



Blue Danube Incorporated and Subsidiaries

COMPLIANCE, ETHICS AND REPORTING POLICIES

JANUARY 2012

I. PURPOSE & SCOPE

Blue Danube Incorporated (“BDI” or the “Company”) and its operating subsidiaries are firmly committed to maintaining the highest standards of conduct and performance with regard to our directors, officers, employees, customers, vendors and guests in every aspect of our business. Every person with whom we conduct business and each of your co-workers are to be treated with dignity and respect. You have received our Employee Handbook which detail the policies and expectations for conduct while you are in the Company’s employment. Please understand that compliance with the law is the minimum acceptable conduct for any company. Our Business Principles go beyond those requirements and are the minimum standard of acceptable conduct for all employees, officers and directors.

You are expected to be aware of all of these requirements, and to strive to meet or exceed them requirements at all times. Accordingly, any breach of the Company’s policies, procedures or requirements may result in discipline up to and including termination of employment or service. Improper or illegal activities could also have serious consequences including possible criminal prosecution against the individual. Bear in mind that no manual or handbook could possibly cover every legal or ethical issue that could arise. You are expected to take the general advice offered by the Company and to apply it to all situations that arise in the course and scope of their employment or service. When in doubt about any situation or conduct, be sure to ask your supervisor, manager or Steve Grizzel in the Human Resources Department for guidance or clarification.

You should be careful to avoid even the appearance of impropriety. This means that even if you are abiding by BDI’s policies and procedures, be careful not to create an appearance of unethical conduct or a conflict of interest. A conflict of interest is any situation which could tempt an employee, officer or director to give less than their best efforts for the Company or which could give the appearance that the employee’s, officer’s or director’s loyalty is divided. No employee, officer or director, nor any of the members of their immediate family shall hold any interest in or be employed by an entity which does business with the Company or competes with the company in any way, if the interest or employment could be construed as conflicting with the your obligations to the Company. You are expected to not only be honest, but also candid in all dealings with the Company. Waivers of any of the Company’s policies with regard to conflicts of interest may only be granted by the President of the Company.

The Company values you as a member of our team and encourages you to be vigilant with your own conduct as well as that of others in the workplace. If you become aware of any violation of Company policies or procedures, you are invited and encouraged to report those violations immediately. You may make a report using your name or on an anonymous basis at any time. Be assured that any report will be taken seriously by the Company and will be reviewed and investigated to an appropriate conclusion and without any negative impact upon you for properly using the reporting system. Anyone needing advice regarding a particular situation which is not dealt with directly in this document, or who has become aware of conduct which appears to violate the principles in these documents, should utilize the EthicsPoint system (online at www.ethicspoint.com or by phone to 855-366-2135) to report their concerns.

II. LEGAL COMPLIANCE AND ETHICAL BEHAVIOR

1. Safety and Health

A. Safety

BDI takes employee safety very seriously. We will make every effort to provide a safe environment in which to work in accordance with the Occupational Safety and Health Act of 1970. Employees are expected to take an active part in maintaining this environment by observing all safety rules, and to keep the work place clean and neat. Please report all injuries (no matter how minor) to your supervisor immediately, as well as anything that needs repair or is a safety hazard.

B. Workplace Violence

BDI strictly prohibits use of violence or threats of violence in the workplace and views such actions very seriously. Any employee who contributes to any form of violence will be subject to disciplinary action, including termination. Violent or threatening behavior must be reported immediately to a supervisor.

C. Weapons

It is the policy of BDI that no guns and/or weapons of any kind are allowed on the Company premises or in any location in which the employee represents the Company for business purposes. Weapons include guns, knives, explosives, or any other object generally considered to be a weapon and whose purpose is to cause harm to another person. Employees who violate this policy will be subject to disciplinary actions, up to and including employment termination.

D. Domestic Violence

Domestic violence is a serious problem that adversely affects the well-being and productivity of all employees who are victims, as well as their co-workers. BDI will assist employees who are victims of domestic violence and will take measures to create a safe working environment for them. All sensitive information will be kept confidential to maintain respect for the privacy of the reporting employee(s).

E. Smoking

BDI's policy is to provide a safe and healthy work environment for our employees and customers. Accordingly, smoking is not allowed in company buildings, vehicles or restricted areas.

2. Transportation, Homeland Security and the Environment

Transportation and Environmental Management companies are highly regulated by the government. There are laws prohibiting the transporting of certain things like illegal drugs and many laws that govern the treatment, handling, transportation and disposal of environmentally sensitive, dangerous or hazardous materials, including Certain Dangerous Cargos and Hazardous Materials or Hazardous Waste, imposed by state or federal law. The laws relating to transportation and environmental management are designed to assure the safety of our employees and the public.

Federal, state and local environmental laws regulate the emission into the atmosphere and the discharge into the earth and surface and waters (streams, lakes, rivers, oceans and underground) of a wide variety of substances. Improper disposal of chemicals and other hazardous substances (for example, by burial, abandonment, pouring down sinks or sewers, or placing in any river system) is absolutely forbidden. Open dumping of debris and other solid waste is prohibited by numerous state and local laws. Federal and state laws also extend broad protections to air and water resources.

Violation of environmental laws and their applicable regulations can result in severe criminal and civil penalties for both the Company and the employees involved. The Company places particular importance on protection of the environment. The Company has defined a broad array of practices and procedures to prevent and control environmental hazards. To afford employees easy access to the information they need most, the Company has established defined locations that contain, for example, environmental safety rules, hazardous material plans, and a material safety data sheet (MSDS) database and key environmental telephone numbers. These materials are also available on board vessels and as appropriate at operating locations. The environmental control program covers a wide range of activities that affect all of the Company's operating, leased and inactive property. These efforts include, but not limited to:

- Environmental Compliance Policy and Program
- Environmental Training Programs
- Environmental Incident/Accident Notification Procedures
- Environmental Recordkeeping Compliance
- Facility NPDES Discharge Permits (industrial and storm water)
- Storm Water Run-Off Compliance Procedures
- Storm Water Pollution Prevention and Groundwater Protection Plan
- Vessel General Permit (VGP) Program Compliance
- Spill Prevention, Control and Countermeasure (SPCC) Plan Compliance and Update Program
- USCG Facility Response Plan Compliance and Update Program
- USCG Operations Manual for Marine Transportation Related Facilities Compliance
- Used Oil and Bilge Water Management and Recycling Program
- Hazardous Waste Management Program
- Residual Waste Reduction Program
- Hazardous Waste Reduction Program
- Facility Air Permit Compliance
- Above-ground Storage Tank Program
- Fuel/Oil Transfer Procedures Compliance Program
- Environmental Risk Assessment of Operations
- Environmental Risk Assessment of Barge Cleaning Activities
- Environmental Compliance - Internal Auditing Program

Essential to the success of the Company's environmental compliance program is the cooperation of every employee to assure proper handling and disposal of wastes and hazardous materials. Each employee must adhere to all rules and procedures to ensure compliance with applicable laws and regulations. Should any employee have questions about what is the proper procedure for handling or disposing of any hazardous substances or hazardous waste, that employee should seek the advice of his or her immediate supervisor or one of the Company's Environmental, Health, Safety & Security (EHSS) Officers or Director of Regulatory Compliance.

Immediate reporting of spills or any other type of environmental accident is required without exception. In the event of any spill or environmental accident, employees should notify their immediate supervisors and/or Environmental Compliance Officer, Edmund Miles at (412) 974-0399 in accordance with the Company's spill notification procedures. All spills, regardless of size or prompt clean-up efforts, must be reported.

The Company will not tolerate any failure to comply with government regulations and environmental laws and their mandatory reporting requirements. If you become aware of a violation of any governmental requirements, environmental laws, regulation or control procedure, including the failure to report a spill or environmental accident, you should immediately report the violation through the EthicsPoint system (online at www.ethicspoint.com or by phone to 855-366-2135). No employee will be subject to retaliation for reporting a violation of an environmental law, regulation or compliance procedure.

3. Equal Employment Opportunity

BDI is an Equal Opportunity Employer. Individuals are hired solely upon the basis of their qualifications and ability to fulfill the requirements of the job.

BDI has an ongoing commitment to the creation of a workplace free of discrimination and harassment. All policies and practices will be administered without regard to race, color, creed, age, religion, ancestry, national origin, place of birth, sex, sexual orientation, family status handicap or disability. We comply with all local, state, and federal laws pertaining to employment and discrimination will not be tolerated.

Every employee and manager/supervisor has the responsibility to uphold this policy. Any questions or concerns regarding any aspect of this policy should be directed to the Human Resources Department.

4. Harassment and Discrimination

BDI is committed to providing a respectful, non-hostile work environment. Sexual harassment is a form of misconduct that undermines the workplace, violates the respect for fellow workers, lowers morale and productivity and causes absenteeism.

Sexual harassment is defined as unwelcome sexual advances, request for sexual favors, and other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

If you or a co-worker has been the subject of sexual harassment, immediately report the conduct to your supervisor or to the Human Resources Department. BDI will immediately have the incident investigated. A worker determined to exhibit behavior contributing to sexual harassment of anyone in the workplace may be subject to disciplinary action, including termination, with or without notice.

If you or a co-worker believes you have been the subject of any other form of discrimination or harassment in violation of the Equal Opportunity Statement, immediately report the conduct to your supervisor or to the Human Resources Department. BDI will immediately have the incident investigated. A worker determined to exhibit behavior contributing to prohibited discrimination or harassment of anyone in the workplace may be subject to disciplinary action, including termination, with or without notice.

BDI prohibits retaliation against an employee who in good faith makes a report of discrimination or harassment or cooperates with the investigation of such a report. If you or a co-worker believes you have been the subject of retaliation, immediately report the conduct to your supervisor or to the Human Resources Department.

5. Medical Privacy (HIPAA)

The Company recognizes the sensitivity of individual health information, both as covered by the Health Insurance Portability and Accountability Act (“HIPAA”) and other applicable federal and state laws. All employees are expected to take appropriate steps to respect the medical privacy of all employees.

Normally only HIPAA-covered employees will be permitted access to protected health information, and then subject to the limitations of the law. From time to time, non-covered employees may receive information as required by law, as disclosed by employees, or as otherwise may become necessary. In such cases, all employees are expected to maintain the confidentiality of such information and shall not disclose such information further except as permitted by law. Medical conditions should never be discussed except as expressly permitted by law.

6. Gifts, Bribery and Corruption \$100 limit

Employees, officer and directors are prohibited from offering or paying money, gifts, entertainment or other things of value to public officials, customers, vendors, competitors or other third parties with whom BDI has a business relationship in order to influence the legal or business conduct of such persons. Gifts to such parties should never be of more than \$100 in value, in order to avoid the appearance that the gift is intended to influence the receiving party’s conduct.

Likewise, employees, officers and directors are prohibited from accepting any gift or entertainment of more than \$100 in value from any public official, customer, vendor, competitor or other third party with whom BDI has a business relationship. You are expected to be independent, impartial and objective in making your business decisions. You must refrain from accepting any gift that would impair your ability to be objective or which might cause others to doubt your objectivity. You are expected to use your best judgment in determining whether a gift is of more than nominal value. “Kickbacks,” “bribes,” “rebates” or other illegal consideration may not be given or accepted by any employee, officer, director or agent of the Company.

Notwithstanding the foregoing, the Company and its employees regularly sponsor or participate in events attended by employees, customers, vendors, competitors or other third parties during which meals, event tickets or other expenditures may exceed the limit of this policy statement. In the case of such events, participation by an employee as the provider or recipient of meals, tickets or other expenditures shall not be deemed a policy violation provided that the event has been approved in advance by a supervisor or member of the Company’s management team other than the employee or employees participating.

If you have any concern or question, you should contact EthicsPoint for assistance (online at www.ethicspoint.com or by phone to 855-366-2135).

7. Technology and Copyright Law

All equipment, including vehicles, telephones, computers and other electronic devices, issued by BDI (and their related software and accessories) are and will at all times remain the property of BDI and under the control of BDI. Any equipment issued in the discretion of BDI may be monitored, accessed, reviewed or recalled at any time in the sole discretion of BDI. All employees must comply with applicable copyright laws, and with all software licenses between the Company and outside companies.

Employees may use licensed software only in accordance with the Company's license agreement, whether used on stand-alone computers or as part of a local area network. When computer software is accessed through a network, one copy of the software must be purchased for each computer on the network that can access that software, unless the licensing agreement provides otherwise. No employee may copy or distribute licensed software for use on any other computer, whether owned by the Company or anyone else, unless expressly authorized by Company management to perform such copying under the terms of the software license. No employee may add applications, software or other "Apps" to any computer, telephone, Smartphone or electronic device without the permission of the Technologies and Communications Department.

Illegal copying or distribution of software, printed material, videotapes, audiotapes or other copyrighted or licensed material is strictly prohibited. Employees are cautioned to remember that materials placed on the Internet are likely to be copyrighted and may not be freely re-distributed.

8. Antitrust and Competition

The business activities of all BDI companies are very competitive. It is the policy of BDI companies to compete aggressively, but to compete fairly. As part of this commitment, BDI companies adhere fully to the antitrust laws. These laws are complex and a short explanation is not adequate. However, in general, antitrust laws prohibit all forms of express or implied understandings or agreements among competitors that could unreasonably diminish competition amongst competitors.

Employees, officers and directors of BDI companies should never disparage any competitor company. Whenever practical, BDI companies shall select vendors and contractors on the basis of written competitive bids.

The U.S. antitrust laws provide that an agreement between two or more competitors in any form or manner that unreasonably restrains trade is illegal. The laws further provide that it is illegal for companies to monopolize, or attempt to monopolize, or combine or conspire with others to monopolize, any market. The Company's policy is to comply with all antitrust laws.

Certain practices or actions are considered so basically wrong that they are deemed unreasonable in all cases. Price collusion, frequently called "price-fixing" or "bid-rigging," is any agreement with a competitor or group of competitors about prices to be charged customers. Such agreements are in and of themselves illegal because they are conclusively presumed to restrain competition unreasonably and to be without legitimate purpose. Price fixing is probably the most commonly known of the antitrust violations and the one most frequently prosecuted criminally by the government. There are no defenses to a proven charge of price-fixing, even if:

1. the price is unreasonable;
2. the competitors have no market power;
3. the agreement was never carried out; and
4. the agreement stopped "ruinous" competition.

Many agreements between or among competitors which relate to price, or which affect price by delineating the services for which a certain charge is assessed, are also considered to be "per se unlawful," as are agreements with competitors that concern the quality and quantity of service that each will offer to a customer. Agreements among competitors as to discounts to be offered to customers, absorption of freight charges, credit or other terms of sale also fall into this category.

Employees should never enter into agreements with competitors to maintain set prices, wages, supply, demand, or other artificial economic terms. Employees must take care to avoid even a false appearance of such activities. Meetings with employee counterparts at competitors should follow a strict agenda so as to avoid any allegations of improper conduct. Exchanges of data with competitors (for example, wage surveys) must be expressly authorized and approved, in order to make sure such information exchanges do not conflict with these principles.

Any questions regarding a meeting or conversations with competitors should be discussed with a supervisor or officer of the company in advance of any meeting or discussion.

9. Public Relations and Community Involvement

Employees, officers and directors are encouraged to participate in industry work groups and community affairs. Employees, officers and directors must do so in their individual capacities only, however and should not give the impression they are speaking on behalf of BDI. BDI cannot contribute to any employee or director's campaign for public office. Likewise, employees or directors cannot obtain reimbursement for any political contributions that they have personally made.

Employees and directors should never speak to the media (television, radio or internet) or otherwise present public opinions on behalf of the Company unless specifically asked to do so. All media inquiries should be referred to the President, at (724) 746-9561. No other information should be given in response to media inquiries.

III. REPORTING AND WHISTLEBLOWER PROTECTION

1. Reporting Criminal Activity

Any BDI Employee, officer or director who has knowledge of criminal activity by other employees, officers or directors are obligated to report that activity to EthicsPoint (online at www.ethicspoint.com or by phone to 855-366-2135). If you have actual knowledge of the commission of a crime and fail to report it, that failure to report, in certain circumstances, may itself be a crime.

You will not be subject to retaliation because of a report of criminal activity.

2. Reporting any Illegal or Unethical Behavior

All employees, officers and directors should report violations of laws, regulations, rules or BDI's Policies. If you are concerned that someone has violated or may violate any law, regulation, rule or policy, you should report these concerns through EthicsPoint (online at www.ethicspoint.com or by phone to 855-366-2135). .

Failure to make a report regarding a violation of the BDI's policies or law is a violation of our standards of conduct and may subject you to disciplinary action up to and including termination. You have a right, and at times a legal obligation, to call the Company's attention to situations in which the law or the Company's policies have been breached.

Confidentiality is a priority and every effort will be made to protect it. Please note, however, that if you choose to self-identify during the reporting process, we may be required by law to reveal your identity (for example, if we are investigating harassment complaints which require interviews of all witnesses). If you file an anonymous report, your identity will not be known and your confidentiality will be protected.

You will receive a prompt response to any questions or reports. If we cannot answer your question immediately, we will make every effort to get back to you within five (5) business days. If your call requires an investigation, we will do so promptly and take the appropriate corrective action. You may use the EthicsPoint system to monitor the status of your question or report.

Retaliation by any officer, employee, director or agent of the Company against any individual who seeks advice, raises a concern or reports misconduct is strictly prohibited and will not be tolerated. The Company will take appropriate action against any individuals engaging in retaliatory conduct against an employee who has truthfully, and in good faith, reported a violation. Retaliatory actions include suspension or termination of employment, demotion, threats, harassment or any other form of discrimination. Appropriate action will also be taken against any individual who has intentionally made a false report. This "anti-retaliation" policy is not intended to protect a person who is involved in wrongdoing about which he or she is making a report.

If you suspect that you, or someone you know, has been retaliated against for making a report, you should contact EthicsPoint immediately. Your complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, and any documentary evidence.

All complaints of prohibited retaliation that are reported as described above will be investigated. The Company will promptly undertake and direct an effective, thorough and objective investigation of the retaliation allegations. The investigation will be completed and a determination regarding the alleged retaliation will be made and communicated to the employee who complains and to the person(s) accused of retaliation.

If the Company determines that an individual has suffered adverse action in retaliation for seeking advice, raising a concern or reporting misconduct or participation in a proceeding related to potential misconduct, it will take effective remedial action appropriate to the circumstances. The Company will also take action to deter any future retaliation. If a complaint of unlawful retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken. Whatever action is taken against the person responsible for the retaliation will be communicated to the employee who complained.

IMPORTANT CONTACTS

EthicsPoint (www.ethicspoint.com) ()
Director of Human Resources (sgrizzel@barges.us) (724) 746-9524

IV. WAIVER, AMENDMENT, INTERPRETATION AND ADMINISTRATION

Any waiver of these Compliance, Ethics and Reporting Policies for employees, officers or directors may be made only by the President. Nothing contained in this Policy is intended to give any employee the right to be retained in the service of the Company, or any right of rehire, or can interfere with the right of the Company to

discharge any employee at any time for any reason. The Company reserves the right to interpret, amend or terminate this policy at any time. The Human Resources Department of the Company is responsible for administering this Policy. Any questions regarding interpretation of this Policy should be referred to the Director of Human Resources or his/her designee.