



Code of Conduct

SHAWCOR LTD. - CODE OF CONDUCT

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DEAR SHAWCOR EMPLOYEE:

We at ShawCor Ltd. are dedicated to providing our customers the best quality products and services available and being a supplier they can trust and rely on. To meet these objectives, it is vital that we maintain our reputation for dealing with employees, suppliers, customers and competitors both fairly and legally. This requires high standards of conduct and it means that all directors, officers and employees of ShawCor Ltd. and its subsidiaries (the "Company") must do their jobs every day in an ethical manner and according to the law.

To communicate the expected standards of behaviour, we have published the ShawCor Ltd. Code of Conduct. The purpose of the Code of Conduct is to state the underlying values and standards that should govern your behaviour as Company employees and to assist you in knowing the law in the areas which tend to be of greatest concern. We want to create an environment in which all employees can be confident that their actions on behalf of the Company are lawful and ethical.

Some laws and regulations covered in the Code of Conduct are specific to Canada or the United States. Most countries have similar laws, and the Company expects employees to follow the "letter" as well as the "spirit" of the laws where we operate. However, each of us will be well served if we apply to every situation the basic principles of honesty, fairness, and compliance with the law.

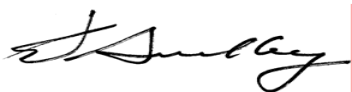
Company employees are expected to read the Code of Conduct and follow its provisions in all situations. Violations of the Code will result in appropriate disciplinary action. Certain employees will be asked to sign and return a Statement of Compliance each year indicating that they are not aware of any violations or possible conflicts of interest. In addition, all employees should raise questions and seek help whenever questions arise.

Besides establishing standards for behaviour, the Code of Conduct puts in place a program for reporting violations of the Company's policies. While violations of the Code should normally be brought to the attention of your supervisor or other members of management, reports may be made anonymously by calling the ShawVoice or ShawGlobal hotline. The Company will maintain the anonymity of employees who report violations to the maximum extent possible. No employee, who in good faith reports possible violations will be demoted, harassed or discriminated against because of the report.

It is important to remember that violations of the law or failure to comply with the Code can cause severe penalties to the Company and its employees even if the violations take place outside Canada or the United States.

ShawCor Ltd. management is fully committed to the principles outlined in the Code of Conduct, and I know we will all benefit from conducting our personal and business affairs with the highest standards of ethics and integrity.

Respectfully,

A handwritten signature in black ink, appearing to read 'W.P. Buckley', is written over a thin red horizontal line.

W.P. Buckley
President and Chief Executive Officer

Introduction

This Code of Conduct establishes specific policies governing the conduct of the business of ShawCor Ltd. and its subsidiaries (“the Company”) and records expectations as to the legal and ethical nature of the conduct of employees, officers and directors while acting on the Company’s behalf. These policies were developed and are intended to be applied in good faith with reasonable business judgment to enable the Company to meet corporate goals within the context of the laws of the countries in which ShawCor Ltd. conducts business.

All Company employees (“Employees”) are expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities, which include dealings with other Company Employees, the public, the business community, stockholders, customers, suppliers and government and regulatory authorities. Conduct contrary to the provisions of this Code of Conduct may constitute just cause for dismissal from employment without notice, or payment in lieu of notice, or lesser disciplinary measures as circumstances warrant.

Inquiries should be directed to the Vice President, Legal at ShawCor Ltd. in any case where an Employee is uncertain whether a specific activity is or may be a violation of the Code.

The requirements of the Code applicable to Employees shall also apply to non-employee officers and directors while they are acting on behalf of the Company.

1. The Company has adopted provisions of both the Canadian Corruption of Foreign Public Officials Act and the U.S.A. Foreign Corrupt Practices Act (“The Acts”) and Employees world-wide must comply with these minimum provisions.

CORRUPT PRACTICES

In accordance with ShawCor Ltd. Finance Standard Procedure S.P. No. 7020, it is the policy of the Company to comply with applicable anti-bribery and anti-corruption laws in countries where we do business. The Company attaches great importance in maintaining an ethical approach to doing business and in prohibiting any unethical or corrupt activity by employees, agents, representatives, or other intermediaries of the Company.

The Canadian *Corruption of Foreign Public Officials Act* (COFPOA) and the United States *Foreign Corrupt Practices Act* (FCPA) prohibit Canadian and United States companies and their subsidiaries from paying, agreeing, offering, or authorizing to pay money, or transferring anything of value, including but not limited to a gift, loan, fee, reward, commission, contribution, or other thing of value, to a foreign official for the purpose of: (i) obtaining or retaining business, (ii) improving profitability or revenues of the Company, (iii) receiving an improper advantage, such as by securing business or denying business to others, or (iv) influencing that official’s decision to direct business to, for, or with the payor or any other person. Prohibited activities can also

include the provision of entertainment and gifts as described in Section 7 regarding Conflict of Interest. As well, the possession with knowledge of origin, or laundering of property or proceeds of bribery, is also strictly prohibited as is the maintenance of books and records or off-the-books accounts to disguise the making of prohibited payments. The statutes prohibit both direct payments and those made indirectly through intermediaries.

The COFPOA prohibits payments to foreign officials in Canada by either Canadian persons or foreign individuals or corporations located in Canada. Covered entities include Canadian-incorporated companies and their foreign subsidiaries, Canadians in Canada or living abroad, and foreign persons or entities located in Canada. The COFPOA also prohibits the possession of the proceeds of payments of foreign officials, as well as the maintenance of books and records or off-the-books accounts to disguise the making of prohibited payments, even if the payments took place outside of Canada.

The FCPA prohibits payments to foreign officials in the United States by U.S. individual persons (i.e., U.S. citizens or permanent residents), U.S.-domiciled organizations and their foreign subsidiaries, or foreign individuals or corporations located in the United States. The FCPA also prohibits payments to foreign officials abroad by U.S. persons or corporations, wherever located. U.S.-based companies may also be held liable for payments to officials abroad by third-party agents or intermediaries, or by Company affiliates if conducted with the knowledge or support of the U.S.-based company.

A “foreign official” is broadly defined as any person acting in an official capacity on behalf of a foreign government, agency, department, or instrumentality at the national, state, or local level, including directors, officers, and employees of state-owned companies or public international organizations. Also included in the term are foreign political parties and officials thereof, or candidates for foreign political office or their representatives. Close relatives or business associates of the persons identified above can also be considered foreign officials.

Under these statutes and other anti-bribery laws, the concept of an improper payment involves the payment or gift of anything of value, not just money. For example, free or specially-priced products, trips, or vacations at the Company’s expense may constitute an improper payment. Improper activities are not permissible merely because they are customary in a particular location or particular area of business activity. Violations of applicable anti-bribery and anti-corruption laws may subject the Company to significant fines and its Employees to both substantial penalties and imprisonment, as well as be the basis for some disciplinary action including termination of employment.

ShawCor Ltd. Policy on Improper Payments

No Employee of the Company shall enter into any arrangement, when such individual knows, or should reasonably suspect from the surrounding circumstances, that the intent or probable result is to influence any foreign official, governmental agency (including the military), or government-owned or controlled entity, international organization, or business associate or relative of any such foreign official. Examples of this type of arrangement include excessive commissions, agents’ fees more than those normally paid, rebates, bribes or kickbacks, gifts, entertainment, free travel, and contributions of cash or in-kind.

Should any question arise concerning the status of any specific payment that is questionable in the light of the above, Employees **must** consult the Vice President, Legal before making or authorizing such a payment.

2. It is the Company's policy to comply with Economic Sanctions, Export Controls and Anti-Boycott laws of Canada, the United States and all other countries where its affiliated companies operate.

ECONOMIC SANCTIONS AND EXPORT CONTROLS

In accordance with ShawCor Ltd. Finance Standard Procedure S.P. No. 4080, "Economic Sanctions and Export Control", it is the policy of the Company to comply with applicable economic sanctions and export control laws of Canada, the United States, and other countries where we do business. These laws seek to protect national security and promote foreign policy considerations of those countries by prohibiting transactions with other countries, governments, groups, and persons ("Sanctioned Parties") engaged in terrorism, narcotics trafficking, proliferation of weapons of mass destruction, human rights abuses, and destabilizing governments of certain countries. Sanctions typically restrict import and export of goods or services, investments, and other dealings with Sanctioned Parties. The Vice President, Legal, the Chief Compliance Officer and designated Export Compliance Personnel in the Company's business units have access to a Sanctioned Party database that should be consulted before doing business with any new foreign party. Compliance with these laws is critical to the Company's operations, and Employees must be aware of and comply with applicable laws and Company policy.

The U.S. has some of the most far-reaching trade sanctions and export controls. These apply to "U.S. Persons", generally defined as U.S. citizens and permanent residents, wherever located in the world, U.S.-domiciled companies and their foreign branch offices, and foreign persons located in the United States. It is unlawful, without authorization from the U.S. Government, for U.S. Persons to engage in transactions with certain Sanctioned Parties, who are designated on various lists promulgated by the U.S. Government. In some circumstances, sanctions laws can also restrict the activities of companies located outside the United States, including ShawCor Ltd. and its affiliates, and prohibit participating in or facilitating any transactions that would be prohibited to U.S. Persons, or actions that may evade or avoid restrictions by referring prohibited transactions to offshore subsidiaries, affiliates, or third parties.

Many sanctions regimes also "block" the property and any interests in property of the Sanctioned Parties. U.S. Persons holding blocked property cannot transfer or dispose of the property, in any way, without first obtaining government authorization.

Under U.S. export controls, an export occurs when goods, services, or technology are transferred from the United States to a foreign country, or to a foreign national or company whether in the United States or abroad, or retransferred from such country or person to a third country or third country national. Export laws apply to intercompany transactions (including between ShawCor

Ltd. affiliates), transactions with customers, suppliers, or distributors, and disclosures of controlled technical data to ShawCor Employees who are non-U.S. Persons or foreign nationals, including technology that is “exported” orally during meetings or via electronic means. Canadian law has a similar export control regime applicable to items that originate in Canada. Likewise, ShawCor Ltd. affiliates located outside of the United States or Canada must comply with applicable laws in their own countries.

In addition to restrictions on dealing with Sanctioned Parties, it can be a violation of U.S. law to export certain goods, services, or technology (especially defense articles or defense services) to certain foreign countries or persons, without first obtaining authorization from the U.S. Government. Re-exports, re-transfers, or disclosures of such controlled items from foreign destinations may also be prohibited.

Penalties for violating the foregoing laws are severe and can subject the Company to civil and criminal penalties. Additionally, knowing violations of these laws by an Employee may subject the Employee to personal liability, including fines and imprisonment and disciplinary action. Because these laws are particularly complex, and also because the lists of Sanctioned Parties are subject to frequent change, it is essential that responsible Employees be familiar with the Company’s compliance program, and know whom they are dealing with, the ultimate destination, end user, and end use of products and services that the Company sells. Employees should seek guidance from the Chief Compliance Officer regarding any contract or transaction that might involve economic sanctions or export controls concerns.

U.S. ANTI-BOYCOTT LAWS

It is the policy of the Company to comply with U.S. anti-boycott laws.

The U.S. anti-boycott laws prohibit U.S. Persons from complying with, participating in, supporting, or furthering a country’s boycott of another country, unless that boycott is approved by the United States. The most commonly encountered boycott is the Arab League boycott of Israel, but the laws can apply to any country’s boycott of another country unless the boycott is approved by the United States.

Under U.S. anti-boycott laws, it is unlawful for U.S. Persons, among other acts, to:

- refuse, or require any person to refuse, to do business with an entity of a boycotted country (such as Israel), any boycotted person or company, or a “blacklisted” company, pursuant to an agreement with, a requirement of, or a request from or on behalf of any entity of a boycotting country;
- discriminate against or furnish information about any individual or entity if such discrimination or furnishing of information would assist the objective of the prohibited boycott.

Requests to engage in the prohibited actions may arise in various forms, including bids, contracts, letters of credit, questionnaires and standard terms and conditions. U.S. persons cannot evade anti-boycott prohibitions by referring restricted business to foreign subsidiaries, affiliates, or joint venture entities. Employees should be alert for prohibited requests when they

see key words such as “boycott,” “Israel,” “blacklist,” “certificate of origin,” “ineligible,” “restricted entry,” and “route of shipment,” among others.

In addition to prohibiting participation in a boycott, U.S. laws also require U.S. Persons to report written or oral boycott requests to the U.S. Government, even when the Company refuses to comply with the prohibited boycott. Because penalties may be severe, it is imperative that Employees who believe that the Company has received a boycott-related request immediately report the request to the Vice President, Legal.

3. Company Employees should compete vigorously and fairly, in compliance with all applicable antitrust laws.

ANTITRUST/COMPETITION LAW COMPLIANCE POLICY

It is the policy of the Company to comply with applicable antitrust laws of all jurisdictions in which we operate.

Any efforts to fix, co-ordinate, maintain or stabilize prices or terms of sale or production/output levels, or to allocate customers or markets through any agreement, arrangement or understanding of any nature, whether written or oral, expressed or implied, with a competitor or potential competitor will likely be considered to be a violation of antitrust/competition law, and can result in severe criminal and civil sanctions for the Company and individual Employees.

Agreeing with others as to prices or terms which the Company or the other party will bid in response to calls for bids or tenders, or agreeing not to bid or withdraw a bid, is a similarly serious offence.

Other matters, such as price maintenance, price discrimination, predatory pricing, tied selling, exclusive dealing, abuse of dominance, misleading advertising (which includes any false or misleading representations – not just traditional advertising), may also raise competition or antitrust law issues.

Conduct contrary to the competition or antitrust laws may constitute just cause for dismissal from employment without notice, or payment in lieu of notice, or lesser disciplinary measures as circumstances warrant.

Inquiries should be directed to the Vice President, Legal at ShawCor Ltd. in any case where any Company Employee learns of improper or questionable activity on the part of the Company or other persons or organizations, or otherwise requires any guidance on how to proceed.

4. *Company Employees must not trade securities based on confidential information and must not disclose confidential information.*

SECURITIES TRADING

This policy is intended to avoid even the appearance of improper securities trading on the part of anyone employed by or associated with the Company, including family members or others living in the Employee's household.

Material Non-public Information

Material non-public information is any information (including a change in the business, operations or capital of the Company, as well as a decision to implement such a change that is made by the Board or senior management of the Company), which is not publicly disclosed that an investor would consider important in a decision to buy, hold, or sell stock. Non-public information is also considered material if, were it to be generally disclosed, it might reasonably be expected to have a significant impact on the market price or value of the Company's stock. In short, material non-public information is any non-public information that could reasonably be expected to affect the price or value of the stock. Examples of information that will frequently be regarded as material are: financial results; projections of future earnings or losses; news of a pending or proposed merger, acquisition or divestiture; significant litigation; asset write-offs and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material.

Required Practices

The Employees of the Company are required to adhere to the following practices:

1. Non-public information about the Company must not be revealed to any other person, except on a need-to-know basis in accordance with the ShawCor Ltd. Finance Standard Procedure S.P. No. 7010, Confidentiality and Insider Trading Guidelines, in order to carry out the business of the Company. Care must be taken to avoid accidental disclosure, for example by not discussing such information in circumstances where it may be overheard. As a general rule, an Employee should not make recommendations to purchase or sell ShawCor Ltd. stock to any persons, however, while in possession of such information, the recommendation to purchase or sell ShawCor Ltd. stock to anyone is strictly prohibited.
2. Securities of ShawCor Ltd. must not be purchased or sold and stock options may not be exercised when the purchaser or seller or a member of his or her household is in possession of material non-public information. This prohibition extends to trading in other securities, whose value could be affected by changes in the price of the Company's shares.
3. Insiders of the Company are prohibited from buying or selling puts and calls with respect to the Company's shares.
4. Insiders of the Company are prohibited from participating in short sales of the Company's shares (that is, selling shares one does not own) except where the Insider owns an option to acquire the shares sold or another security convertible into shares sold and, within 10 days after the sale, the Insider exercises the option or conversion privilege and delivers the shares so acquired to the purchaser.

5. Material non-public information about another public company (e.g., companies doing business with ShawCor Ltd. or a company in a joint venture or being considered for acquisition by ShawCor Ltd.) obtained in the course of employment at the Company shall not be revealed to any other person and securities of such public company shall not be purchased or sold or recommended for purchase or sale by any person who is in possession of material non-public information concerning such company.

If you have any doubt or concern about whether you can buy or sell securities of the Company please contact the Vice-President, Legal of the Company.

If at any point in time Employees are uncertain about their own status as “insiders”, unsure whether information they hold should be considered as “material” or “inside information”, unsure whether information has yet been made public or should they have any other doubts or uncertainties, in compliance with this policy they are encouraged to seek clarification from the Vice-President, Legal of the Company before disclosing any information or conducting any trading in ShawCor Ltd. securities. Failure to do so will be considered a matter for discipline.

When Information Is Public

It is also improper for an Employee to enter a trade of ShawCor Ltd. securities immediately after a public announcement of material information, including earnings releases. Because the shareholders of ShawCor Ltd. and the investing public should be afforded the time to receive the information and act upon it, as a general rule, no director, officer or Employee should engage in any transactions until the beginning of the third business day after the information has been released. Thus, if an announcement were made on a Monday, Thursday generally would be the first day on which any such person should trade. If an announcement were made on Friday, Wednesday generally would be the first day on which such person may trade. Employees of the Company must also avoid making recommendations or expressing opinions on material public information as it relates to ShawCor Ltd. with respect to financial information in particular, as it becomes increasingly likely as a financial quarter progresses that a person may possess non-public information about the expected financial results for the period. The Company has also established preferred periods and blackout periods for trading shares of ShawCor Ltd., so as to avoid even the appearance of improper trading. Reference should be made to Finance Standard Procedure S.P. No. 7010, Confidentiality and Insider Trading Guidelines, for particulars of these periods during each year.

Employees are required to make themselves familiar with ShawCor Ltd. Finance Standard Procedure S.P. No. 7010, Confidentiality and Insider Trading Guidelines. Any questions which you may have on security trading matters should be directed to the Vice President, Legal at ShawCor Ltd.

5. Company Employees should make every effort to protect the workplace and the environment by following all applicable health, safety and environmental laws.

HEALTH, SAFETY & ENVIRONMENTAL

ShawCor Ltd. HSE Standard Procedure No. S.P. 2009 documents the Company policy in respect to Health, Safety and Environmental Policy. A public statement of the intentions and principles of the Company regarding its objectives follows:

ShawCor Ltd. and its subsidiaries (the "Company") is committed to providing a safe and healthy workplace and conducting its business activities in a manner that protects the environment. To achieve these goals, all Company locations shall adhere to the following principles:

- Identification and evaluation of all HSE hazards or aspects and the management of those risks to reduce their impacts to acceptable levels.
- Compliance with all applicable HSE legislation.
- Prevention of incidents, injuries, and pollution.
- Intolerance of the conditions and behaviours that contribute to incidents and injuries.
- Reduction of waste and conservation of resources.
- Recording and communicating HSE performance throughout the organization.
- Continual improvement of HSE performance.

The President and senior management shall visibly uphold these principles throughout the Company and integrate them into the Company's HSE Policy and Management System. The Board of Directors of the Company shall regularly review HSE performance.

Management and supervisory personnel at each division and location shall be responsible for implementing and maintaining the Company's HSE Policy and Management System. Contractors and Subcontractors shall work in accordance with the Company's HSE Policy and comply with applicable HSE legislation. Regular HSE audits shall be done to determine conformance to the HSE Management System.

Every Employee, whose work may create a significant HSE impact, shall be trained and held accountable for complying with the Company's HSE Policy and related procedures, practices, instructions and rules. Working safely and in an environmentally appropriate manner are conditions of employment. Each Employee has a duty to report workplace conditions or practices that pose a safety hazard or threaten the environment and to take reasonable actions to alleviate such risks.

Everyone is responsible for recognizing that by risking incident or injury, they are putting in jeopardy what they value and those they care for.

6. *Company Employees shall make every effort to develop a work environment that is free from all types of unlawful discrimination and harassment.*

WORK ENVIRONMENT

Harassment & Discrimination

It is the policy of the Company (Human Resources Standard Procedure S.P. 604) to afford all Employees the right to work in an environment that is free from all forms of unlawful discrimination and improper harassment. However, the proper supervision, management and disciplining of Employees for legitimate business reasons does not constitute improper harassment.

Policy Statement

- a) It is the policy of the Company that all Employees have the right to be treated fairly in the workplace and to pursue their career goals unhindered by discrimination on the basis of the Employee's sex, race, colour, marital status, ancestry, place of origin, citizenship, creed, sexual orientation, family status, disability, ethnic origin, age, or any other ground that is prohibited by local laws (the "Prohibited Grounds"). Employees also have the right to work in an environment that is free from improper harassment because of any of these Prohibited Grounds.

- b) Harassment and discrimination in the workplace may take many forms and it would be impracticable to attempt to list all of them. In general, however, this may include overt conduct or the creation an offensive, intimidating or hostile work environment. Actions such as the display of sexually suggestive pictures, ethnic or racial slurs or any form of conduct which threatens an Employee or creates undesirable working conditions because of a Prohibited Ground, may be regarded as illegal discrimination or harassment.

Under no circumstances will these or similar actions be tolerated by the Company. This is true even if such acts are perpetuated or condoned by other managers, or occur with suppliers and customers.

- c) All managers/supervisors are expected to take all steps within their control to ensure that those persons who work for the Company have the right to work in compliance with this policy.

- d) In the case of alleged harassment, Employees will have the opportunity to seek proper relief for any complaints they may have pertaining to their treatment. A procedure for such complaints is outlined below.

e) **Procedure for Employees**

Where an Employee feels they have been harassed contrary to this policy, they should:

- i) Immediately ask the harasser to stop, inform him or her that their behaviour is unwelcome and against Company policy. A simple conversation may resolve the problem. If the Employee is uncomfortable speaking with the person, they should proceed to item (ii) outlined below.
- ii) If the harassment does not stop, the Employee should speak to their supervisor and confirm the conversation in a letter or note. If the supervisor is the harasser, the Employee should contact the supervisor's manager or where the Employee is uncomfortable in discussing harassment with immediate management, the Employee should contact local Human Resources, or the Vice President, Legal at ShawCor Ltd.

No Employee will be penalized for complaining, in good faith, about alleged discrimination or harassment on Prohibited Grounds or co-operating in an investigation of an alleged incident of harassment.

- iii) The harassed Employee should keep a written record of dates, times, behaviour and witnesses.

f) **Procedure for Managers**

In cases where harassment complaints are lodged, the manager involved will immediately, along with Human Resources, investigate the complaint, and determine the appropriate Company response.

The investigation shall include:

1. Interviewing both the complainant and the alleged harasser.
2. Interviewing witnesses.
3. Documenting facts accurately and completely.
4. Keep both parties informed throughout the process.

All complaints will be taken seriously and be fully investigated. The results of such investigation will be communicated to all involved parties. Every effort will be made to protect the privacy of all concerned individuals, subject to the above procedures, the Company's duties to itself and others, and the need of the Company to properly investigate and respond to the complaints.

If it is found that a violation of this policy has occurred, the Company will take immediate and appropriate corrective action, up to and including the discharge of those persons in violation. If a

manager/supervisor is aware of harassment contrary to this policy, but does not take corrective action, the facts will be investigated and the manager may be subject to disciplinary action up to and including discharge. Harassment or failure to respond appropriately to harassment may be cause for termination of employment without notice or any payment in lieu of notice.

Employment Equity

The Company will ensure fair and equal opportunity in the selection, promotion, and development of both internal and external candidates (Human Resources Standard Procedure S.P. 605).

Policy Statement

1. It is the policy of the Company to make decisions on hiring, promotion, job assignment and training, and incentives/rewards on the basis of qualifications, ability, and performance. The objective is to ensure equal treatment and opportunity for all Employees and job applicants without discrimination because of any Prohibited Grounds, or any other factors unrelated to job performance.
2. Adherence to and promotion of this policy is the responsibility of supervisors, managers, and all other decision-makers in the Company.
3. To ensure ongoing progress in the area of Employment Equity, the Human Resource Department will regularly review and where necessary revise policies and procedures in the following areas:
 - A. **Recruiting** - Selection criteria are designed to not inappropriately limit job opportunities for any prospective Employee.
 - B. **Compensation** - Total compensation and performance management programs will be evaluated to ensure that job evaluation criteria and salary and benefit structures are equitable measures of job worth and that promotion and rewards are based on qualifications and merit.
 - C. **Working Environment** - Reasonable physical accommodation will be provided to enable qualified disabled people to become part of the Company and contribute to its success.

Intellectual Property & Confidential Information

The Company wishes to protect its rights to new inventions, trade secrets, proprietary technology, and other confidential information such as unpublished financial information and in this respect Employees are asked to sign an Intellectual Property & Confidential Information Agreement. The purpose, scope, responsibility and procedures applicable to this agreement, as well as a copy thereof, are included in ShawCor Ltd. Human Resources Standard Procedure Manual No. S.P. 203. If Employees do not fully understand their responsibilities and obligations under the terms of this agreement, they are urged to seek clarification by contacting the Vice President, Legal at ShawCor Ltd.

Company Provided Communications Media

The use of Company provided communications media, such as telephones, e-mail, instant messaging and internet access, for unlawful activities is strictly prohibited. The use of these media is generally restricted to conducting the Company's business, but Employees may make limited use of local telephone calls and the internet connection for personal purposes on their own time.

In addition, Employees are prohibited from:

- Sending threatening, slanderous, discriminatory or harassing messages;
- Representing themselves as someone else, real or fictional, or anonymously sending a message;
- Transmitting chain letters through the Company's e-mail;
- Transmitting, receiving or storing any communications or files made for a purpose that is contrary to this Code of Conduct or other Company policies and procedures;
- Copying or transferring electronic files which are not specifically related to conducting the Company's business;
- Copying, posting or providing access to any confidential Company information. If in doubt about whether information is confidential, Employees should contact their supervisor.

Most data and software are subject to copyright law. Software that requires purchase or reimbursement for its use requires strict adherence to the terms and conditions specified by the owner. If in doubt about copyright infringement issues, Employees should contact their supervisor. Employees are not permitted to install or use copies of software for which a license is required unless the Company has obtained such license.

No Employee should attempt entry into any computer or data storage device other than those specifically assigned to them without appropriate authorization.

The Company reserves the right to access any data storage device assigned to an Employee and communications created by an Employee using Company provided media. The Company may also monitor an Employee's internet usage if it deems such action necessary.

Any Employee who learns of or suspects any misuse of Company data storage and/or communications media in violation of this policy, should immediately notify their supervisor or the ShawCor Ltd. Vice President, Legal. Any Employee who fails to comply with this policy will be subject to disciplinary action, up to and including termination of employment for cause.

7. Company Employees should avoid any situation in which their personal interests conflict with those of the Company

CONFLICT OF INTEREST

In General

All Employees must exercise great care to ensure that their personal interests do not come into conflict with those of the Company. Although conflicts of interest may arise in many different situations, the general rule always applies: do not put yourself in a position where your involvement with an outside interest has the potential to interfere with or affect your judgment or ability to act solely in the Company's best interest, or where your other interest would otherwise conflict with the best interests of the Company. Not only actual conflicts of interest but the very appearance of conflicts should be avoided. The following sections outline several common situations in which a conflict of interest may occur.

OWNERSHIP INTERESTS AND FAMILY RELATIONSHIPS

Conflicting Share Holdings

If a Company Employee (including their immediate family members) holds stock or some other ownership interest in an organization which is or may become a competitor, supplier or customer of the Company, or serves as a director, officer or consultant of such an organization, the Employee should not participate in Company decisions involving that company unless full disclosure of the interest has been made to his or her supervisor.

Conflicting Family Employment Relationships

If an Employee has a spouse or member of his or her immediate family who is employed by a competitor, supplier or customer of the Company, the Employee must disclose this fact in writing and must not participate in decisions involving that entity.

An Employee who has relatives or who cohabits with another person employed by the Company may have a conflict of interest if the Employee, directly or indirectly, supervises them, or processes or supervises the preparation of payments (i.e., payroll, employee benefits) to them. The mere fact that a relative or cohabitant may work for the Company does not automatically mean that a conflict exists, but these relationships must be disclosed in writing.

Employees are asked to make themselves familiar with ShawCor Ltd. Human Resources Standard Procedure S.P. No. 202 – "Hiring of Relatives" which documents Company policy as summarised below.

Hourly

Individuals related to current Employees of the Company may be hired or transferred into the same division or subsidiary with the related Employee provided those persons do not work in a supervisory relationship with each other. A "relative" or "related" person is defined as a spouse, common-law spouse, parent, child, in-law, sister, brother, aunt, uncle, grandparent, or other person living at the same residence.

Such relationships will not normally restrict the temporary employment of a relative for summer work placement, or similar employment lasting not more than six (6) months.

Salaried

Individuals related to current Employees of the Company may be hired or transferred into the same division or subsidiary with the related Employee only with the written approval of the divisional VP/GM. Those related persons may not work in a supervisory relationship with each other, except in special circumstances when approved in advance by the Chief Executive Officer of the Company or by the board of directors of the Company or of the respective subsidiary of the Company. A "relative" or "related" person is defined as a spouse, common-law spouse, parent, child, in-law, sister, brother, aunt, uncle, grandparent, or other person living at the same residence.

Gifts, Entertainment and Kickbacks

The Company's business decisions are made on merit, and Employees must not accept gifts from either customers or suppliers if it would put any sense of obligation on the Employee to give the customer or supplier more favourable treatment. Any gift of significant value should be reported to the Employee's supervisor. Employees must not accept or request kickbacks or payments for their personal benefit from customers or suppliers.

Employees must not give or offer, directly or indirectly, anything of value to a customer or government official to influence or reward an action.

A business favour, such as a gift, contribution, or entertainment, must not be offered under circumstances that might create the appearance of impropriety. In appropriate circumstances, Employees may provide existing or potential customers with reasonable entertainment or gifts. However, the gifts must be permitted by local law, the customer's own policies and the Employee's business unit's policies.

8. ShawCor's policy on drug and alcohol in the work place.

SUBSTANCE ABUSE

Being under the influence of alcohol, drugs that are not prescribed for you or other controlled substances on Company property is prohibited. The unauthorized use or possession of prescription drugs or certain over-the-counter drugs on Company property that may materially impair the performance, health or safety of the Employee or other Employees is also prohibited. The Company prohibits the unlawful manufacture, distribution, possession, sale, purchase or use of alcohol, drugs or other controlled substances on Company premises or Company property.

Employees who violate this policy are subject to appropriate disciplinary actions up to and including termination. However, alcoholism and other drug addictions are recognized as diseases, which may be responsive to proper treatment. Depending upon the circumstances, treatment may be an option as long as the Employee co-operates with the treatment program and the Employee will be accommodated accordingly.

The comprehensive substance abuse policy of your operating unit may require drug or alcohol testing under certain conditions.

For more information, please contact local or division Human Resources or Corporate Human Resources at ShawCor Ltd., 25 Bethridge Road, Toronto, Ontario, Canada M9W 1M7, or phone ShawVoice toll free at 1-877-742-9864. If calling from outside North America, please see the phone number listed under "Procedures for Reporting Violations of the Code".

9. Company Employees should maintain complete and accurate books and records.

ACCURATE RECORDS

Company business transactions world-wide must be properly authorized and be completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting principles and established Corporate financial policy. No secret or unrecorded cash funds or other assets will be established or maintained for any purpose. The retention or proper disposal of Company records shall be in accordance with established corporate policies and applicable legal requirements.

ShawCor Ltd. Financial Standard Procedure Manual (No. S.P. 1000 to 9000) documents the Company policy on accounting matters. Employees requiring clarification on any accounting matters should direct their enquiry to the senior financial manager of their business unit where responsibility for adherence to these standards rests.

PROCEDURES FOR REPORTING VIOLATIONS OF THE CODE

It is each Employee's personal responsibility to report violations of the ShawCor Ltd. Code of Conduct. The preferred method is to discuss any concerns or questions regarding these activities with **your supervisor**. However, if you feel that normal communication channels are not appropriate, or even possible, you are encouraged to report a suspected illegal activity or violation of the Code in the manner described in ShawCor Standard Procedure No. HR607-B "Policy on Reporting Allegations of Suspected Improper Conduct - Hourly and Salaried Employees". That Standard Procedure sets out four alternative ways to make such a report:

1 Directly to Jim McTurnan, Vice President, Legal: 281 940-0732 or jmcturnan@shawcor.com

2 Through the Reporting Toll Free Hotline:
From Canada and the United States, call:
1-877-ShawVoice (1-877-742-9864)

From outside of North America, the following
number may be used: +1 866 761-1341

3 Via e-mail to shawvoice@shawcor.com

4 By mail to:
Jim McTurnan
4250 N. Sam Houston Pkwy East
Suite 180
Houston, TX 77032
USA

All concerns will be received by the VP Legal, and directed to the following individuals based on the nature of the allegation:

- VP Human Resources:
 - All allegations regarding Employee harassment
- Manager, Health, Safety & Environmental:
 - All allegations regarding actions or activities which place Employees' health and safety or the environment at risk
- Manager, Internal Audit:
 - All allegations regarding matters considered to be in violation of the law
 - All allegations regarding inappropriate use of company resources
 - All allegations regarding activities with an impact on financial reporting, including the Company's accounting practices and financial controls

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Note: Based on the nature of the issue, the investigation may be delegated to VP Legal, VP Finance, or the Audit Committee.

The VP Legal will be responsible for following up on all investigated concerns until a resolution of the situation has been reached.

If Employees call, anonymity will be maintained to the maximum extent possible, consistent with the Company's duties at law, and its legitimate need to protect its own interests, and no retaliatory action will be taken against Company Employees who report in good faith suspected illegal activity or violations of the Code of Conduct

SHAWCOR LTD. CODE OF CONDUCT - STATEMENT OF COMPLIANCE

Certification

I have read and understand the ShawCor Ltd. Code of Conduct (the "Code") and agree to comply with it. I understand that failure to comply with the Code or to respond truthfully to this Statement of Compliance will be basis for disciplinary action, up to and including dismissal.

I have also briefed all staff who report to me directly, and who will not be asked to sign a Statement of Compliance, as to the content of the Code, and provided each of them with a copy of it. I am not aware, except as disclosed below, of any activity or set of circumstances involving those who report to me, or any family relationship amongst those who report to me, which conflicts with or violates the Code.

I understand and agree to follow the policies and procedures set forth in the Securities Trading policy of the Code.

Except as stated in the Disclosure section below:

- I do not know of any interest or business relationship of mine or of my family members that conflicts with the provisions of the Code.
- I do not know of any other activity or set of circumstances, whether by or involving others, or myself that is in violation of the Code.

Disclosure

The information provided below discloses circumstances which may be a violation of the Code or possible conflict of interest (including, for me and my family members, the ownership in another business or other business or family relationships which may constitute a "Conflict of Interest," see Section 7 of the Code):

Name (please print):
Signed:
Date:

Instructions for use: This Statement must be completed by each Employee covered by Human Resource Standard Procedure No. S. P. 607 "Code of Conduct", and submitted to the ShawCor Ltd. Legal Department at the date of hire as well as each year thereafter when requested by the Company.