

**Rowan Companies, Inc.**  
**LeTourneau Technologies, Inc.**

**Code of Business Conduct and Ethics**

**October 30, 2008**

# ROWAN COMPANIES, INC.

## Code of Business Conduct and Ethics

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### Introduction

Rowan Companies, Inc. and LeTourneau Technologies, Inc. and each of their respective direct and indirect wholly owned subsidiaries (referred to as “the Company”, “we” or “our”) are committed to conducting business ethically and legally throughout the Company’s worldwide operations. This Code of Business Conduct and Ethics (referred to as this “Code”) is an affirmation that we expect all employees to uphold the highest levels of honesty, integrity and ethical standards, to act in full compliance with all applicable laws in the performance of their jobs and the conduct of the Company’s business and operations and to avoid actual or apparent conflicts of interest between their personal and professional affairs.

These standards can only be attained and maintained through the actions and conduct of all of our employees. It is the obligation of each employee to conduct himself or herself in a manner that complies with this Code and the standards it embodies. Such actions and conduct will be important factors in evaluating an employee’s judgment and prospects for promotion. Disregard of the principles set forth in this policy will be grounds for appropriate disciplinary action, up to and including termination.

This Code applies to all of our locations, to all of our subsidiaries and to any joint ventures that adopt this Code.

This Code covers the business conduct and ethical practices to be observed at all times by all of our employees, including, for purposes of this Code, our directors. We expect our suppliers, customers and contractors with whom we do business to embrace similar values and standards.

To the extent any of the topics covered in this Code are the subject of a more detailed Company policy specifically addressing such topic, the provisions of the more detailed policy shall prevail in the event of any conflict. Nothing in this document constitutes a contract of employment with any individual.

### 1. Compliance with the Law is Required

Obeying the law, both in letter and in spirit, is the foundation on which our ethical standards are built. You must comply with all applicable laws, rules and regulations of the United States and the states, counties, cities and all other jurisdictions in which we operate in the performance of your job and the conduct of the Company’s business and operations. Although you are not expected to know every detail of these laws, it is important that you know enough to determine when to seek advice from your supervisors, managers or others. Our Compliance Officer or any member of our Legal Department, is available for any questions about the details of laws and regulations applicable to any of our employees.

## **2. Equal Opportunity**

We are firmly committed to equal opportunity in recruiting, hiring, developing, promoting and compensating employees without regard to one's race, color, religion, national origin, disability, citizenship, age, sex, marital status or any other basis that is protected under applicable law.

The Company works to maintain a professional, safe and discrimination-free work environment, where mutual respect is the absolute minimum behavior expected from everyone. It is our policy to hire, evaluate and promote employees on the basis of their ability, achievements, experience and performance.

Ethnic, sexual, racial, religious or any other type of harassment is unacceptable. An example of unacceptable practices in that regard is the use of the electronic mail system to receive or distribute correspondence or materials that are offensive, disparaging of others on the basis of age, creed, disability, gender, national origin, race or religion, or which are false, derogatory to or maliciously critical of others. The Company prohibits sexual harassment of any kind, including inappropriate or unwelcome sexual behavior, either physical or verbal in nature, whether the harasser or the victim is a co-worker, supervisor, agent, customer, guest or vendor.

If you feel that you are being subjected to discriminatory treatment or sexual harassment you should immediately contact your supervisor, Human Resources or consult the procedures described in Section 18 of this Code. ***The Company will not take or permit retaliatory actions against an employee who, in good faith, reports or provides information about misconduct.***

## **3. Insider Trading is Prohibited**

Legal compliance includes complying with the "insider trading" prohibitions under the federal securities laws. The federal securities laws impose civil and criminal liability on anyone who buys, sells or otherwise trades in securities while in possession of material nonpublic information, commonly called "inside information," about the company that issued the securities. This applies equally to trading in securities of the Company and in the securities of other companies, including suppliers and customers of the Company.

The Company maintains a separate policy that addresses Insider Trading. Please refer to that policy for further details. Any questions may be directed to the Chief Financial Officer, the Corporate Secretary, the Compliance Officer or the Compliance Coordinator.

## **4. Conflicts of Interest**

Conflicts of interest must be avoided unless fully disclosed to and approved by the Board of Directors of the Company or the Audit Committee of the Board of Directors. A "conflict of interest" occurs when individual personal interests interfere or conflict with the interests of the Company or even in circumstances when they only appear to interfere or conflict. Conflicts of interest can arise when a director, officer or employee takes actions or has interests that make it difficult to perform his or her Company work properly and objectively or to exercise sound business judgment on behalf of the Company. Conflicts of interest also arise when a director, officer or employee, or a member of his or her family, receives

improper personal benefits as a result of the director's, officer's or employee's position in the Company, whether these benefits are received from the Company or a third party.

It may not always be clear whether a situation presents a conflict of interest or potential conflict of interest. For example, a conflict of interest can arise involving your family members or even your close friends. Examples of some potential conflicts of interest are:

- Receiving an improper personal benefit as a result of your position with the Company, whether that benefit is received from the Company or a third party, such as a competitor, customer or supplier;
- Obtaining a loan, guarantee of obligations or other similar financial accommodation from the Company or from a third party, such as a competitor, customer or supplier;
- Serving as a director, officer, employee or consultant, or otherwise having a material financial interest in, a competitor, customer or supplier of the Company; or
- Awarding Company business to, or conducting Company business with, a customer or supplier who employs a relative or close personal friend or a relative or close personal friend of another Company employee without first fully disclosing the relationship to the Company's Compliance Officer for review.

All directors, officers and employees must report any actual or potential conflicts of interest to the Company's Compliance Officer. The Compliance Officer will review all information submitted and request additional information as may be necessary to determine whether the circumstances described constitute a conflict of interest.

After such review, the Compliance Officer will determine whether a conflict of interest exists and will inform the applicable director, officer or employee of such determination. If the Compliance Officer determines that a conflict of interest exists, or if the Compliance Officer is unable to decide, the Compliance Officer will refer the matter to the Audit Committee of the Board of Directors for further action.

The Audit Committee will then determine (in consultation with the Board of Directors if warranted), what action must be taken. The applicable director, officer or employee will be informed of such determination and will be responsible for taking such actions as may be necessary to comply with the decision of the Audit Committee.

In any event, directors and officers of the Company are prohibited from accepting any personal loans from the Company or allowing the Company to guarantee any of their personal obligations, except as may be legally permitted and fully disclosed under applicable law and approved by the Board of Directors as described above.

## **5. Environmental Responsibility**

The Company is committed to a clean and healthy environment. As part of that commitment, it is the Company's policy to comply fully with both the letter and the spirit of all applicable

federal, state and local environmental laws and regulations and to conduct our operations in such a manner as to meet or exceed the requirements of all such laws and regulations in our business activities. The Company maintains a separate Environmental Policy with which all employees must comply. Please refer to that policy for further details. Any questions may be directed to the Company's Vice President—Health, Safety & Environmental Affairs, the Compliance Officer or the Compliance Coordinator.

## **6. Political Contributions**

The use of corporate funds for political contributions is prohibited by law in connection with all U.S. federal elections and in most state and local elections. It may also be prohibited in many other jurisdictions where we operate. These prohibitions also cover indirect support of candidates or political parties, whether in the form of tickets for special dinners or other fund-raising events, the loan of employees to political parties or committees, or the furnishing of transportation, special duplicating services and the like. Any request made to an officer or employee for a contribution by the Company, directly or indirectly, for a political candidate or political activity should be reported in writing to the Company's Compliance Officer or General Counsel. No Company funds or assets may be utilized for any such foreign or domestic political contribution, support, gift or entertainment without the prior written approval of our Compliance Officer or General Counsel. The Company will not reimburse personal political contributions, directly or indirectly. This policy is in no way intended to discourage officers or employees from making personal contributions directly to candidates or political parties of their choice.

## **7. Corporate Opportunities Belong to the Company**

Employees, officers and directors have a duty to advance the Company's legitimate interests when the opportunity to do so arises. You are prohibited from taking personal advantage of opportunities that properly belong to the Company. This "corporate opportunity doctrine" can be complex, but generally, it prohibits (i) taking advantage personally of a business opportunity that typically would be of interest to the Company, (ii) taking advantage personally of an opportunity discovered using Company property, business contacts or information, or that you become aware of because you work for the Company (or are a director of the Company) or (iii) competing with or otherwise disadvantaging the Company. This would include using Company property, information or position for personal gain, as well. If you have any questions regarding whether this corporate opportunity doctrine would apply to a potential transaction or opportunity, you should consult the Legal Department or the Compliance Officer.

## **8. Accurate Books and Records Must be Maintained**

It is our policy to comply with the financial reporting and accounting regulations that apply to the Company. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must accurately and fairly represent the Company's transactions and must conform to legal requirements and our system of internal controls. You are prohibited from creating or participating in the creation of records that are misleading or artificial. No unrecorded or "off the books" funds or assets are to be

maintained, except where the Chief Financial Officer has determined that they are lawfully required or permitted under applicable laws and regulations.

You should retain Company records in accordance with our record retention policies. In the event litigation or a governmental investigation that may involve any records under your control is under way or threatened, you should consult the Company's Legal Department for guidance with regard to maintaining those records. You are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead the Company's independent public auditors for the purpose of rendering the financial statements of the Company misleading.

## **9. Complete, Accurate and Timely Disclosure is Required**

As a publicly traded company, we are required to make various disclosures to the public, including the filing of regular reports with the U.S. Securities and Exchange Commission (the "SEC"). We are committed to full compliance with these important obligations, and we seek to provide full, fair, accurate, timely and understandable disclosure in our SEC reports, press releases and other public communications, including, but not limited to, reports or other documents filed with governmental agencies. To assist in this endeavor, we maintain disclosure controls and procedures, including internal financial controls, under which you may be requested to provide information or otherwise participate in the financial accounting and disclosure process. If you participate in this process, you have a responsibility to provide information and disclosures in a timely manner and to assure that information and disclosures you provide are complete, accurate and understandable. You are prohibited from making any materially false or misleading statements or withholding any material information or assisting others in doing so.

## **10. Confidentiality Must be Maintained**

You must maintain the confidentiality of confidential information entrusted to you by the Company or our suppliers, customers and others with whom we conduct business. Furthermore, you may not use any such information for your own (or any third party's) profit or advantage. You may disclose confidential information when disclosure is authorized by the Legal Department or if disclosure is required by applicable laws, regulations, legal proceedings or stock exchange rules. Confidential information generally includes non-public information that might be useful to competitors or others, or harmful to the owner of the information if disclosed. Your obligation to preserve confidential information continues even after your employment ends. You should consult the Legal Department in advance of any disclosure if you believe you may have a legal obligation to disclose confidential information.

## **11. Competition and Anti-Trust**

We are committed to conducting our business in an open, vigorous and competitive manner. The United States, the European Union and many other countries regulate, and in some instances prohibit, certain types of anti-competitive behavior. Our policy is to comply with both the letter and the spirit of the antitrust and competition laws of the jurisdictions where we operate. Violations of the law can result in severe penalties, including personal criminal liability.

Due to the complexity of antitrust and competition laws, it would be impossible to provide a detailed discussion of them in this Code. However, the following examples illustrate practices that are prohibited:

- Competitors acting together to fix prices or other terms and conditions of operating for customers or potential customers;
- Bid rigging;
- The allocation of markets, whether geographically or otherwise, by competitors;
- The sharing of information by competitors about present or future pricing of services or products they sell or intend to sell, including the sharing of costs, such as wage and salary data; and
- The concerted refusal to deal with a customer. We have the right to unilaterally select the customers with whom we will do business. However, this right must be exercised alone without suggestion from competitors or other customers.

If an employee has any questions or concerns regarding our adherence to the competition and antitrust laws, he or she is required to report them to the Compliance Officer or the Compliance Coordinator.

## **12. Foreign Corrupt Practices Act (FCPA)**

All employees are required to comply strictly with the United States Foreign Corrupt Practices Act (the “FCPA”). In essence, no employee shall make or promise to make, directly or indirectly, any payment of money or other thing of value to any foreign official of a government (including government-owned companies, such as Saudi Aramco, Petrobras or Pemex) or a political party, or a candidate for political office, for the purpose of inducing or influencing such person to act in any way to assist the Company in obtaining or retaining business for or with the Company. The FCPA also requires that the Company’s books, records and accounts be kept in reasonable detail to reflect accurately and fairly all transactions that we incur. The Company maintains a separate policy on the FCPA, which includes, among other things, requirements pertaining to appointing agents and representatives. Please refer to that policy for further details. Any questions may be directed to the Compliance Officer or the Compliance Coordinator.

## **13. Competitors and Others Must be Dealt with Fairly**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. We do not permit or condone improper taking or use of proprietary information of others, obtaining or using trade secret information that was obtained without the owner’s consent, or inducing such disclosures by past or present employees of other companies. You should endeavor to deal fairly with our customers, suppliers, competitors and employees and not attempt to take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation or any other intentional unfair-dealing practice.

#### **14. Proper Use of Company Assets**

You should endeavor to protect the assets and property of the Company and its subsidiaries and ensure their efficient use. Theft, carelessness and waste have a direct impact on profitability. You should immediately report any suspected incident of fraud or theft affecting the Company to your supervisor or department manager or to the Company's General Counsel or Compliance Officer. You should not use Company assets for non-Company business, though incidental personal use may be permitted as long as it does not impact job performance. You are prohibited from ever using Company funds or property in furtherance of any unlawful purpose. Your obligation to protect the assets and property of the Company includes our proprietary information, including intellectual property, such as trade secrets, patents, trademarks and copyrights, and business, marketing and strategic plans, designs, databases, records, salary information and any unpublished financial data and reports. You are prohibited from using or distributing this information without proper authorization.

#### **15. Improper Gifts and Payments are Prohibited**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers, suppliers or others with whom we do business. You should never give, offer or accept a gift, entertainment or other item of value unless it:

- Is not a cash gift;
- Is consistent with customary business practices;
- Is not excessive in value;
- Cannot be construed as a bribe or payoff; and
- Does not violate any applicable law or regulation.

You should take particular care to avoid accepting any favor or anything of value that could reasonably be interpreted as influencing your judgment in performing your duties for the Company. In addition, there is a wide variety of federal, state, local and foreign laws governing the offering or making of gifts, payments, favors and other gratuities to a government official, and you must comply with those laws. If you are uncertain about the propriety of any gift, payment or entertainment, you should consult the Compliance Officer or the Compliance Coordinator.

#### **16. Safe and Healthy Work Environment Must be Maintained**

The Company strives to provide each employee with a safe and healthy work environment. You must assist in maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are never permitted. All employees should report to work in condition to



perform their duties, free from the influence of alcohol or illegal drugs. The use of illegal drugs is prohibited at all times.

## **17. Making Ethical Decisions**

Situations involving questions of ethics and values are often complex and ambiguous. This Code does not have answers or guidance for every situation or “gray area” dilemma that an employee may confront. Sometimes, a law or policy clearly dictates the outcome. More often, a situation will require interpretation to decide a fair and reasonable course of action. When faced with a decision, ask yourself these basic questions about the situation:

- What feels right or wrong about the situation or action?
- Is your action plan consistent with Company policy and guidelines, applicable law and this Code?
- How might your decision or course of action affect others – customers, suppliers, contractors, partners, competitors, the community, other employees, stockholders, the Company?
- How might your decision or course of action appear to others? An innocent action can result in the appearance of wrongdoing.
- Have you fully explored the consequences of your decision? Would additional advice be helpful? Your supervisor knows you and your job and is usually in the best position to help. If you believe your supervisor is not able to resolve your question or problem, contact the Compliance Officer or the General Counsel, who can assist you in resolving the issue.

## **18. Reporting Procedures; Compliance with this Code**

You are strongly encouraged to promptly report illegal or unethical behavior, including financial misconduct and other violations of this Code. If you wish, your concerns or complaints will be kept confidential and your identity will be kept anonymous, though we may be required by law to reveal this information in some circumstances. ***The Company will not take or permit retaliatory actions against an employee who, in good faith, reports or provides information about misconduct.***

The following are some guidelines you may follow in reporting violations of this Code or other misconduct, or if you are unsure about how to handle a situation:

- You are encouraged as a first step to speak openly and freely to your supervisor or department manager;
- If for any reason you are not comfortable approaching your supervisor or department manager or you are not satisfied that your complaint has been handled fairly or appropriately, then you can contact:

- Senior Counsel and Compliance Officer, George Jones, at (713) 968-6836 ([compliance@rowancompanies.com](mailto:compliance@rowancompanies.com));
  - General Counsel, John Buvens, at (713) 960-7588 ([jbuvens@rowancompanies.com](mailto:jbuvens@rowancompanies.com));
  - Compliance Coordinator, Jason Anderson, at (713) 960-7546 ([janderson@rowancompanies.com](mailto:janderson@rowancompanies.com)); or
- If your concerns or complaints relate to the Company’s financial, accounting, internal controls or auditing activities, you may also raise them with:
  - Chief Financial Officer, Bill Wells, at (713) 960-7645 ([bwells@rowancompanies.com](mailto:bwells@rowancompanies.com)); or
  - Director of Internal Audit, Heather Turner, at (713) 968-6857 ([hturner@rowancompanies.com](mailto:hturner@rowancompanies.com)); or
- If for any reason you are not comfortable with the above means of reporting, you may address your concerns or complaints to the Rowan Compliance HELPLINE, as described below:

Rowan’s Compliance HELPLINE: (866) 855-9596 In Writing: SIGNIUS Communications 8915 Knight Rd. Houston, TX 77054 Rowan reference code: 8559596	Legal Department: (713) 621-7800 In Writing: Rowan Companies, Inc. 2800 Post Oak Blvd., Suite 5450 Houston, TX 77056-6189 Attn: George Jones, Senior Counsel and Compliance Officer
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## 19. Accountability for Adherence to this Code

As a condition of your employment with the Company, you accept the responsibility of complying with the policies set forth in this Code. If you violate any of these policies, you will be subject to disciplinary action, including suspension or termination of employment for cause, or other legal action if appropriate under the circumstances. This Code is not intended to and does not create a contract of employment between you and the Company, nor does it guarantee that your employment with the Company will continue as long as you comply with the Company’s policies.

## 20. Amendment, Modification and Waiver of this Code

Only the Board of Directors may amend or modify this Code. The Board, or with the approval of the Board, the Audit Committee of the Board, may waive the requirements of this Code for an employee other than an executive officer or a director of the Company. However, only the Board may waive the requirements of this Code for an executive officer or director of the Company. We will promptly disclose any such amendments or waivers (including implicit waivers) to the extent required by applicable law, regulations or stock exchange rules. For this purpose, “waiver” means the approval by the Board (or if applicable, the Audit Committee) of a material departure from a provision of this Code,

and an “implicit waiver” means the failure of the Board (or if applicable, the Audit Committee) to take action within a reasonable period of time regarding a material departure from a provision of this Code after any executive officer of the Company has become aware of such material departure.