



Overview of KBR's Anti-Corruption Compliance Program

Under the supervision of KBR's Board of Directors, KBR's leadership has developed a strong anti-corruption compliance program. KBR is committed to ensuring the Company operates ethically and with integrity and its leadership has designed KBR's Anti-Corruption Compliance Program to ensure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and other applicable anti-corruption laws. KBR's Anti-Corruption Compliance Program consists of three primary components: (1) preventing corruption; (2) detecting corruption; and (3) responding to allegations of corruption.

The Audit Committee of the Board of Directors oversees the Company's compliance system and controls, including its Anti-Corruption Compliance program. The Chief Compliance Officer, who reports to the General Counsel, has responsibility for implementing and managing the Company's anti-corruption program. The Chief Compliance Officer reports at least quarterly to the Audit Committee on any significant Code of Business Conduct and corruption-related compliance matters.

KBR's Anti-Corruption Compliance Program is subject to regular audit (either by KBR's internal audit services or by external advisors), the results of which are reported to the Audit Committee of the Board and the program is revised to address the audit's findings and comments.

Third Party Due Diligence

KBR requires that anti-corruption due diligence be performed on third parties that are considered International Business Relationships prior to their engagement and periodically thereafter. The specifics of the due diligence that is required for different International Business Relationships are included in our Anti-Corruption Procedures that apply to all KBR businesses and subsidiaries worldwide and to all KBR directors and employees.

Third-Party Intermediaries

Any intermediary that may have dealings with non-U.S. government officials or state-owned or controlled companies on KBR's behalf, such as sales agents, consultants, sponsors, customs brokers and freight forwarders, lobbyists, regulatory license and permit providers, and certain other third parties, must undergo rigorous risk-based due diligence before the business relationship can commence. The due diligence is focused on detecting and mitigating corruption risks associated with the use of intermediaries, including verifying the business rationale for engaging the intermediary and the reasonableness of the proposed compensation. Intermediaries are requested to complete KBR Due Diligence Questionnaire that requires non-public companies providing the company's ownership that identifies all of the individual owners of the company, whether an individual owns the shares directly or indirectly through another legal entity. Publicly traded companies are required to disclose holders of 5% interest and above. KBR conducts extensive media and denied parties searches on all legal entities and individuals in the chain of ownership. High-risk agents and intermediaries are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk agents and intermediaries are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. The intermediary will not be approved unless KBR has determined that the proposed relationship complies with all applicable law, and that the review conducted has provided the Company with a reasonable level of assurance that its dealings with the proposed intermediary will not violate the FCPA or other applicable anti-corruption law. The intermediary is required to certify compliance with the FCPA and other applicable anti-corruption laws. Failure to certify compliance or disclose the required information or any other unmitigated risks will result in the denial of approval to enter into an agreement with the intermediary. KBR includes specific anti-corruption compliance provisions in all intermediary agreements, including the right to conduct audits and terminate the agreement for compliance breaches. The due diligence is refreshed every time the third-party agreement comes up for renewal. Most third-party agreements have a term of no longer than three years, unless the agreement is project-specific, in which case the due diligence is renewed every five years.



Joint Ventures and Partnerships

Any individual or entity with a financial or beneficial interest in a project-specific or permanent Joint Venture or other equity investment with KBR, as well as partners in consortia, teaming and joint bidding agreements, or strategic alliances that will engage in activities outside the United States, are subject to mandatory risk-based anti-corruption due diligence. KBR applies the same rigorous standards of review to both majority- and minority-controlled JVs. High-risk partnership arrangements are subject to enhanced due diligence and, depending on circumstances, may include external legal counsel review. Any identified due diligence concerns for such high risk partnerships are addressed in a legal memorandum that may contain recommendations for conditions of approval. The completed memorandum is submitted for review and approval to a corporate committee comprised of senior level executives under the chair of the KBR General Counsel. Unanimous approval of all committee members is required. KBR standard anti-corruption provisions for joint venture agreements prohibit foreign and domestic bribery and facilitation payments and incorporate audit and termination rights. Prior to the formation of the JV, the parties must agree on the corporate governance procedures that include the adoption of anti-corruption policies and establish a system of appropriate internal controls. Both JVs and non-JV partnership arrangements require compliance with KBR's Code of Business Conduct for International Business Relationships, which is reproduced at the end of this document. JV board members and key personnel receive periodic anti-corruption training and KBR internal audit conducts regular audits of certain JVs selected through a careful risk-based analysis.

Supplier Due Diligence

The procurement team oversees the selection and onboarding of suppliers and subcontractors. The onboarding process involves, among other things, screening new suppliers and subcontractors on their compliance with ethical practices through our pre-qualification questionnaire. The suppliers and subcontractors are required to certify they will abide by the KBR Supplier Code of Conduct, available at www.kbrsupplier.com. High-risk subcontractors, which include subcontractors performing work over a certain threshold in high-risk locations outside the U.S. as well as those identified by name in a client bid, are required to complete a separate anti-corruption compliance questionnaire and undergo anti-corruption due diligence. As a primary contact point with a supplier during the onboarding stage, procurement plays a key role in collecting anti-corruption due diligence information from vendors and suppliers that interact with non-US government officials on KBR's behalf and are subject to mandatory anti-corruption due diligence review and approval for third-party intermediaries. If a third-party intermediary vendor or supplier uses a sub-agent or additional party to perform part of the proposed services, the sub-agent or additional party must undergo the same due diligence as the vendor or supplier. Alternatively, the Chief Compliance Officer, or his/her delegate, after determining that the supplier's due diligence procedures are satisfactory, will seek a certification from the candidate supplier or subcontractor that it has conducted a due diligence review of the sub-entity and has found no unresolved due diligence concerns.

Doing Business with Government Entities

KBR regularly undertakes projects where the client is a government agency or government-owned or controlled entity. Such projects present heightened FCPA risk because the employees of such agencies or entities are considered foreign officials. To give employees who work on these types of projects the support and training they need, the Chief Compliance Officer identifies on an annual basis those personnel assigned to particular higher risk projects who should complete KBR's on-line FCPA training course and/or attend an in-person training session.

Business Courtesies

Our procedures allow normal and customary business meals and entertainment or the giving of business mementos of nominal value provided that such activities are reasonable in the circumstances in which they are given and do not violate any applicable laws. The procedures require that provision of Business Courtesies to any third party (including Foreign Officials and private clients) be properly approved and accurately and completely recorded in the Company's books and records to ensure compliance with the FCPA and other applicable anti-corruption laws, including the UK Bribery Act. To ensure strict compliance with the applicable local laws and regulations, payments for all Business Courtesies must be limited by whichever framework is most restrictive. The Procedures establish specific criteria, including monetary thresholds and frequency limits, when Business Courtesies may be provided without pre-approval as long as they are provided in connection with a business meeting that serves a legitimate business purpose. Business Courtesies that do not meet these criteria may be provided but must be pre-approved in accordance with the established procedure. Each business unit, project or office that provides business courtesies is



responsible for maintaining a business courtesy register, a copy of which is provided for review to the Anti-Corruption Compliance Group quarterly.

Charitable and Community Contributions

The Corporate Charitable Contributions Policy establishes standards, guidelines and documentation requirements for charitable contributions. KBR will only consider making contributions to an organization, a program or an activity that is either a U.S. 501(c)3 organization; a school or educational institution in the United States; or a Vetted Foreign Charitable Organization, school or educational institution. To prevent against the risk that a charitable or community contribution could be deemed to be an improper payment under the FCPA or other applicable anti-corruption law, contributions to organizations outside the United States or to organizations in the United States but for the ultimate use outside of the United States must be reviewed and approved by the Anti-Corruption Compliance Group, which considers a number of factors to ensure the proposed contribution will pose no risk of liability under applicable anti-corruption laws.

Anti-Corruption Training

All KBR employees and members of the Board of Directors must take the annual ethics training, which includes an anti-corruption compliance module. KBR also requires that the Board of Directors, appropriate employees of the Company, high-risk intermediaries and partners receive periodic training regarding the FCPA, other applicable anti-corruption laws and Company policies and procedures designed to ensure compliance with such laws. In addition, employees in client- and government-facing positions, accounting, finance and internal audit, business development and sales, as well as other employees dealing with high-risk third-party intermediaries are periodically required to take enhanced anti-corruption compliance training in a classroom setting, by teleconference or online.

Risk Assessment

KBR's Anti-Corruption Program is risk-based and tailored to the Company based on an assessment of the corruption and bribery risks it faces. The company periodically conducts a risk assessment to measure the effectiveness of the program and ensure the program is attuned to its current risk. The risk assessments consist of annual self-assessment questionnaires and periodically the Company engages external advisors to assist with a more comprehensive risk assessment.

The annual self-assessment questionnaires are used in part to determine the effectiveness of the Company's anti-corruption communications and training program. They are also used to assess the need for compliance program and internal control enhancements, identify target areas for training, and select projects or offices for future audits.

In addition, corruption risk is assessed for each new project, permanent joint venture or office as part of an overall process of reviewing all risks associated with such projects, joint ventures or offices.

Hiring of Government Officials or Their Relatives

All applicants complete a questionnaire identifying whether the candidate is a current or former government employee or whether he/she has any close family relative who is a current government official. If the candidate is selected, any positive responses are forwarded to either the lead HR representative (for US government services positions) or the Anti-Corruption Compliance team (for non-U.S. government services positions) for further review and vetting. In addition, the Company conducts background checks for employees being hired as or promoted to positions of substantial authority. During this process, the same information is gathered and reviewed for conflicts of interest and anti-corruption concerns.

The Company does not employ any currently serving politicians or engage any currently serving politicians on a contractual basis.



Political Contributions and Lobbyists

KBR complies with all applicable laws regulating political influence and campaign contributions. No contribution of the Company funds, property or services can be made in support of any political candidate for elective office or any political party or party official in the United States (either at the state or federal level) or in any other country without the appropriate review and approval. In addition, any political contributions to be made outside the United States must undergo an anti-corruption assessment and be approved by the Chief Compliance Officer prior to being made.

In 2019, no political contributions were made by KBR.

KBRPAC is KBR's Political Action Committee (PAC), a voluntary, nonpartisan organization. Registered with the U.S. Federal Election Commission (FEC) and appropriate state offices, KBRPAC allows KBR employees to pool personal, voluntary financial contributions to support candidates seeking elective office at the federal, state and local levels, who support issues important to our business and our employees. KBRPAC operations are transparent and compliant with all applicable laws. Because they are regulated by the Federal Election Commission (FEC) and state and local election agencies, PACs are considered the most transparent form of political involvement. As required by law, KBRPAC activity is publicly disclosed on the FEC and state election agency websites.

Lobbyists outside the United States are considered commercial intermediaries under KBR's anti-corruption compliance program. Therefore, they must be reviewed and approved according to the due diligence process and procedures described above.



CODE OF BUSINESS CONDUCT FOR INTERNATIONAL BUSINESS RELATIONSHIPS

KBR, Inc. (“KBR”) requires that all of its business operations observe certain basic standards of conduct. Also, as a subsidiary of a public company subject to the laws of the United States of America (“United States” or “U.S.”), KBR must ensure that its business relationships outside the United States will comply with the requirements of certain U.S. laws that impose on KBR standards of conduct for its business throughout the world.

The following standards of conduct and legal requirements shall be observed by party(ies) contracting with KBR (“Contracting Party”):

1. KBR, customers, employees, suppliers, and other persons, organizations, and governments will be dealt with in a fair manner with honesty and integrity, observing high standards of personal and business ethics.
2. Business books and records will be maintained in a proper, responsible, and honest manner. All payments, in cash or in kind, on behalf of KBR will be properly recorded.
3. Applicable law must be complied with in the conduct of such relationships. If there is a conflict between applicable local law and applicable U.S. law, the guidance of the KBR’s Law Department will be sought in order to resolve such conflict. However, the U.S. laws referred to in paragraphs 4, 5, 6, and 7 below must be complied with without exception.
4. The U.S. Foreign Corrupt Practices Act and other applicable anti-corruption, mail fraud, wire fraud and anti-racketeering laws.
5. The laws of the United States regarding boycotts.
6. The laws of the United States and any other applicable jurisdiction regarding export administration and control, trade sanctions, importation and customs administration, and the keeping of books and records with respect to all export, shipment and import transactions.
7. The laws of the United States and the regulations of the U.S. Securities and Exchange Commission and the New York Stock Exchange regarding the use and public disclosure of material nonpublic information, including those regarding insider trading.
8. Applicable antitrust and competition laws.
9. Applicable laws regarding political contributions.
10. Bribes, kickbacks and other improper payoffs and benefits to suppliers or customers are prohibited.
11. Confidential or proprietary information will not be disclosed at any time to persons outside the Contracting Party without proper authorization.