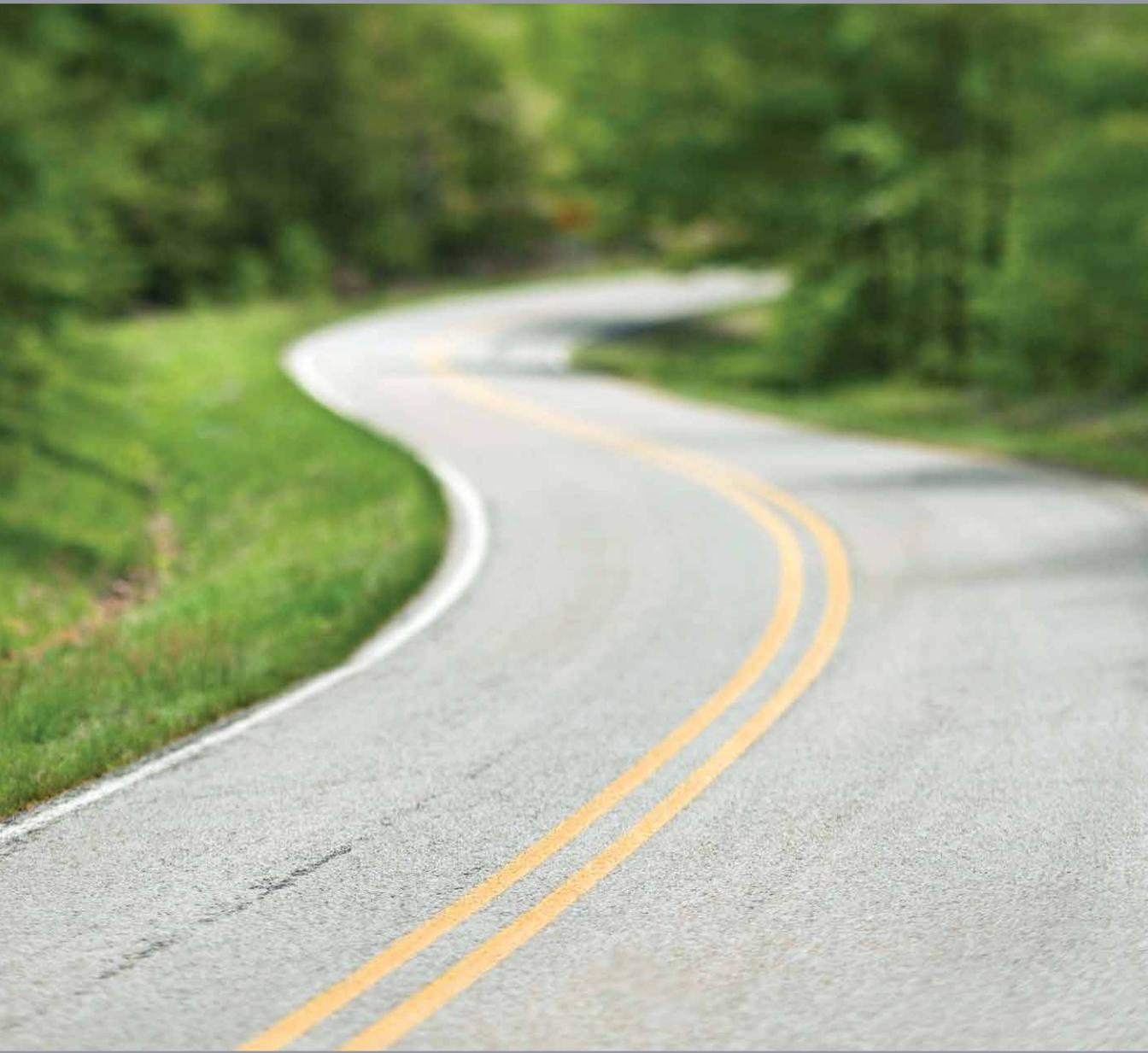
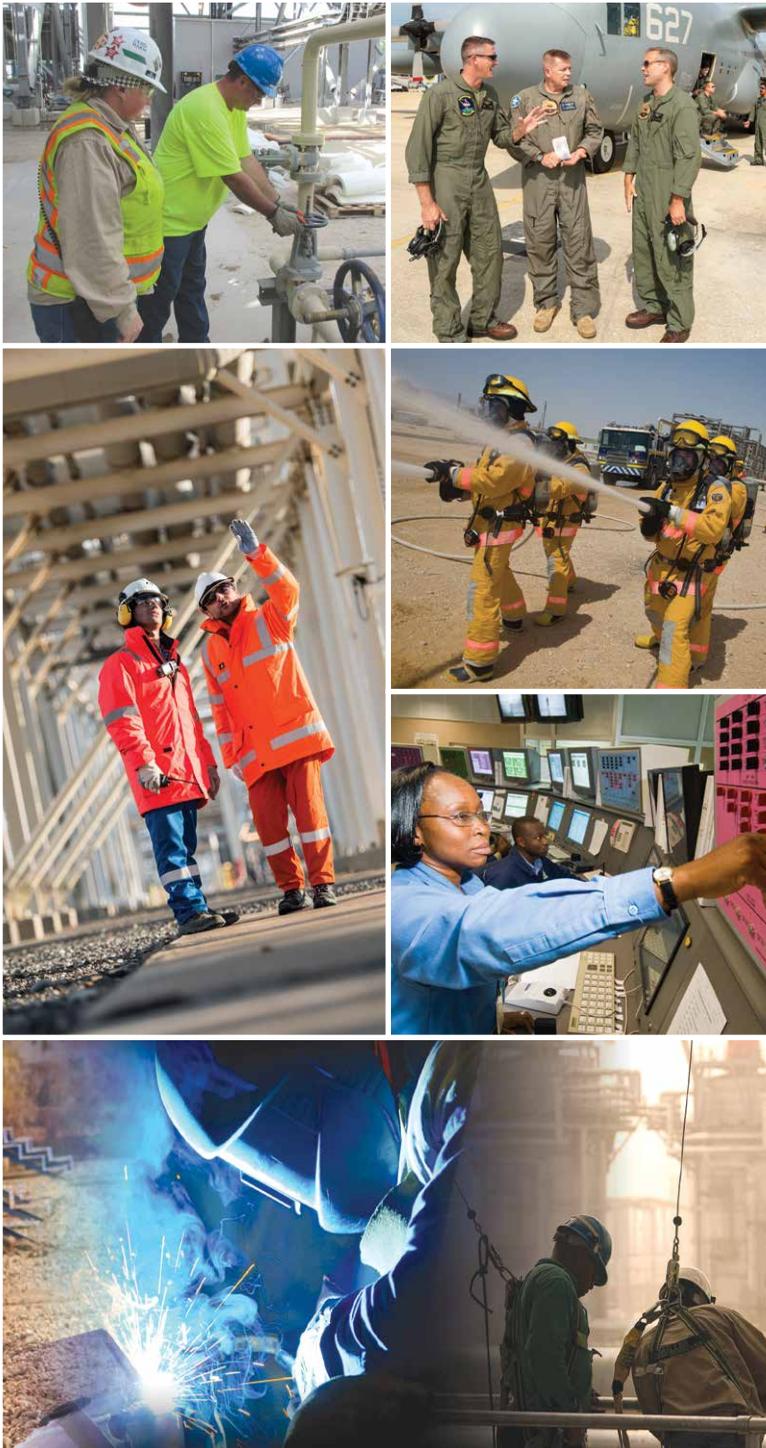
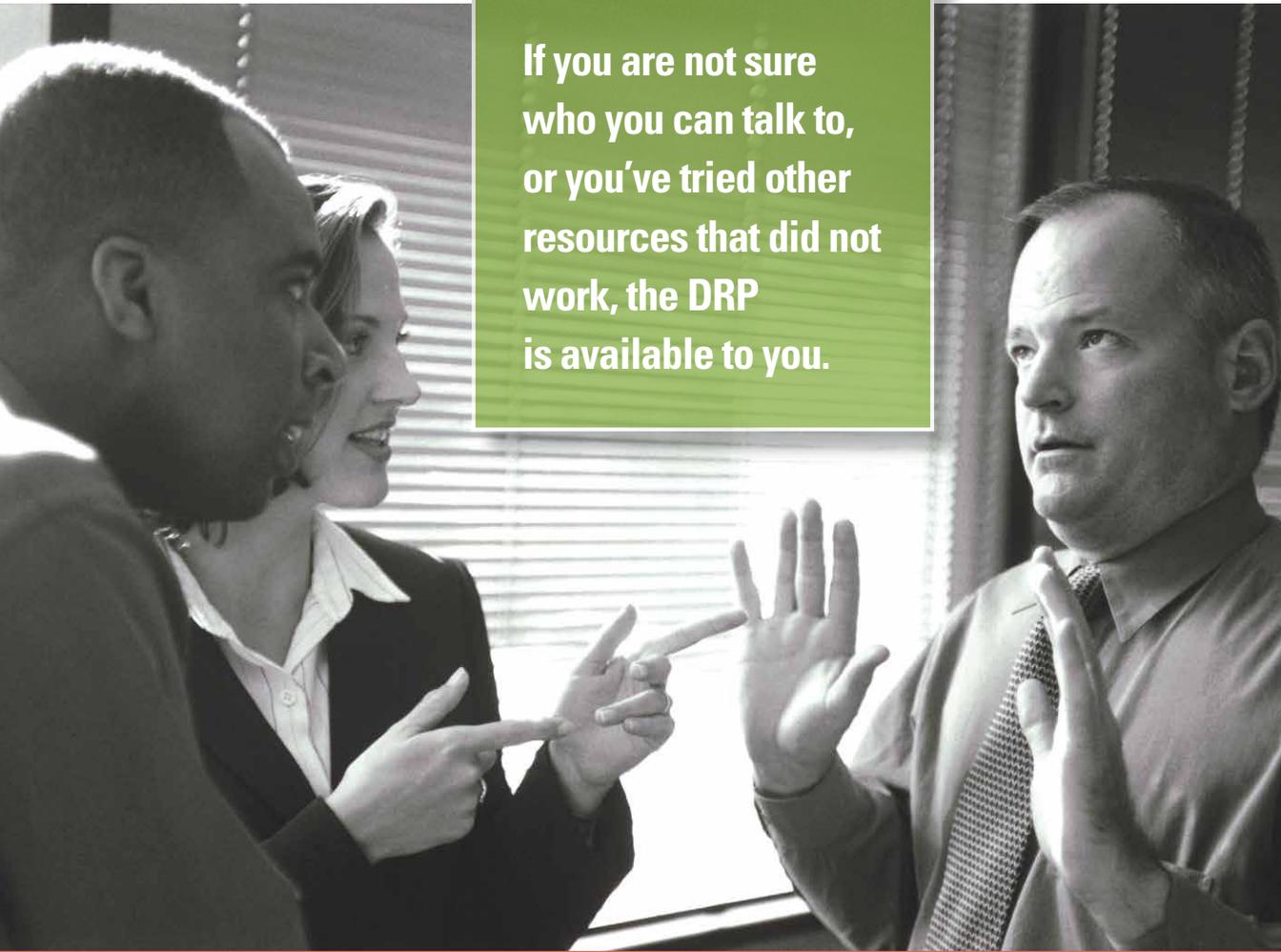


Options for Resolution





This booklet is intended as a summary of the major features of the Dispute Resolution Program. The formal Dispute Resolution Program Plan and Rules contains the controlling terms and conditions. In the event of any variation between this booklet and the Plan and Rules, the Plan and Rules will control.



If you are not sure who you can talk to, or you've tried other resources that did not work, the DRP is available to you.

Conflicts and concerns in the workplace are inevitable. You have options for dealing with these conflicts and the **Dispute Resolution Program** is here to help.

The Dispute Resolution Program (DRP) offers a variety of options for resolving problems of many kinds—from misunderstandings and miscommunications with supervisors and coworkers to violations of legally protected rights.

Why have a Dispute Resolution Program?

The goal is to resolve any issues that arise in the workplace as quickly and as simply as possible. Early resolution helps keep everyone focused on the tasks at hand rather than the conflict, which can grow and get more complicated if not resolved. Positive resolution of conflicts can improve communication and enhance teamwork.

The Dispute Resolution Program (DRP) helps you keep control of the process. It gives you options for raising your concerns, as well as someone to listen and guide you to a resolution. You choose the option for resolution that best suits your situation.

Advantages

- Access to a confidential helpline: 1-800-947-7658
- Assistance from experienced professionals in conflict resolution, called Ombudsmen
- Various internal and external options for resolving the issues and concerns
- A fast process that takes days or weeks instead of months or years
- Confidential process that respects your privacy and the privacy of others
- Direct resolution of problems and concerns at the lowest possible level, where they should be resolved
- Flexible options that are tailored to each unique situation
- Inexpensive process that avoids (or minimizes) expensive legal costs
- Neutral program that provides objective, independent third party assistance

The DRP has been in place since 1993 and has assisted more than 20,000 employees with their workplace issues. It has given many employees an alternative to the court system, which becomes more costly and time-consuming with each year. By listening to input from KBR employees, the DRP was designed to address the mutual needs of both the employees and the company to foster more trust in the system, assure protection against retaliation, safeguard legal rights and offer control over ways to resolve disputes. The DRP was designed to follow the principles of the International Ombudsman Association (IOA) including Confidentiality, Neutrality and Independence.

No Retaliation Policy

KBR strictly prohibits retaliation against those who use the DRP. This protects your job, your relationships and your reputation. You have a right to be heard and to expect that your dispute will be addressed. Senior management at KBR stands behind the “no retaliation” policy, and it is part of management’s job to assure this does not happen.

Notice

Your communication with a member of the DRP is considered “privileged and confidential” and, as such, does not constitute “notice” to KBR. This means that you can speak to the DRP staff in complete confidentiality. However, if you wish to place KBR “on notice” and make the company formally aware of an issue, the DRP can provide information on how to do that. Just ask them.

Protection of Your Rights

There are many laws that describe your rights, and KBR takes complaints about possible violations of rights very seriously. The DRP’s design allows your issue to be resolved more quickly and at less expense than if it went through the judicial system. If you feel your rights have been violated, or if you need assistance with some of the covered issues, the DRP is available to you. You still have the option to contact other appropriate state and federal agencies, like the state Human Rights Commission where you live, the Equal Employment Opportunity Commission (EEOC), the National Labor Relations Board (NLRB) or any other government regulatory agency regarding your workplace problem or concern.

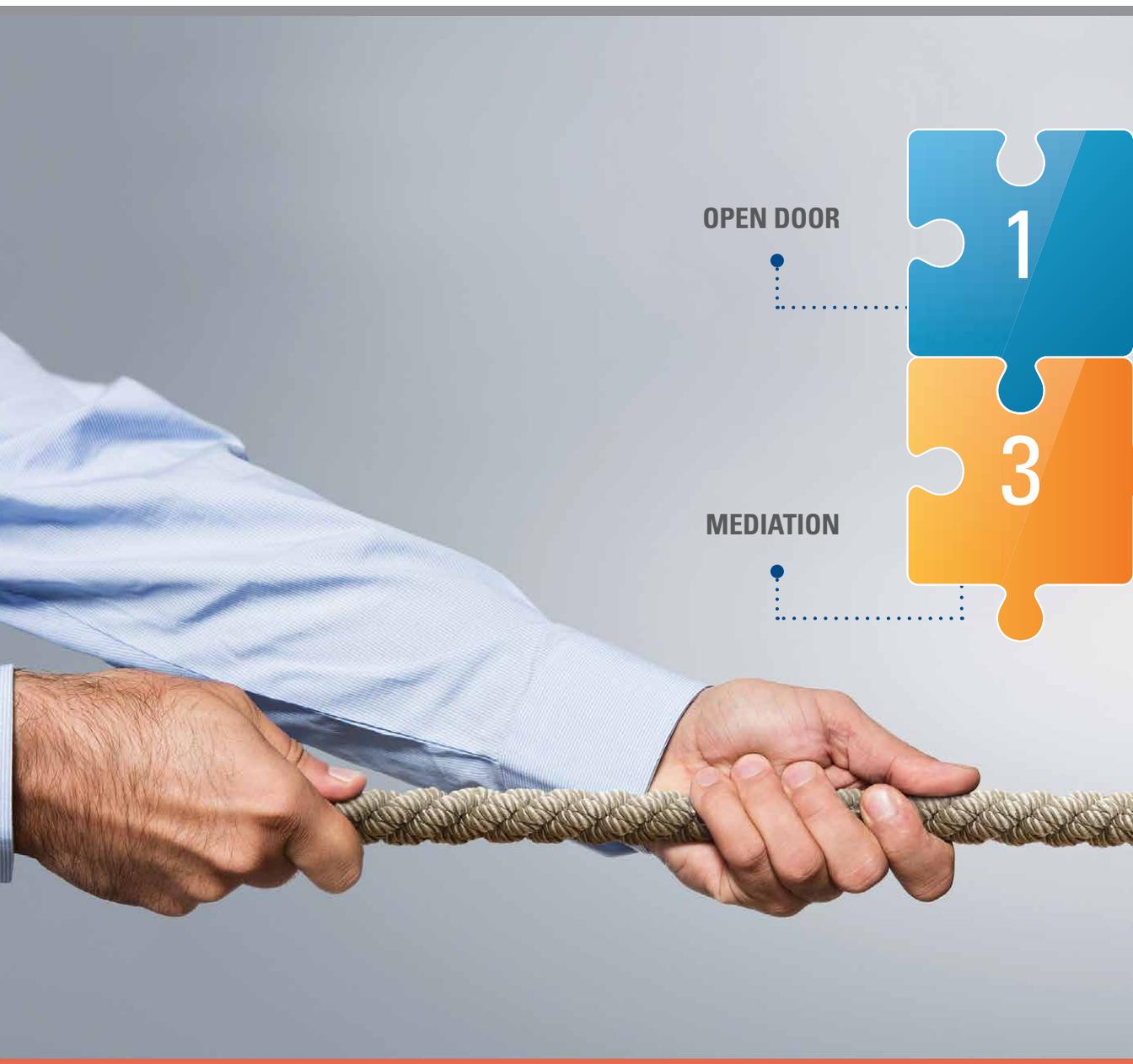
**Don't know what to do?
Call the DRP at (800) 947-7658.**



Program Options

The Dispute Resolution Program (DRP) offers four “roads to resolution” – options for resolving concerns. These range from internal (to the company) quick ways to resolve issues, to external methods that take more time and resources. The options can be used in any order, depending on the nature of your dispute. Employees who use internal resources and options usually maintain more control over the process and are more satisfied with the outcome.

Usually, the first step is to call the DRP at 800-947-7658 and discuss your dispute with a DRP ombudsman. This can save you time, energy and resources by helping you understand your options.



You can ask questions anonymously or you can choose to give your name, discuss your situation in detail and be coached through the processes. Either way, you can benefit from the advice of a professional ombudsman – someone who has had extensive training and experience in resolving employee disputes. An ombudsman can listen to your concerns, answer your questions, review your options, act as a go-between, gather information (with your permission), help you “open doors” and even refer you to other resources where necessary. This helps you help yourself, which generally leads to a more effective resolution.



DIRECT COMMUNICATION
PARTY ONE — **PARTY TWO**



Open Door Option

The Open Door Option is frequently the first and best option because it is easy, fast and it can help maintain relationships. It is a voluntary process that relies strictly on internal resources and resolves problems at the lowest possible level. The Open Door Option is when you go to your supervisor, or Human Resources, or whoever can assist you with the problem that you are facing. The Open Door Option provides access to all levels of management – starting with your immediate supervisor and going up through the organization – without risk of retaliation. It is best to start first with your immediate supervisor in most situations, as they are usually in the best position to assist you. However, there may be times when that person is part of the problem, and you are not sure where to go next. The Open Door Option says that you can take your problem to the next level of management, or any level of management, as appropriate, to solve the problem.

If you are unsure, consider calling the DRP for confidential advice from an ombudsman who can help you make the most of the Open Door Option. The ombudsman can help you assess your situation, discuss your options and make the best decisions.

OPTIONS & NEGOTIATIONS

PARTY ONE  PARTY TWO

OMBUDSMAN



Ombudsman Services Option

What is an ombudsman? In short, an ombudsman is a professional in the field of conflict resolution. Because ombudsmen adhere to the Code of Ethics and Standards of Practice of the International Ombudsman Association (IOA), they are serious about Confidentiality, Neutrality and Independence. What does that mean?

Confidentiality – means the ombudsman will maintain your information in confidence, and you must give them permission to speak to anyone else about your situation before they can do so, with one exception – an imminent risk of serious harm to yourself or someone else.

Neutrality – means the ombudsman is a designated neutral who is impartial and does not take sides or become a champion for either side in a dispute.

Independence – means the ombudsman does not make hiring, firing or policy decisions, and they are not an agent, nor representative, for the company.

If you speak with the ombudsman, they can listen and ask questions, coach you on how to help yourself, gather information, help you identify your options, act as a go-between, develop a customized way of dealing with the issue or consider if other resources could better assist you.

An ombudsman provides a safe environment to bring a concern forward, especially when you are not sure who else to talk to. The ombudsman is not part of any formal reporting channel, so they are an informal way of resolving issues. In the last 20 plus years of the DRP's existence, more than 95% of the issues brought to an ombudsman have been resolved.

Many types of issues can be brought to the ombudsman. They include dignity and respect issues (both supervisors and coworkers), fair and equal treatment issues, pay concerns, disciplinary actions, terminations and many more.

Your communications with the ombudsman are considered "privileged and confidential" and do not constitute "notice" to KBR. This means when you speak with a DRP staff member, you are not talking with a company representative; you are talking with a designated neutral. Likewise, neither those who used the program nor the company may compel the ombudsman to reveal these confidential communications in subsequent proceedings.

The DRP office protects your confidentiality in several ways. They do not maintain files or records. Upon resolution of a case, they shred any case notes. Because some callers want to be anonymous, the caller ID feature of the DRP phones has been disabled. These are just a few ways your privacy and confidentiality are protected.



External Mediation Option

The External Mediation Option provides a route to resolve disputes based on legally protected rights. In mediation, a neutral third party from outside KBR assists in resolving the dispute. The mediator will help you and the company (the parties) come to an agreement based on the needs and the interests of all concerned. In mediation, there is no resolution unless all parties can agree upon a solution. The mediator can make suggestions, but you and KBR are responsible for choosing the actual outcome.

Mediation is a common route for discussing and resolving disputes – although, compared to the Open Door Option and the Ombudsman Services Option, the External Mediation Option does take more time and costs more. Since the DRP's inception, less than 5% of cases have been resolved using external methods. The External Mediation Option is a very successful method for resolution. Between 75-80% of cases that use the External Mediation Option are resolved.

Things to remember about the External Mediation Option:

- Both parties have a say in selecting the mediator.
- Both parties can be heard, share information and benefit from utilizing an outside mediator.
- Mediation helps manage feelings of frustration and hostility.
- Mediation helps to separate emotions from facts and promotes creative solutions.
- Mediation helps people work things out for themselves, because they have a say in the outcome.
- It offers an opportunity for both parties to “win.”



Arbitration Option

Arbitration is an external process where you and the company present your dispute to an outside arbitrator for a final and binding decision. Like mediation, arbitration is reserved for disputes that are based on legally protected rights. The arbitrator is like a judge and can award any remedy that you could receive in a court of law. The arbitrator is chosen by you and the company together from one of two outside organizations. In arbitration, both parties (you and the company) present your evidence and arguments to the arbitrator, who makes a final and binding decision. There is no jury.

Because the Arbitration Option is a more complicated and formal option for resolving issues, you are encouraged to contact an ombudsman before filing for arbitration. The ombudsman can help you ensure that this is the best way to handle your issue, after considering other possible DRP options.

Things to remember about the Arbitration Option:

- The arbitration process usually takes months, instead of spending years in the legal system.
- You will benefit from the experience and objectivity of a neutral, external arbitrator.
- Less than 2% of the issues that come to the DRP actually go to arbitration and it is the least utilized option for resolution
- Certain claims are not subject to arbitration per state or federal law. You may consult the DRP or the DRP Plan and Rules for more details.

How to Request Mediation or Arbitration

Both mediation and arbitration are conducted by neutral third parties provided by two outside organizations – the American Arbitration Association (AAA) and JAMS.

To request external mediation or arbitration, just contact AAA or JAMS directly. You will need to submit a brief description of the dispute, along with a \$50 filing fee. Make sure you tell them that you are a KBR employee and use the contact information below to ensure proper handling. (Using other AAA or JAMS locations may delay the handling of your issue.)

American Arbitration Association

Regional Administrator
Galleria North Tower 2
13727 Noel Road, Suite 700
Dallas, TX 75240-6636
Phone: 800-426-8792 or 972-702-8222
Fax: 855-267-4082
Website: www.adr.org

JAMS

8401 North Central Expressway, Suite 610
Dallas, TX 75225
Phone: 800-352-5267 or 214-744-5267
Fax: 214-720-6010
Website: www.jamsadr.com

Legal Consultation Plan

Because you have access to the DRP, some financial assistance may be available if you choose to consult your own legal counsel for advice on a workplace-related dispute. The Legal Consultation Plan is administered much like a medical benefit in that there is a deductible and a co-payment. Upon approval by the Plan Administrator (contact the DRP office), the Plan will pay up to a maximum of \$2,500 of your legal fees directly to your attorney in any 12 month period of time while you are involved in a DRP process. You can use an attorney of your choice, provided they are licensed to practice law in your state.

If you would like to know more about the Legal Consultation Plan and how it works, or to request benefits under the Plan, please call the DRP at 1-800-947-7658 or visit the DRP website.

Notice regarding reporting to government agencies:

The DRP does not limit your right to file an administrative complaint or charge with, or to participate in an investigation by any government agency, including the Equal Employment Opportunity Commission or National Labor Relations Board. The DRP also does not prohibit you from reporting possible violations of federal law or regulation to any governmental agency or entity. You do not need the prior authorization of the company, and do not need to notify the company, to make such disclosures or reports.

Questions & Answers

1. Why does KBR have a Dispute Resolution Program?

Because KBR believed that a cost-effective and timely process was needed that also helped to preserve employment relationships. That means the DRP is good for the employees and good for the company. Lawsuits are expensive, time-consuming and adversarial. They can take years to run their course. The DRP saves everyone time and money, and respects everyone's privacy. It also helps the company comply with the highest standards of corporate governance and federal laws such as The Sarbanes-Oxley Act of 2002, and the Federal Sentencing Guidelines by providing employees a safe, confidential and anonymous resource to raise issues, seek guidance or get assistance on resolving disputes.

2. Who uses the DRP and for what kinds of problems?

All levels of employees, former employees and applicants can and do use the DRP. The types of issues might include concerns about disciplinary or supervisory issues, safety concerns, unfair treatment, hiring or compensation issues, conflicts with a co-worker, terminations and many others.

3. What is the difference between mediation and arbitration?

Mediation is an "assisted negotiation" between an employee and a company representative with an outside neutral third party (called a mediator) facilitating the process. The outcome is a resolution that both parties agree on together.

In arbitration, there is an outside neutral third party (called an arbitrator) who hears both "sides of the story" presented and then makes a final decision, based on the law. This decision is binding on both parties, and except in very rare situations, it cannot be appealed or reversed.

Mediations and arbitrations are normally held in private offices instead of public courthouses, and are much less formal, resulting in a faster outcome, and less cost than a court trial.

4. What does "ombudsman" mean?

The word "ombudsman" is derived from a Swedish term meaning "about both," since the duty of an ombudsman is to assist in resolving disputes without representing any party in the conflict. This role has a long tradition throughout history of protecting against abuse, bias, retaliation, improper treatment and unfairness.

5. If the company pays the fees of the mediators and arbitrators, how independent and impartial can these third parties really be?

Although mediation and arbitration are not as expensive as a lawsuit, they are still not inexpensive. The company covers the major portion of the costs in order to make these processes available to anyone who might need them. During the development of the DRP, payment to neutrals was given special attention, and it was decided that they should not be paid directly by KBR. These third party neutrals contract with organizations like the American Arbitration Association and JAMS, who govern their training and their standards of practice. Mediators and arbitrators are usually retired judges, attorneys or professors of law who take pride in their reputations, impartiality and neutrality. KBR does fund the processes, but the arbitrators and mediators answer to AAA and JAMS. Further, if you file for mediation or arbitration, you participate in the selection of your mediator or arbitrator.

6. What happens if I file a lawsuit against KBR?

If you are covered by the DRP and you file a lawsuit involving a dispute that is subject to arbitration, attorneys representing KBR will go before the judge, tell him/her about the DRP, and ask that the aspects of the lawsuit that are subject to arbitration be dismissed and sent back to the program. Filing a lawsuit only delays the resolution that could be reached more quickly through one of the DRP options.

7. Can I still go to the EEOC or the NLRB?

YES. The DRP applies to relief you may seek personally through the courts for a workplace dispute. You are still free to consult the appropriate state Human Rights Commission, the Equal Employment Opportunity Commission (EEOC), the National Labor Relations Board (NLRB) or any other government regulatory agency regarding your workplace problem. We hope the DRP is so effective you won't need to go anywhere else.

8. What if my supervisor makes work difficult for me after I bring my dispute to the DRP?

KBR forbids retaliation for using the DRP. If you feel that someone is retaliating against you for using any of the options of the program, please contact an ombudsman or your Human Resources professional.

9. Does KBR pay the salaries of the DRP staff? If so, how can they be truly impartial?

KBR does fund the DRP and pay the salaries of the DRP staff. The entire program has been designed from the beginning to operate independently and protect confidentiality. The program operates under the Code of Ethics and Standards of Practice of the International Ombudsman Association. KBR adopted those standards which dictate confidentiality, independence and neutrality. Outside experts have

been brought in on several occasions to provide an independent evaluation of the program. It is in the company's best interest to make sure the program provides independent and confidential assistance – otherwise, employees will not use it, and the company will not have the opportunity to resolve problems quickly and at the lowest possible level.

10. If KBR had employees in organized bargaining units, would the DRP apply to them?

NO. The DRP does not automatically apply to unionized employees because they are covered by dispute resolution and grievance procedures agreed to during their collective bargaining process. The procedures for unionized employees can vary among bargaining units, depending on the terms of the collective bargaining agreement.

11. Would disputes with customers, clients, contractors or vendors of KBR be covered by the DRP?

YES. Customers, clients, contractors, vendors and other business partners of KBR are also intended beneficiaries of the DRP, and any disputes of a legal nature you may have with any such entity may be presented to an arbitrator under the program rather than the courts.

12. Is there a time limitation for filing an arbitration claim under the DRP?

YES. You must request your arbitration within one year after the event that led to the dispute (or the time allowed by the applicable law for the filing of a judicial complaint), whichever is longer.

Who Is Covered?

Most employees working for KBR companies are covered by the DRP. The only employees not covered are:

- Those who are covered by a collective bargaining agreement that does not include the DRP.
- Those working outside the United States and not governed by U.S. labor laws.

However, employees who are not governed by U.S. labor laws are still welcomed and encouraged to use Options 1 and 2 of the program. Unless the specific exceptions noted above apply to you, you are covered (no signature is required) if you:

- Apply for or accept employment with KBR, or
- Continue your current employment after the effective date of the DRP's adoption by your business group, or
- Have been covered under a previous version of the DRP.

If an employee accepts or continues employment with any KBR company, the employee and KBR thereby agree to all provisions of the DRP. This agreement includes the requirement that any legal dispute (with the exceptions provided in the DRP Plan and Rules) not resolved through Options 1, 2, or 3 be submitted to final and binding arbitration rather than to a jury or through the courts. Employees will not be required to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

Contacts

Contacting the Dispute Resolution Program is easy:

Confidential phone lines

1-800-947-7658 or 713-753-5383

Confidential fax

713-753-3384

Website

<https://home.kbr.com/disputeresolutionprogram>

Email

kbrdrp@kbr.com

If you have questions, would like more information, or would like to discuss a current work-related situation, just contact the DRP staff.

(Please note, there is no guarantee of confidentiality when using email.)

Dispute Resolution Program

1-800-947-7658

