



# WGS Systems, LLC Ethics and Business Conduct Policy

## OUR MISSION

To enhance the capability of defense and public safety personnel by providing optimal situational awareness. We will revolutionize the Command, Control, Communications and Computer (C4) ISR industry by offering off-the-shelf, complete turnkey capabilities that require minimal integration and are capable of deployment on platforms of any type, immediately operational and mission ready, anytime, anywhere.

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## Chief Executive Officer's Message

WGS Systems is a company built upon trust. At our core nothing is more essential than the trust of our employees, customers, vendors, competitors and local communities.

Therefore, we proudly present the following Ethics and Business Conduct Policy to let our employees and other stakeholders know what WGS stands for and what WGS will and won't do.

As a for-profit business our primary goal is expanding the economic value of the enterprise for the benefit of all its stakeholders including employees, customers, vendors and owners. However, equally as important as the economic goal, and critical to obtaining that goal, are the values that determine how our company and our employees behave.

The following policy statement sets forth the ethics that are important to us and the ways we will and won't conduct ourselves in the marketplace and workplace. The foundation of our ethics and business conduct policy are the core values we embrace wholeheartedly:

- We tell the truth
- We obey the law
- We are fair
- We respect the rights and interests of others

Meeting these standards is not always easy. The task starts at the top. Our leadership team must lay-out and explain the company's values and goals and set an example for others to follow. This letter and accompanying policy aim at doing that.

Robert M. Wise

# Introduction to the WGS Ethics and Business Conduct Policy

This policy on Ethics and Business Conduct sets forth important WGS values and rules to help guide our employee’s everyday actions. It identifies the legal, regulatory and ethical requirements that employees of WGS are expected follow. It is organized to provide easy reference when needed.

No policy can anticipate every situation that may arise in one’s daily work. If in doubt about a course of action, consult others for guidance and use your best judgment to make the right decisions for the company.

## Complying with Applicable Laws and Regulations

One of our basic values is to obey the law and the regulations that apply to us. With respect to your role at WGS, you are responsible for: 1) knowing the laws and regulations that apply to your work; 2) knowing what is required for compliance, and; 3) seeking guidance when you are unsure what to do.

### Government Contracting

Specific requirements for government contracting as related to these laws and regulations are further detailed in the section: [Fulfilling Government Contracting Requirements](#).

## Fair Competition and Antitrust

WGS is proud of the quality of our products and services, our past performance, our reputation and the business relationships that help us win and retain long-term customers. WGS is confident that we will win our fair share of business competitively. WGS will not participate in any anti-competitive activity - not only because it is illegal, but because it is contrary to the interests of our customers. Anti-competitive activities include price fixing, bid rigging, market sharing and boycotting of suppliers or customers.

### Key Term: Antitrust

U.S. Antitrust Law prohibits business activities that impede fair competition. Most countries outside of the U.S. enforce similar laws to promote fair competition.

Be alert to approaches from competitors or their agents regarding any kind of cooperation. There are many ways competitors cooperate that are not anti-competitive or illegal, but it is a sensitive and potentially risky area. If you are not familiar with the rules that govern anti-competitive behavior, consult your supervisor or legal counsel before discussing with or otherwise responding to a competitor or an agent of a competitor who approaches you about pricing or cooperating in any way.

Common Antitrust Behavior	Description
Price fixing	Agreement among competitors to set the price of a product or service above the market price.
Bid rigging	Agreement among competitors to allow one of them to win a contract by having others bid at a higher price.
Market sharing	Agreement among competitors to divide up their territories (e.g. by geography or customer) to reduce competition.

Group boycott	Agreement among competitors to avoid doing business with a particular company.
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**Anti-bribery and Anti-Corruption**

Anti-bribery and corruption laws in the United States and in most other countries prohibit the giving, receiving or offering of anything of value in exchange for an unfair business advantage. Engaging a third-party intermediary to conduct such activities on WGS’s behalf is also illegal.

WGS’s policies and values prohibit employees from giving or receiving anything of value that is or could appear to be a bribe or corrupt the duty of an official or fiduciary.

Sometimes practices that people think are ok are not. For example, if a company doesn’t explicitly permit it, an employee who books company travel that provides him or her with personal sky miles or other benefits, but is more expensive than taking a different airline or route, is participating in a form of kickback scheme and has a conflict of interest with WGS.

<p><b>Key Terms:</b></p> <p><b>Bribery</b> The offering, giving, receiving or soliciting of any item of value to influence the actions of an official or other person in charge of a public, fiduciary or legal duty.</p> <p><b>Corruption</b> Use of a political or other position of power granted by others to direct business to someone other than the most competitive bidder or to whom that person should direct the business in his or her official or fiduciary capacity.</p>
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*Important Terminology*

Anything of Value	Can include cash, gift card, employment, donation, travel, entertainment or any other gratuity.
Kickback	A form of bribery in which an undisclosed payment or benefit is provided to someone who has the power to direct a piece of business. More on Anti-Kickback Laws can be found in the Government Contracting Laws and Regulations section.
Foreign Corrupt Practices Act (FCPA)	U.S. law that prohibits the direct or indirect bribery of foreign government officials as well as the falsification of accounting records to obscure bribes.
Foreign Government Officials	Under the FCPA, this term is applied broadly and includes: anyone working directly for or on behalf of a foreign government, its agencies or departments; a public international organization such as the United Nations, or; a government-owned corporation.
Facilitating Payment	A small sum paid to a government official to expedite routine government actions. While not always illegal, facilitating payments are problematic under the law and thus are prohibited by WGS.

## Anti-money Laundering

Money laundering is a tactic used to fund criminal activities and terrorism. The buying, selling and leasing of equipment, for example, could be used in such a scheme. While WGS would not knowingly engage in money laundering, you should follow best practices and be aware of the warning signs so you do not inadvertently aid a criminal or terrorist enterprise.

**Key Term: Money Laundering**

The practice of hiding the origins of illegally obtained money by transferring funds through legitimate businesses and banks.

It is against the law to not report suspicious activity that could be related to money laundering. It is also illegal to notify or “tip-off” someone suspected of money laundering. If you see suspicious activity that may be related to money laundering report it immediately to WGS’s President.

Best Practice	Warning Signs
<p><b>Know Your Customer</b> Collect adequate information to ensure the legitimacy of the customer entity; ensure your customer is not identified with criminal or terrorist activities.</p>	<ul style="list-style-type: none"> <li>• Customer unwilling to provide basic ownership or line of business information.</li> <li>• Customer providing inconsistent information or materials.</li> <li>• Customer requesting unexplained changes to previously provided information.</li> </ul>
<p><b>Determine Payment Terms</b> Detail acceptable forms of payment through established financial institutions, and conduct additional due diligence if exceptions are requested.</p>	<ul style="list-style-type: none"> <li>• Request to make payment through one or more unrelated third parties.</li> <li>• Request to pay in multiple installments of less than \$10,000.</li> <li>• Request by customer to send a refund of overpayment to an unrelated third party.</li> <li>• Payment that circumvents the conventional banking system.</li> </ul>
<p><b>Proper Documentation</b> Document and keep records of transactions, information gathered, and due diligence efforts conducted, especially for problematic transactions.</p>	<ul style="list-style-type: none"> <li>• Discovery of discrepancies with information provided by customer post-transaction.</li> <li>• Request by customer to change payment or delivery terms post-transaction.</li> </ul>

## Trade Compliance

Any time a product, service or technology is transferred or performed across international borders, it is subject to trade compliance regulations. The import and export laws of the United States and other countries with which we do business impose restrictions on the sale or transfer of certain products, services or technologies. These laws sometimes restrict the mere exchange of information by email or in conversation.

### *Defense-Related Export Control*

You must be aware of and adhere to special restrictions when exporting defense-related items that are subject to the U.S. International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). These laws are designed to protect national security and



further U.S. foreign policy by restricting and controlling the export of defense and military related technologies.

### ***Restricted Party Lists***

WGS cannot do business with any of the individuals, entities or countries listed by the Office of Foreign Assets Control (OFAC) in its Sanctions Program Listings. These listings are designed to prohibit dealings with certain countries, individuals or companies that threaten the national security, foreign policy or economy of the United States.

Trade compliance is extremely complex and consequences of violations can be severe. If you are unsure of the trade compliance regulations that apply to your work, consult your supervisor or the Director of Contract Administration for guidance.

### **Anti-Boycott Laws**

WGS is required to adhere to the U.S. anti-boycott laws which prohibit supporting or participating in boycott activities not consistent with U.S. policy. If you receive a request for information or support relating to international boycotts and are unclear about applicable laws, consult your supervisor or WGS's President.

### **Insider Trading**

WGS occasionally comes across material non-public information about public companies. It is illegal to use that information to buy or sell that company's stock or to share that information with someone who uses it to buy or sell the company's stock. Doing so could subject the individuals involved to serious fines and penalties, including imprisonment.

**Key Term: Material Non-Public Information**

Information about a public company that has not been made publicly available and is important enough to affect the value of the company's stock.

### **Human Trafficking and Modern Slavery**

WGS will not engage in an activity or support others who engage in an activity that violates basic human rights including forced or compulsory labor, human trafficking or modern slavery. WGS will not do business with suppliers or other parties suspected of engaging in these activities.

## **Observing Fair and Responsible Business Practices**

WGS wants to be an exceptional corporate citizen who follows the highest ethical and business conduct standards. That goal demands that WGS always be fair and responsible in its business practices and that we comply with both the letter and the spirit of the law.

### **Conflicts of Interest**

A conflict of interest arises when an employee or director's personal relationships, financial interests, outside employment or personal business opportunities conflict with WGS' interests or when WGS' interests' conflict with a customer or business partner's interests.

WGS' policy is that we, our employees and directors, should avoid real conflicts of interest as well as the appearance of conflicts of interest whenever possible. WGS acknowledges that some conflicts of interest are unavoidable and/or acceptable. In those instances, WGS requires that the person with the conflict fully disclose the conflict to the other party and obtain their agreement that the conflict is acceptable.

**Key Term: Conflict of Interest**

A conflict of interest arises when a person has a personal interest or responsibility to one party that conflicts with responsibilities they have to another party.

Paying undisclosed fees and commissions to brokers and other third parties for sourcing work can create a conflict of interest with our customers and/or be illegal. WGS will not pay fees or commissions to brokers or third parties for bringing work to WGS unless those fees or commissions are reasonable and fully disclosed to the customer.

Type of Conflict	Example	Harm Done to WGS
Personal relationship	Hiring a relative even though he or she may not be the most qualified candidate for the job.	Poorer organizational performance and employee morale.
Financial interest	Choosing a supplier because of a personal financial interest in the supplier.	Higher costs and possibly inferior supplier products or services.
Outside employment	Working as a freelance consultant outside of WGS.	Less employee dedication and poorer performance at WGS.
Business opportunity	Directing a sales lead from WGS to your own or a friend's company that provides a similar service.	Loss of business to WGS

### Customer Gifts, Travel and Entertainment

Gifts, travel and entertainment provided to customers and others outside WGS are an important part of business and are an effective way to strengthen business relationships. However, under some circumstances, gifts, travel and entertainment given or received could violate the law, create or give the appearance of a conflict of interest or inappropriately influence the duties of an official or fiduciary.

WGS relies on its employees to know the rules and apply good judgment in making decisions consistent with applicable laws and regulations and our ethical and business conduct standards. However, as a safeguard, WGS requires that gifts over \$100 and travel and entertainment over \$250 provided to customers or officials be documented and pre-approved by WGS's Director of Contract Administration or Chief Financial Officer.

Government employees are subject to very strict rules on gifts, travel and entertainment. Be sure you know and obey the rules before providing a gift or offering entertainment to a government employee.

Type of Gratuity	Example	Appropriateness	
		Private Sector Employee	Government Employee
Gift	Engraved commemorative plaque	Ok	Probably Ok
	A nice bottle of wine	Probably Ok	Not Ok
	A vintage Rolex watch	Not Ok	Not Ok
Travel	Sending a car service to pick up your business contact from the airport	Ok	Maybe Ok
	Providing accommodation to your business contact during a 2-day offsite at a business hotel	Probably Ok	Not Ok
	Paying for an all-expense-paid luxury trip to an exotic tropical island for a meeting	Maybe Ok	Not Ok
Entertainment	Providing lunch during an all-day meeting	Ok	Maybe Ok
	Taking your business contact to a local sports game	Ok	Not Ok
	Chartering a private yacht for a day's outing for your business contact and her family	Probably Not Ok	Not Ok

**Fraud**

Falsifying company records or misrepresenting the company's performance or financial condition is fraud. Doing so is usually illegal and always against WGS's ethical standards. Be familiar with the common forms of fraud and report any suspicious activity to WGS's President or Chief Financial Officer.

*Common Forms of Fraud*

Theft of company property	Embezzlement	Falsification of expenses
Forgery	Improper financial reporting	Deliberately inaccurate business records

**Confidential and Sensitive Information**

WGS often obtains information that is confidential or sensitive. Confidential or sensitive information includes information that is: 1) classified; 2) proprietary to WGS, our customers, competitors, suppliers, or other business partners; 3) covered by a non-disclosure or confidentiality agreement, or; 4) employee information, including personally identifiable information, that is required to be, or can reasonably be expected to be, kept

**Key Term: Personally Identifiable Information**

Information that can be used to identify a single individual, such as the social security number, driver's license number, or birthdate when combined with a person's name.

confidential.

WGS and its employees have a legal, contractual and ethical obligation to safeguard confidential, proprietary and classified information. This means protecting the information by using proper security practices and disclosing the information only to those who are authorized to receive it.

It is against WGS' standards and may be illegal to improperly acquire, use or divulge confidential information of the company, a competitor, customer or any other party. If you are unsure about whether information is confidential or with whom it can be shared, consult your supervisor, the Director of Contract Administration, Facility Security Officer (FSO), or legal counsel.

Proper handling of classified information is extremely important and requires special training and a clearance. The rules governing classified information are not covered in this document. If you do not have the required training and clearance, you are not allowed to possess classified information. If you come into the possession of classified information or have an opportunity to do so and you are not trained for its handling or do not have a clearance, report it immediately to WGS' FSO.

#### *Examples of Information Security Best Practices*

<b>General</b>	<b>Electronic Formats</b>	<b>Paper Format</b>
Execute and adhere to confidentiality agreements.	Ensure that access to confidential or sensitive information is restricted.	Keep confidential files in locked cabinets when not in active use or when away from your desk.
Consider whether the information is confidential before using or sharing it.	Use strong system passwords and do not share them with anyone.	Mark appropriate documents "confidential."

#### **Use of Company and Customer Property**

WGS trusts its employees to use company property responsibly to further our business goals. Company property includes tangible property such as office space, cars and other equipment and intangible property such as WGS' website, software, internet access, and phone systems. While personal use of company property is permitted under certain circumstances, it is never permitted for personal gain or illegal purposes. Personal use of customer property is never permitted. WGS applies an exceptionally high standard to the care and protection of customer property and has a zero-tolerance policy if the rules are violated.

#### **Intellectual Property**

WGS' intellectual property, including assets such as the WGS brand and logo, market intelligence, supplier relationships, and business development and competitive strategies is very valuable. Employees are expected to carefully protect WGS' intellectual property. Violating the intellectual property rights of other companies or individuals is unethical and

usually illegal. WGS forbids its employees from violating another company or person's intellectual property rights.

## Careful Communication and Social Media

When communicating with each other, our customers, suppliers, and other third parties – whether by letter, e-mail, text, social media, phone, or in person – WGS expects its employees and representatives to be civil, honest and respectful. WGS employees are not permitted to use any company form of communication to inappropriately share confidential information, harass or disparage another party, or otherwise violate the law or the company's ethics and business conduct policy. When using personal social media, be sure your posts do not claim or appear to represent WGS' point of view unless expressly authorized to do so in writing by WGS' Director of Human Resources.

Some forms of communication are better than others depending on the message you are conveying. Non-interactive communication such as e-mail and texting is not as effective as an in-person meeting or phone call for complex or emotionally sensitive communication. E-mail and texting of negative news may seem dismissive, insensitive or rude to the receiver of the information. In your capacity at WGS, use the phone or an in-person meeting when delivering bad or emotionally sensitive news to a customer, vendor or colleague.

## Media Requests and Legal or Regulatory Inquiry

If you receive a request for information, comment or an interview from the media or from a judicial process or a regulator, promptly refer the request to WGS' President. Do not provide any information to the requestor until you receive specific guidance to ensure that the response is compliant and accurate.

## Record Retention

WGS must keep and dispose of business records as required by law. Different records have different retention and disposal requirements. For example, regulations may require financial statements to be retained for a certain number of years while an employee's personally identifiable information may need to be disposed of as soon as there is no longer a business need to retain it.

During litigation, an investigation or an audit you may be required to retain relevant records longer than the applicable retention period or despite a regulatory disposal requirement. If you are unsure about the rules that apply to document retention and disposal, seek guidance from WGS' President.

## Complying with Government Contracting Requirements

Doing business with the government demands exacting contract and regulatory compliance. Failure to meet the government's requirements could damage WGS' reputation, result in penalties and/or losing an important part of our business. To be compliant,

**Key Term: Intellectual Property**

Intangible assets including confidential information, trade secrets, copyrights, patents and trademarks.

WGS employees who are involved with government business must be familiar with the laws and regulations that apply to government contracting.

### Accurate Records

Accurate financial and other business records and documentation are essential to government contracting compliance. It is illegal to knowingly submit false statements or claims to the government. Doing so could subject WGS and the individual employee to fines and criminal penalties including suspension or debarment from government contracting.

### Employment of Current and Former Government Personnel

WGS will not hire or retain current or former government employees, including military personnel, except as permitted by law and only if doing so does not create an actual or perceived conflict of interest for the company or for them. Generally, it is against the law to gain a competitive advantage by obtaining information from a government employee which isn't also available to competitors.

### Use of Suspended/Debarred Contractors

WGS will not work with a suspended or debarred individual, supplier or other party on government business. Be sure to work with WGS's Director of Operations to conduct proper due diligence before hiring an individual or engaging in a business relationship to ensure they are not suspended or debarred.

### Responding to Government Investigations and Inquiries

WGS' government contracting work may require us from time to time to respond to government inquiries, investigations or audits. WGS employees are required to fully cooperate with the government and provide honest and truthful responses to government requests for information. Seek guidance from your supervisor or the Director of Operations to ensure comprehensive and compliant responses to inquiries, investigations and audits.

## Government Contracting Laws and Regulations

When doing business with the government, be sure you are familiar with the following government contracting laws and regulations:

Law/Regulation	Description
Federal Acquisition Regulation (FAR)	The set of policies and procedures that governs how the federal government acquires products and services. The purpose is to obtain the best value, quality and timeliness of

	delivery from the contractor in a process that is fair, open and honest.
Truthful Cost or Pricing Data (TCPD) <i>Formerly “Truth in Negotiations Act” (TINA)</i>	Part of the FAR, TCPD is intended to protect the government when supplier cost is a significant factor in negotiating a contract price. The statute requires government contractors to submit accurate, complete, and current cost or pricing data for bids that exceed a certain amount.
Procurement Integrity Act	This act prohibits the solicitation or disclosure during the bidding process of information that is confidential and prohibits the hiring of former government procurement officials as an employee or consultant within a year of awarding a contract.
Byrd Amendment	Prohibits the use of government-provided funds to pay anyone (e.g. lobbyist) to influence Congress or any agency with regard to award or modification of a contract.
Anti-Kickback Laws	Makes illegal the giving of anything of value in exchange for the award or modification of a government contract.

## Observing Our Workplace Rules

WGS’ commitment to act fairly and responsibly applies equally to our employees, customers, suppliers and other business partners. As part of this commitment we strive to adhere to the highest ethical, legal and regulatory standards in the workplace while always treating people with respect.

### Workplace Safety

WGS will maintain safe work environments in our offices and other facilities by adhering to applicable health and safety regulations and taking reasonable additional steps to assure our workplaces are safe. WGS expects its employees to be aware of emergency evacuation instructions and wear personally protective equipment whenever required or prudent to do so. Promptly report safety concerns to your supervisor or the Director of Human Resources.

### *Drug-free Workplace*

Employees are not allowed to consume alcohol in the workplace except at company sanctioned gatherings where alcohol is expressly permitted. The use outside the workplace of drugs or alcohol that affects workplace performance is prohibited under company policy and many government regulations that apply to us. Violations of the company policy and regulations relating to drugs or alcohol will likely result in disciplinary action, including termination.

### *Violence-free Environment*

Threatening or intimidating behavior, bullying or purposely coercive behavior is forbidden at WGS. Unless specifically authorized or provided by law, WGS prohibits firearms, explosives, ammunition, and weapons of any kind from being brought into the workplace.

### **Diversity and Discrimination**

WGS is an equal opportunity employer. WGS hires, promotes and pays its employees solely on the basis of merit. It is not permitted at WGS to hire, promote or pay an employee on any basis other than merit, including race, religion, disability, marital status, gender or sexual orientation.

### **Harassment**

Harassment of employees, customers, suppliers or business partners is prohibited at WGS. If you become aware of an incident or pattern of harassment at WGS immediately report it to the President or Director of Human Resources. Being a Good Corporate Citizen

WGS strives to be an exceptional corporate citizen in our industry and our communities. WGS encourages its employees to do the same.

### **Political Participation, Activities, and Lobbying**

WGS encourages its employees to engage in the political process. However, personal political engagement should not be represented as WGS engagement, affect an employee's work performance or create conflicts of interest.

As a government contractor, WGS may at times engage in political activities to further the interests of the company or the industry. Such activities are permitted as long as they do not create a conflict of interest or violate election or government contracting laws and regulations.

## **Raising Concerns**

If you have a concern about a potential violation of this policy, discuss it with someone in Human Resources or a senior officer of the company for guidance. You do not need to have all the facts before bringing a matter to the company's attention. Your reporting of a violation of this policy will be kept confidential and WGS will aggressively protect from retaliation an employee who, in good faith, reports a violation of this policy.

WGS is required by the Federal Acquisition Regulations (FAR) to report suspected fraud, overcharging, kickback, conflict of interest, or other wrongdoing related government

#### **Key Terms:**

##### **Harassment**

Behaviors – verbal, physical or visual – that diminish the dignity of an individual, create an offensive or hostile environment or interfere with work performance.

##### **Sexual Harassment**

Harassment that is sexual in nature, including inappropriate touching, remarks, images, or requests for sexual favors.



contracting. If you suspect a violation of the FAR, immediately report it to the Director of Operations or WGS' President.

## Contacting Resources

President/CEO

Chief Financial Officer

Director of Operations

Facility Security Officer