

Vectrus		Policy	
Subject: CONFLICTS OF INTEREST	Policy No.: CM 1.5	Page: 1	
	Effective: 25 May 2016		
	Last Reviewed: 25 May 2016		

		Cancels: CM 1.5, 06 Aug 2014	
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1. POLICY STATEMENT.

A conflict of interest occurs when personal or organizational interests interfere with, or appear to interfere with, an officer's or employee's ability to make objective judgments in the best interests of Vectrus. It is Corporate policy that no officer or employee shall engage in or maintain any business relationship or practice which may inhibit or prejudice the use of sound ethical business judgment in the performance of assigned responsibilities, adversely affect the best interests of Vectrus, conflict with the individual's duties, or in any way compromise his or her loyalty to Vectrus. Avoiding actual or apparent conflicts of interest creates and sustains the trust of our customers, employees, business partners and the public. Employees will promptly notify the SVP/Chief Human Resources Officer or the Legal Department in writing if an actual or potential conflict of interest arises.

2. APPLIES TO.

This Policy is applicable to members of the Vectrus Board of Directors, all employees of Vectrus and all programs/projects and affiliated operations, worldwide. It is intended to operate in conjunction with the Vectrus Code of Conduct and other corporate policies.

3. DEFINITIONS.

a. Personal Conflict of Interest (PCI) occurs when personal interests influence or appear to influence an employee's ability to make objective, ethical judgments in the best interest of Vectrus.

b. Organizational Conflict of Interest (OCI) may arise where, because of other activities, a person is unable or potentially unable to render impartial assistance or advice to the government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. The term "person" includes organizations. IAW the FAR, contracting officials are required to avoid, neutralize or mitigate potential significant conflicts of interest so as to prevent an unfair competitive advantage or the existence of conflicting roles that might impair a contractor's objectivity. There are three main categories of OCI: unequal access, biased ground rules, and impaired objectivity.

- Unequal access arises when a contractor has access to information not available to other contractors such as a government cost estimate.
- Biased ground rules occurs when a contractor may be involved in writing a Statement of Work (SOW) or technical direction efforts and then later seeks to submit a proposal to fulfill that requirement.
- Impaired objectivity occur when a support contractor performs duties that involve assessing or evaluating itself or a partner company.

c. Business Associate is any organization or individual that conducts or seeks to conduct business transactions with Vectrus, to include customers, prime contractors, subcontractors, suppliers, vendors, agents, consultants, joint venture members, teaming agreement members, governmental agencies, schools and universities, and non-profit organizations. It also includes competitor companies and their employees.

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- d. Immediate Family** includes an employee's
- parents, step father/mother, father/mother-in-law
 - grandparents, grandfather/grandmother in-law
 - siblings, half-brothers/sisters, step brothers/sisters, and brothers/sisters in-law
 - spouse or domestic partner
 - children, including adopted children, step children, sons/daughters in-law, grandchildren
 - aunts, uncles, nieces, nephews, first cousins

e. Gift is any gratuity, favor, or business courtesy, including but not limited to merchandise; services; travel accommodations; cash or gift certificates; entertainment; meals (with the exception of on-site, working meals of token value at Vectrus or business partner facilities); special consideration; and anything of value.

f. Token Value is an insignificant value of \$25.00 or less.

g. Substantial Financial Interest means any holdings, including but not limited to investments (shareholding or otherwise), partnership, ownership, or interest, greater than \$10,000 or 1%, (whichever is greater) at current market value, in a publicly or privately held company.

4. GENERAL.

a. Reporting:

(1) An employee is required to make prompt and full disclosure to Vectrus in writing when the employee believes at any time he or she may be engaged in a possible conflict of interest or when he or she is aware of the existence of any family or personal relationships with other people or businesses where such relationships may influence the employee's judgment in performing duties for Vectrus.

(2) The employee will promptly notify SVP/Chief Human Resources Officer for Personal Conflicts of Interest or the Legal Department for Organizational Conflicts of Interest by using the form at enclosure 1. SVP/Chief Human Resources Officer or the Legal Department will advise the employee in writing of the appropriate course of action. The disclosure and remediation details shall be documented in the employee's HR file.

(3) Any employee of Vectrus who is offered remuneration, gifts, or any benefit of significant value, or whose immediate family is offered the same, by any outside business or person under circumstances where it might appear that the purpose of the offer is to influence the employee's judgment in performing duties for Vectrus shall immediately report such offers to his or her chain of command, who will report the information to the Legal Department.

b. Standards of Ethical Business Practices: No employee may abuse a corporate position for personal advantage or engage in any activities or maintain any ties which

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constitute a conflict of interest. Although the following list is not intended to be all encompassing, the following activities are prohibited.

(1) No employee may be employed by (full or part-time), work as a consultant or independent contractor for, or be affiliated with a competitor, customer or business associate of Vectrus without the prior written approval of the Vectrus SVP/Chief Human Resources Officer.

(2) No employee may hold a financial interest, directly or through an immediate family member, in a privately-owned enterprise with which Vectrus transacts any business without the prior written approval of the Vectrus SVP/Chief Human Resources Officer.

(3) No employee may use Vectrus facilities, property, or working time for the purpose of promoting personal business or financial interests or those of third parties without the prior written approval of the Vectrus Legal Department.

(4) Without the prior written approval of the Vectrus Legal Department, no employee may pursue or take advantage of, or inform or direct a third party to take advantage of, an opportunity, including an opportunity relating to securities of Vectrus or other companies, that the employee learns about in connection with his or her employment with Vectrus, or through the use of company confidential information.

c. Acceptance of Gifts: Employees or their immediate family members may not accept remuneration, gifts, or benefits of more than token value from business associates in connection with Vectrus company business. Gifts of token value such as company branded pens, mugs, and other similar items may be accepted. Acceptance of cash or cash equivalents, such as gift cards, of any amount, even if of token value, is strictly prohibited. Vectrus, POLICY CM 1.4 BUSINESS COURTESIES, DONATIONS, ENTERTAINMENT, GIFTS, AND SPONSORSHIPS contains guidelines on providing gifts or business courtesies to government officials and commercial customers. Employees working in Contracts may have additional restrictions on accepting gifts.

d. Personal Relationships: Although not all personal relationships give rise to a personal conflict of interest, employees are expected to recognize and avoid situations where personal relationships with other Vectrus employees or business associates appear to influence an employee's judgment. This is especially true where the personal relationship involves immediate family members or romantic partners who have influence over one another through the chain of command, in purchasing or contracting decisions, in customer bidding or proposal related efforts, or in recruiting or hiring decisions.

e. Financial Interests: Employees and their immediate family members may not have a substantial financial interest in any enterprise if a significant part of the enterprise consists of acting as a supplier, customer, or competitor of Vectrus, or if the employee deals either directly or indirectly on behalf of Vectrus with such an enterprise, regardless of whether or not the volume of business is substantial.

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f. Affiliation or Employment: An employee of Vectrus may not become affiliated or employed by a business associate of Vectrus as a full or part-time employee, consultant, officer, director, board member, or in any other capacity unless approved in writing by the Vectrus SVP/Chief Human Resources Officer prior to such employment. Although Vectrus recognizes the right of employees to seek an elected government office, employees are required to disclose such efforts in order to avoid any potential conflicts of interest.

g. Facilities, Property, and Assets: Employees may not use facilities, company time, or assets belonging to Vectrus in pursuit of non-Vectrus business activities unless prior written approval is obtained from the Vectrus Legal Department.

h. Proprietary & Confidential Information: Employees may not take advantage of, disclose or use any proprietary or confidential information gained in the course of their employment with Vectrus for personal gain or for purposes of buying, selling or trading in any security, including the securities of Vectrus. Employees may not disclose any proprietary or confidential information gained in the course of their employment with Vectrus to an unauthorized person or business associate. Employees who were employed by a business associate, particularly a competitor, customer, or governmental agency, and by virtue of that employment have knowledge of proprietary or confidential information, may not disclose that information in connection with their activities on behalf of Vectrus without the approval of their former employer.

i. Questions: If an employee is uncertain as to the meaning or scope of any portion of this policy or its application to a specific situation, the employee should seek the advice of the Vectrus Legal Department.

5. RESPONSIBILITIES.

a. Employees:

(1) All employees have the responsibility to recognize and avoid engaging in any activities or relationships that would influence or appear to influence their ability to fulfill their duties to Vectrus, make objective, ethical business decisions on behalf of Vectrus, or in any way compromise their loyalty to Vectrus. Employees must not use their position for personal profit or other personal advantage and should avoid any activity that is contrary to the best interests of Vectrus.

(2) Any employee who believes that he or she may be engaged in a possible conflict of interest will promptly notify SVP/Chief Human Resources Officer for Personal Conflicts of Interest or the Legal Department for Organizational Conflicts of Interest by using the form at enclosure 1.

b. SVP/Chief Human Resources Officer Vectrus:

(1) Will ensure HR reviews and identifies mitigation measures for potential Personal Conflicts of Interest (PCI).

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(2) Will maintain conflict of interest (PCI and OCI) disclosure and remediation details in the employee's HR file.

c. SVP/Chief Legal Officer: Will insure the Legal Department reviews and resolves potential Organizational Conflicts of Interest (OCI).

6. VIOLATIONS.

a. Any employee failing to notify management of a potential personal conflict of interest shall be subject to disciplinary action up to and including termination.

b. Any supervisor or manager who does not remove or address a raised personal conflict of interest issue is subject to disciplinary action up to and including termination.

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Notice of Potential Conflict of Interest

Vectrus has been informed that _____ (“Employee”) may have a potential conflict of interest with _____ (the “Vendor”), a company that that is currently doing business with Vectrus. This potential conflict of interest arises from the fact that the Employee:

Vectrus POLICY CM 1.5 – CONFLICTS OF INTEREST, governs how Vectrus and the Employee shall address this potential conflict of interest. This notice supplements the existing Vectrus policy. The Employee, therefore, should review the policy in addition to this notice. To the extent this notice conflicts with the Vectrus policy, the policy shall control.

This notice is intended to document that the potential conflict of interest has been reported to Vectrus and to remind the Employee that (s)he should refrain from any activities that would create an appearance of impropriety, self-dealing, or bias. This includes, but is not limited to:

- Determining specifications, work statements, quality criteria, terms or conditions, etc. for Vectrus that will be used with the Vendor.
- Evaluating a Vendor’s technical proposal or otherwise participating in any source selection process involving the Vendor.
- Reviewing any Vendor offer or proposal to determine if the offered price/cost is fair and reasonable.
- Determining whether Vectrus will accept or reject the goods or services provided by Vendor.
- Preparing any performance evaluations of the Vendor.
- Assessing whether to terminate any contractual agreements with Vendor.

The foregoing is not intended to be an exhaustive list of activities that the Employee should refrain from engaging in. To the extent the Employee has any questions as to whether or not an activity is precluded by the potential conflict of interest, the Employee should consult with his/her supervisor or the Legal Department.

Issued _____:

Acknowledged _____:

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CONFLICTS OF INTEREST– FREQUENTLY ASKED QUESTIONS (FAQ)

The following scenarios are provided to assist employees in recognizing situations which may give rise to personal conflicts of interest.

ACCEPTANCE OF GIFTS

Q: An existing (or potential) supplier provided me with a \$10 gift card to a local restaurant. Can I keep it?

A: *NO. Cash and cash equivalents, including gift cards, are strictly forbidden in any amount.*

Q: An existing (or potential) supplier/subcontractor wants to provide me with sporting event tickets or pay for a round of golf, can I accept the offer?

A: *NO. Sporting event tickets and golf are generally valued at more than nominal value.*

Q: An existing supplier has invited me to lunch to discuss ongoing business. Can I accept his/her offer to pay for lunch?

A: *NO. You can attend but should pay for your own lunch. You may accept reasonable and infrequent meals and entertainment (but not travel or overnight lodging) when offered by a Vectrus customer or business associate (but not a supplier or prospective supplier) for a legitimate business reason and when local custom or practice would make it inappropriate to decline the offer.*

PERSONAL RELATIONSHIPS

Q: I am involved in a romantic relationship with a subordinate. Does this need to be disclosed?

A: *YES. Any relationship involving a romantic partner within the chain of command requires disclosure. Managers and directors involved in a romantic relationship with another employee not in their chain of command are also required to disclose to avoid perceptions of undue influence.*

Q: My cousin works for a supervisor in the department that I manage. Do I need to disclose this?

A: *YES. Your cousin is considered an “immediate family member” as that term is defined in this personal conflicts of interest policy paragraph 3d. and you must disclose the personal relationship.*

Q: My wife works for a supplier who is bidding on a contract that I am working on. Do I need to disclose?

A: *YES. Management should be notified immediately for guidance on how to proceed. Although the supplier may not be disqualified because of the family connection, Vectrus would want to ensure that the evaluation process is not improperly influenced as a result of the relationship.*

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Q: I am on a selection committee looking at 3 potential suppliers, and a good friend of mine works for one of the potential suppliers. Do I need to disclose?

A: *MAYBE. If your friend is a primary contact or agent for the supplier, is involved in the proposal effort, or is a senior executive of the supplier, then notification would be required because as a member of the selection committee, employees must ensure that business decisions are not improperly influenced as a result of existing relationships.*

FINANCIAL INTERESTS

Q: I own stock in a competitor of Vectrus. Do I need to disclose?

A: *MAYBE. If your ownership interest constitutes a “substantial financial interest” as defined in paragraph 3g of this personal conflict of interest policy, then you are required to disclose your ownership interest.*

AFFILIATION OR EMPLOYMENT

Q: I have a second job in addition to my Vectrus job. Do I need to disclose?

A: *MAYBE. If the second job is with a Business Associate, such as a competing company, supplier, or vendor to Vectrus, then disclosure would be required. However if the second job is with an unrelated company and doesn't interfere with the performance of your duties for Vectrus, this would not need to be disclosed.*

Q: My neighbor wants me to see if there is a job opening for his daughter and whether I can “pull any strings” to get her hired. How should I proceed?

A: *You may advise your neighbor that she can use your name as a reference in her application and contact you for general information about the company, if she so desires. You may also respond to internal questions from Vectrus about her suitability for employment, provided you make it clear to the interviewer that she is your neighbor's daughter. Beyond that, you should ensure that you do not have any influence on the hiring decision. Under no circumstances should you provide to your neighbor or his daughter information about the company or the position(s) for which she is applying that is not available to other applicants.*

Q: I work in the Finance Department and I would like to apply for the position of treasurer of the parents' committee at my daughter's school. Do I need to disclose?

A: *NO, provided that the position does not interfere with your role and duties in the Vectrus Finance Department.*

FACILITIES, PROPERTY, & ASSETS

Q: I am a software engineer for Vectrus and I have a small, side-business, run from home, installing and servicing tailored software solutions for personal computers. Do I need to disclose this?

A: *MAYBE. Even if this activity does not directly conflict with your duties for Vectrus, it could present the appearance of a conflict of interest to others who are aware of your side business. More importantly, an actual conflict of interest would exist if you were to utilize Vectrus resources, such as computers, internet, phone, proprietary data, and your time during Vectrus work hours, for non-Vectrus business. Therefore, before engaging in this activity you are required to disclose to avoid the appearance of a conflict of interest.*

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PROPRIETARY & CONFIDENTIAL INFORMATION

Q: I am a new hire from a competitor and have knowledge of the competitor's products that I would like to share with Vectrus. Is this acceptable?

A: *NO. Competitor proprietary or confidential information may not be disclosed.*

—End of Policy—