefit from any customer of RailWorks or individual doing or seeking to do business with RailWorks. A personal benefit includes any type of gift, entertainment, special consideration, gratuity, favor, service, discount, loan, fee or payment of anything of value.

Limited exceptions are as follows:

- If there is no reasonable likelihood of improper influence in the performance of duties on behalf of RailWorks.
- If the personal benefit is less than \$100 and falls into one of the following categories:
 - a. Normal business courtesies, such as a meal or a golf game in-

- volving no more than ordinary amenities.
- b. Non-cash gifts which are not of significant value.
 - c. Gifts received because of kinship, marriage or social relationships entirely beyond and apart from any business relationship.
- These exceptions are only permissible provided the following conditions are met:
 - a. The receipt of the personal benefit is not in violation of any applicable law.
 - b. The personal benefit is not offered in exchange for gain or in exchange for action on the part of RailWorks.
 - c. The personal benefit is of such limited value and is in such form that it cannot be construed as a bribe or payoff.
 - d. Public disclosure of the facts surrounding the personal benefit would not embarrass RailWorks or the recipient.

Business Inducements

Employees and other Representatives of RailWorks are prohibited from entering into any financial arrangement with Customers, expressed or implied, involving kickbacks, commission sharing, reciprocal purchases or similar activities. The Foreign Corrupt Practices Act (FCPA) makes it a crime to corruptly give, promise or authorize a payment, in cash or in kind, or any service to a foreign official or foreign political party in connection with obtaining or retaining business. FCPA prohibitions also apply to payments or offers of anything of value to intermediaries, agents or sales representatives if the employee knows, or has reason to know, that the payment or offer will be used for any illegal payment.

Extortion

If another party attempts to secure illegal or improper payment from a RailWorks Employee, the threatened or coerced Employee should reject the attempted extortion and immediately report the activity to the RailWorks General Counsel. If the circumstances indicate that a different response may be appropriate, the Employee should seek counsel from the RailWorks General Counsel.

Bribes

RailWorks strictly prohibits offering bribes in any manner to secure business from any Customer, to obtain favorable terms from suppliers or to influence the decisions of any government or union official.

COMPETITION

RailWorks engages in vigorous but fair and ethical competition through its many business activities. Anti-competitive and unethical business practices are prohibited.

Relations with Competitors

It is against RailWorks' Policy to have any discussions, communications or agreements with any representatives of a competitor concerning present or future prices, pricing policies, bids, costs, terms or conditions of bids, choice of jobs or territorial restriction on operations or allocation of markets or customers. This prohibition includes formal written agreements and oral agreements, as well as hints, "gentlemen's agreements," tacit understandings or informal and so-called "off-the-record" conversations. Prices and/or bids must be determined independently in light of cost experience and market conditions. RailWorks' plans regarding prices and/or bids are considered confidential information. Disclosure of this information to unauthorized parties, including competitors or their agents, is a violation of RailWorks' confidentiality policy.

Trade Associations

Trade associations often involve meetings of competitors. Employees attending these meetings should refrain from any activity referred to in the immediately preceding paragraph. Obtain approval from the General Counsel before submitting any statistics or other information to any association or any of its committees, including labor negotiations committees. Employees should avoid informal meetings or get-togethers of trade association members where forbidden topics might come up. Employees should immediately depart from a trade association meeting when discussions appear to be leading to an area which could result in a violation of the policy set forth in the preceding paragraph.

Relations with Customers and Suppliers

RailWorks independently selects its Customers and Suppliers. Employees should not have any understanding or agreement, whether formal or informal, express or implied, with others that restrict doing business with a third party.

Do not submit any bid unless it is a bona fide bid seeking to secure the particular job. All bids should be made with the intent to enter into a contract if RailWorks is selected as the successful bidder. No bid should ever be submit-

ted merely because a Customer, such as a prime contractor, requests a non-competitive bid to satisfy another party's requirements.

While a company may be a competitor in one geographic area, but the company is a customer of or a supplier to RailWorks in another, it is permissible to discuss or agree on prices charged to or by RailWorks solely pertaining to the customer/supplier transaction between RailWorks and the competitor. Take special care to avoid discussion of prices or customers on matters where the two compete. For example, one RailWorks entity may perform work for a business that competes with another RailWorks entity.

Government Requests for Information

RailWorks will cooperate with every reasonable request by federal, state and municipal investigators seeking information about Company operations for antitrust enforcement. It is the General Counsel's responsibility to address these matters. Refer to the General Counsel any request by a representative of the Department of Justice, an agent of the Federal Trade Commission or Federal Bureau of Investigation or a representative of any other governmental agency. Contact the General Counsel with any requests for interviews with RailWorks personnel or information or copies of documents. Do not destroy any potentially relevant documents.

Litigation

Notify the General Counsel promptly about any antitrust investigation or any actual or threatened civil or criminal litigation against RailWorks or against any RailWorks Employee, if the litigation relates to the individual's conduct as a RailWorks Employee.

CONFLICTS OF INTEREST AND OUTSIDE BUSINESS ACTIVITIES

RailWorks Employees should fully disclose any financial interest or association with a company that competes with or does business in any way with RailWorks. Full disclosure is required when it involves the employee and an immediate family member, including any spouse, child, parent or sibling, or any person sharing the employee's home.

Under U.S. law, owning securities of a publicly owned company does not generally require disclosure unless the ownership constitutes a material or controlling interest. However, RailWorks Officers and key Employees must disclose ownership of any material or controlling interest in a publicly owned company in writing on forms distributed and reviewed each year by the General Counsel.

Employees and their immediate family members may not make a personal investment, directly or indirectly, in any company known to the Employee as being considered by RailWorks for acquisition, investment or other business arrangement such as a supplier. In addition, Employees should not invest in these companies for one year following a decision by RailWorks not to pursue such an opportunity. Any such investment may violate federal or state securities laws and could adversely affect RailWorks objectives.

Employees must report to the General Counsel in writing any revelation of a financial interest that the Employee or an immediate family member has in a company which may be under consideration for acquisition or investment by RailWorks or provides supplies, materials or other services to RailWorks.

Each Employee is free to invest, associate or engage in business arrangements independent of RailWorks. However, no Employee should engage in such activities if it interferes with independent exercise of judgment on behalf of RailWorks or interferes with the time or attention that the Employee is expected to devote to the business and affairs of RailWorks.

No Employee should, for personal gain, deprive RailWorks of an opportunity that relates to any existing or reasonably anticipated future activity or business venture. All Employees are responsible for full and timely disclosure of activities and interests that may constitute a conflict of interest.

POLITICAL CONTRIBUTIONS

Federal law prohibits a corporation, directly or indirectly, from making a contribution or expenditure in connection with the election of the President, any Senator or Representative or in connection with any primary election or political convention or caucus held to select candidates for these offices. This includes making any direct or indirect payment, distribution, loan, advance, gift, provision of services or anything of value to any candidate, campaign committee or political party or organization in connection with any election to these offices.

Various state and local laws also limit the amount of contributions by corporations to or for candidates for state or local office and, in some cases, prohibit such contributions.

The prohibitions and limits on contributions referred to above also include contributions by employees that are to be reimbursed directly or indirectly by RailWorks and/or an Affiliate.

RailWorks prohibits the following activities related to political contributions:

- No Operating Company may make a contribution to or for candidates for any public office or to any person for any political purpose or use without prior approval from the General Counsel.
- No member of RailWorks' Management or of any Operating Company may solicit an Employee of RailWorks or of any Operating Company for any political contribution.
- No employee of RailWorks or of an Operating Company may be reimbursed by an Operating Company for any political contribution.
- In the event an Operating Company is authorized to make a political contribution, the contribution may not be charged to any job and reimbursement may not directly or indirectly be sought or accepted by the subsidiary from any person.

OTHER CONSIDERATIONS

Control and Use of Assets

It is each Employee's responsibility to control and judiciously use RailWorks assets, including proprietary information both stored on paper and electronically. Employees should safeguard physical property and proprietary information against unauthorized use or removal as well as any loss by criminal act or breach of trust. Data transmitted and/or stored electronically is particularly sensitive and may require unique protection.

Record Keeping and Financial Reporting

All financial and operational reports, accounting records, remittance reports, research reports, expense accounts, sales reports, time sheets and other documents should accurately and clearly present the relevant facts or true nature of conditions and transactions. Improper, misleading or incomplete accounting documentation or financial reporting is prohibited and may also violate applicable laws. Intentional accounting misclassifications and improperly accelerating or deferring expenses or revenues are examples of unacceptable accounting and reporting practices.

Travel and Entertainment

Travel and entertainment should be consistent with the needs of the Organization. An Employee should neither profit nor suffer financial loss as a result of business travel and/or entertainment.

POLICY PROCEDURES

All Employees must adhere to the following procedures to effectively implement and enforce the spirit and principles of RailWorks' Standards of Conduct:

Responsibility

Each Employee is obligated to comply with the RailWorks Standards of Conduct. Every Manager and Officer of each RailWorks Business Unit must be familiar with these Standards of Conduct and must take appropriate action to ensure that the operations in his or her area of responsibility are conducted in accordance with these Standards. Anyone violating the Standards of Conduct is subject to dismissal.

Compliance

All Officers, Directors and Key Employees are required to annually affirm that they have read the Standards of Conduct, are in compliance with them, and agree not to knowingly engage in activities in violation of these Standards.

Reports of Violations

If any RailWorks Employee suspects or is aware of violations of any laws or conduct inconsistent with the Standards of Conduct, the Employee is urged to report the activity in one of the following manners:

- 1) Call the RailWorks ALERTLINE at 1-866-673-1152. This is a confidential, toll-free hotline, accessible in English, Spanish or French, to report any issue of concern about RailWorks and its business,
- 2) Contact the regional Human Resources representative or RailWorks' Vice President, Human Resources at 212-502-7904.

Employees should not fear retaliation, no matter how any concern is reported. RailWorks' Policies prohibit retaliation against any Employee who makes a good faith complaint to the Company.

Waivers

Direct any requests for any waiver or modification of the Standards of Conduct to the General Counsel.

Questions Concerning Policy

Direct any questions concerning the Standards of Conduct to the General Counsel. Each Employee is responsible for bringing any questions to the General Counsel if he or she is in doubt whether a particular act or course of action is legal or appropriate.

Contact the General Counsel of RailWorks Corporation as follows:

General Counsel
RailWorks Corporation
5 Penn Plaza
New York, NY 10001
212-502-7915

Immediately contact the office of the General Counsel if: 1) you have even the slightest issue or question regarding these standards; 2) you have to make an immediate decision or have any doubts about the ethics or legality of what you are doing.



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