

**WORLD AIRWAYS, INC.**

**CODE OF PROFESSIONAL CONDUCT  
&  
BUSINESS ETHICS**

# WORLD AIRWAYS, INC.

## Code of Professional Conduct & Business Ethics

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## Message from the Chief Operating Officer

Dear Team Members:

“Honesty,” Benjamin Franklin once sagely remarked, “is the best policy.” How does one improve on such elegant simplicity? Well, our world has changed since Franklin’s time of course, but his words are no less true.

We work in a complex, ferociously competitive business environment within a highly regulated industry. There is no place in this *Global* venture of ours for shortcuts. World Airways and North American Airlines fly into every time zone and into more countries than perhaps any other airline in the world - and we do it better than anyone. Our story began in 1948 with a dream and since the beginning our name has stood for excellence, resourcefulness, flexibility, safety and the highest standards of ethical conduct.

Now the torch has been passed to us, to you and to me, and what a wonderful and truly remarkable legacy we have inherited. We can all take pride in being a part of this. But to nurture and grow our legacy, we must constantly encourage each other to embrace the principles that made this small company of ours great; that made us the premier charter airline company in the industry and never succumb to the temptation of doing less than the right thing because it is easy or expedient or cheaper to do so.

Shared values, common goals and trust are the qualities that bind us together. Our Code of Professional Conduct & Business Ethics (our “Code of Conduct”) embodies all of these principles, but this document is really nothing more than a written testament of what we practice on the ground and in the air each and every day. And, while comprehensive, not even our Code of Conduct can provide definitive answers to all questions. For that, we must rely on each person’s sound judgment and integrity.

We are the custodians of a great Company with a sterling reputation and only through our unwavering adherence to the strict letter of the law and compliance with our Code of Conduct can we continue to build upon our success. We owe this to ourselves and to those who will follow us. Please take the time to read our Code of Conduct carefully and let us renew our pledge to one another to display honesty, integrity, transparency and excellence in all that we do. Our future, as I say, depends upon it.

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Larry Montford

Chief Operating Officer

## A. **INTRODUCTION**

Professional integrity is a cornerstone of the philosophy and way we do business at World Airways, Inc. (the “Company”). The Company’s corporate history demonstrates a strong commitment to ethical business conduct, professionalism, trust, and honesty in our dealings with customers, business partners, shareholders, members of the public, governmental authorities and each other. These core values are the foundation of the Company’s success. Our words, actions, and business practices must always reinforce these values and the Company’s commitment to the highest ethical standards.

Our core values include four key elements:

- *Integrity*, the foundation of our core values, is being genuine, honest and fair.
- *Respect* is treating people with courtesy and consideration.
- *Collaboration* is leveraging the power of teamwork.
- *Service* is understanding that our customer’s success is our own success.

Our conduct is governed by specific laws and regulations in the countries, states and localities in which we do business. The Company’s Code of Professional Conduct and Business Ethics (the “Code of Conduct”) has been developed to reflect current legal and regulatory requirements for corporate governance regarding U.S. public companies. However, no set of policies can cover every situation that could arise in the course of doing business. Therefore, it is important that we understand and adhere to the spirit, as well as the letter, of this policy. Good judgment and common sense must be exercised at all times.

### **The Company’s Reputation**

The Company’s reputation for uncompromising safety, quality customer service and stringent ethical conduct attracts diverse and talented employees, loyal customers, investors and stakeholders who are interested in our success. A careless or improper act can cost any Company its reputation with devastating consequences. Being faithful guardians of our Company’s reputation is a critical component to securing our future success.

### **Obligations of the Employee**

Be aware this Code of Conduct is only one of a number of written policies and procedures and your conduct is governed by all of them, copies of which may be obtained through Human Resources or found on the Company’s website. It is your responsibility to be familiar with the Company’s policies and procedures and to have an understanding of how these policies and procedures relate to your activities during the course of your employment and, at all times, you are expected to conduct yourself in a manner that reflects the Company’s uncompromising standards for ethical business conduct.

There are numerous resources available to you if you have questions about any aspects of any Company policy, and it is your duty and obligation to promptly raise any concerns about potentially unethical or illegal behavior.

Waivers of this Code of Conduct, if appropriate, can only be authorized by the Chief Operating Officer, Chief Financial Officer or the General Counsel and must be in writing.

### *Obligations of Management*

Leaders at the Company have responsibilities that go beyond those of other employees. Leaders are expected to foster a culture of integrity and set high ethical standards. Leaders are role models and set the tone at the top and by your example, you will encourage employees to fulfill their duties with pride and professionalism and, if necessary, to raise any integrity questions or concerns they may have without inhibition or fear of retaliation. Business results are *never* more important than acting with honesty and integrity in all that we do.

As a manager, if complaints or concerns are brought to your attention, it is your responsibility to respond properly and promptly.

Members of the board of directors, executives and officers, by law, have even a greater duty of care and loyalty to the Company.

### **When to Seek Guidance**

If you're unsure of the right thing to do, ask yourself the questions below to guide your decision-making process:

- Does the action comply with established Company policies and procedures?
- Is the action consistent with Company values?
- Is the action fair and just?
- Is the action legal?
- Does the action place the Company in a compromising position?
- How would this action look if reported on the front page of the *Wall Street Journal*?
- Can I take pride in my actions?

### **Your Duty to Report Misconduct**

To protect both the Company's reputation and your personal reputation, you must promptly report illegal or unethical conduct to an appropriate Company representative. If you do not do so, the continuing action could harm the Company and other employees.

Managers who receive reports of possible illegal or unethical conduct must take immediate action including reporting the situation. The type of action taken will depend on the alleged misconduct. Managers should identify and involve all possible stakeholders ("stakeholders" include our customers and the marketplace, employees, stockholders, business partners, vendors and the public) and seek advice on deciding on an appropriate course of action.

### **How to Get Answers to Your Questions or Report Your Concerns**

Raising concerns helps the Company correct specific problems, identify areas requiring improvement or increased training and assess the Company's level of ethical awareness.

You can raise concerns about questionable legal or ethical behavior in several ways. If you are uncomfortable with any of these resources, or if the resource is part of the problem, choose another option.

- **Your Manager.** Face-to-face discussions with your manager are the best way to solve most on-the-job issues. Your manager will handle your concern directly or will raise it to a higher level as appropriate.
- **Your Human Resources Representative.** You may always contact your Human Resources representative at (770) 632-8247; he or she will investigate the issue and may involve the Legal Department, depending on the issues involved.
- **The Director of Internal Audit.** You may always directly contact the Director of Internal Audit at (770) 632-8183.
- **The General Counsel.** You may always directly contact the General Counsel at (770) 632-8215.
- **Employee Hotline:** Although employees may raise concerns through any of the channels listed above, you are encouraged to report known or suspected violations of Company ethical policies to the Employee Hotline. **The Employee Hotline is: (800) 452-2034.**

The Employee Hotline is operated and administered by a third-party vendor and provides Company employees with a confidential and independent channel for reporting known or suspected violations of Company policy or external law. The Hotline is available 24 hours a day,

7 days a week. All complaints made to the Employee Hotline will be logged and documented by the third-party administrator. The actual investigation of complaints will take place under the direction of the General Counsel, the Director of Internal Audit and Human Resources. In the event that a complaint relates to the conduct of the General Counsel or his or her staff, the third-party administrator will report the complaint directly to the Chairman of the Audit Committee of the Company's Board of Directors who will engage independent outside counsel, as appropriate, to conduct any necessary follow-up investigation.

### **Zero Tolerance Policy on Retaliation**

Any employee who in good faith reports a suspected violation of the Company's policy or external law, or who assists in the investigation of a reported or suspected violation, will not be subject to retaliatory action (even where the allegation cannot be substantiated). Any attempted act of retaliation would itself be a violation of the Company's policy, which should be reported immediately, and will not be tolerated. To the fullest extent possible, the privacy and identity of employees who report suspected violations, or who participate in an investigation in any manner, will be protected.

## **B. RESPONSIBILITIES TO EACH OTHER**

### **Equal Employment Opportunity**

The Company is committed to the principles of equal employment opportunity (EEO) and compliance with laws that relate to the Company's employment practices. It is the Company's policy to make employment-related decisions without regard to race, color, gender, age, citizenship, religion, national origin, disability, marital status or any other legally protected status or characteristic. Employment decisions at the Company are based exclusively on merit, performance and seniority for employees represented by the union.

This policy applies to recruitment, hiring, training, promotion, and all other personnel actions and conditions of employment such as compensation, benefits, layoffs and reinstatements, training, tuition assistance, and disciplinary measures. The Company makes its external recruiting sources aware of its EEO policy and requires that they adhere to the same principles.

The Company is dedicated to ensuring that the working environment is positive and supportive so that each employee can work effectively and to his or her own maximum potential.

### **Harassment-Free Workplace**

The Company prohibits any type of harassment in the workplace not only by another employee but also involving customers, vendors, agents, consultants or visitors. Harassment or intimidation on the basis of age, race, color, disability, national origin, gender, religion, or any other legally protected status or characteristic will not be tolerated.

The Company will not tolerate threats or acts of violence. Threats or acts of violence include comments or behaviors that a reasonable person may perceive as causing or having the possibility of causing physical harm.

Sexual harassment deserves particular mention. The Company prohibits any employee from making unwelcome and/or unsolicited sexual advances or requests for sexual favors, or engaging in other verbal or physical conduct of a sexual nature, when submission to such conduct is made explicitly as a term or condition of an employee's employment; or submission to or rejection of such advances or requests is used as a basis for employment decisions affecting the employee; or when any such conduct or other gender-based behavior creates an intimidating, hostile, or offensive working environment.

### **Diversity**

We believe our most important strength is our employees. We seek to provide a work environment where all employees have the opportunity to reach their full potential, thereby contributing to the Company's success, which

goes hand-in-hand with their own success. Deep mutual respect is at the core of our values. We share common goals and yet each one of us is unique. Diversity is critical for business success in our international competitive environment and high performance companies have proven that embracing diversity is essential to achieving excellence. Our Company is committed to bringing the best and brightest mix of talent possible and to reflect in our employee base the multicultural communities where we do business. This focus helps the Company capitalize on opportunities, increase productivity and become a workplace where all employees contribute their full potential.

### **Safety, Health & Environment**

The Company is dedicated to protecting the safety, health, and well-being of its employees and customers. Employees must work safely and encourage others to maintain a safe and healthy workplace. We have a personal responsibility to ourselves and to our families to return home free of injury.

The Company recognizes that drug and alcohol misuse pose a direct and significant threat to our safe workplace and to providing a productive and efficient working environment for all employees. Therefore the possession, use, sale, attempted sale, conveyance, distribution, manufacture, purchase, attempted purchase, cultivation, and/or transfer of illegal drugs or other intoxicants at any time in the workplace by Company employees is strictly prohibited.

The Company requires job applicants to submit to a pre-employment drug test. Employees in safety-sensitive positions are covered under the provisions of the Company Anti-drug and Alcohol Misuse Program. In addition to pre-employment drug tests, the types of tests that are performed under this program include random, post-accident, reasonable cause, and follow-up/return-to-duty.

The Company occasionally sponsors social events at which alcoholic beverages may be served. Employees are expected to conduct themselves responsibly and should not drink irresponsibly if they must drive. Employees who do drink alcohol are strongly encouraged to get a ride with someone who has not been drinking alcohol or to take a taxi home.

Employees who use prescription and/or over-the-counter medications that may impair their ability to perform their job safely are advised to notify a manager or Human Resources so that steps can be taken to minimize the safety risks posed by such use. Any information the Company may learn about an individual's health or medicines will be treated as private, in accordance with applicable law, and shared with Company personnel only on a need-to-know basis.

Employees should conduct Company business in a way that demonstrates respect for the environment. Employees must be alert to environmental issues and share in the commitment to conserve natural resources. Recycling where appropriate and disposing of hazardous materials, fuels and oils properly are examples of being environmental conscientious.

### **Wage & Hour Standards**

The Company follows applicable federal, provincial, state and local laws and regulations including, but not limited to, pay rates, overtime, meals, rest breaks and child labor.

### **C. RESPONSIBILITY TO OUR CUSTOMERS, BUSINESS PARTNERS & THIRD PARTIES**

The Company's relationships with its customers, business partners and other third parties are based on trust, respect and integrity. Our actions in this area are guided by three fundamental principles:

- The Company will follow the highest standards of ethical and professional conduct.
- The Company will conform to the rules and practices established by each organization with which we do business, in addition to all laws and regulations that apply to the organization. In the rare situations in which a customer's or partner's own practices may sanction unethical or illegal activities, the Company clearly cannot accept and will not become a party to such practices.

- The Company's senior management must be fully informed regarding any activities that might raise any integrity questions, and all concerns and suspected violations must be raised through the appropriate channels.

## **Gifts**

The Company's policy is not to give or accept gifts of material value from customers or business partners. This rule does not prohibit giving or accepting commemorative or promotional items (e.g., model planes, pens, T-shirts, coffee mugs, calendars) or gifts of clearly immaterial intrinsic value (e.g., a fruit basket). Customers may have stricter rules and, if so, the customer's rules must be followed. Be aware that there are specific rules and regulations governing gifts and gratuities to U.S. federal, state and local government officials. Federal law, for example, bars us from even treating representatives from agencies such as the Federal Aviation Administration or the Department of Transportation to lunch.

## **Antitrust & Fair Competition**

The United States has antitrust laws that are designed to foster free and open competition and that strictly prohibit certain anti-competitive practices. The European Union and many other countries throughout the world have laws with similar purposes.

Under these laws, companies may not enter into agreements with other companies, however informally, that unreasonably restrict competition. An obvious example of prohibited conduct is an agreement with a competitor on price fixing or bidding. Similarly, competitors are prohibited from agreeing to divide markets or customers between them or to boycott particular firms. Conduct at trade associations or industry meetings will be particularly scrutinized by regulatory authorities, because such gatherings provide the opportunity for anti-competitive exchanges of information among competitors. The strict prohibitions on anti-competitive conduct make any discussions with competitors that touch on pricing or bids extremely dangerous, and the Company's policy is to not discuss these matters with competitors under any circumstances.

## **Use of Customer Resources**

From time to time, Company employees may perform work at a customer or vendor site. In these cases, our customers and vendors provide resources, such as office space and telecommunications services, for our employees to use in support of their requirements. Our customers and vendors expect that our employees will not use their resources to pursue other business or personal interests or work for other Company customers. Employees must not engage in personal or non-Company business activities while working at a customer or vendor site. Company employees working in a customer facility may not perform work for other Company customers (that is, any customer other than the one providing the facilities) without obtaining prior written permission from the host customer. If a situation arises in which there is a need to perform work for a customer other than the host, the Company customer manager must always be informed and should take responsibility for obtaining permission.

## **Respecting Third Party Intellectual Property**

It is our policy to respect the valid intellectual property rights of others. Employees must avoid the unauthorized use of any third party materials, ideas or information that are protected by copyright, trade secret, patent, or other intellectual property laws or regulations anywhere in the world.

## **D. RESPONSIBILITY TO OUR STOCKHOLDERS**

### **Maintaining Financial Integrity & Accounting Controls**

The Company is committed to achieving compliance with all laws and regulations related to accounting standards, controls and practices. To this end, the Company has implemented appropriate internal accounting procedures to ensure the safeguarding of the Company's assets and the accuracy of its financial records and reports. These procedures must be followed to ensure the complete, accurate, timely and consistent recording of all business

transactions across the entire Company organization. All Company employees, within their areas of responsibility, are expected to comply with these procedures.

The implementation and maintenance of Company internal accounting controls, procedures and records is the responsibility of the Chief Financial Officer. Any accounting transactions that are outside the scope of the Company's standard practices must be approved by the Chief Financial Officer and reported to the Company's independent auditors.

## **Fraud**

The Company strictly prohibits fraudulent activities by its employees, as well as any person or entity affiliated with or acting as a representative of the Company. "Fraud" refers to activities that are willfully or intentionally deceptive, misleading, false, dishonest, or committed in bad faith. Fraudulent behavior may occur through direct words or actions, or by silence, concealment, a failure to act, or a combination of these circumstances.

Examples of fraudulent activities include:

- Falsifying Company records or financial statements;
- Forging or altering Company financial instruments such as checks and drafts;
- Providing false or intentionally misleading information in connection with business affairs of the Company;
- Providing false or intentionally misleading information in connection with expense accounts;
- Paying, receiving or condoning bribes, "kickbacks", gifts or favors to influence or compromise the outcome of a business relationship;
- Embezzlement, misappropriation or conversion to personal use of Company assets, cash, supplies or securities;
- Unauthorized handling or reporting of Company transactions.

The above list illustrates several examples of fraudulent behavior, but is not intended to be all-inclusive.

## **Conflicts of Interest**

The Company's conflict of interest policy is straightforward: don't compete with the Company's businesses and never let your business dealings on behalf of any of our businesses be influenced or appear to be influenced by personal or family interests. Actual or apparent conflicts of interest are of special concern to the U.S. federal government. The Company will avoid actual and potential conflicts of interest in conducting its business and will avoid or mitigate even the *appearance* of any conflict of interest. A conflict of interest may arise if, as a result of the Company's activities or relationships with others where:

- The Company would be unable to render impartial services or its objectivity in performing contract work is or might be impaired; or
- The Company would obtain an unfair competitive advantage in doing business.

The Company must also be attentive to so-called "organizational conflicts of interest" that may result from prior government services work performed by the Company. The organizational conflicts of interest rules address the general situation where, because of previous work for the government, a Company is deemed to be unable to provide impartial assistance or advice to the government, the Company's objectivity in performing work is impaired, or the Company has an unfair competitive advantage. Such a situation may occur, for example, where a Company under contract with a federal agency develops specifications for an item that will be the subject of a future competitive acquisition. The Company that helped develop the specifications may be precluded from competing to provide or manufacture the item for which it developed the specifications.

Company employees are encouraged to participate freely and actively in professional organizations, public interest or public service groups and in the political process. Employees should ensure, however, that such activities do not

unreasonably interfere with their ability to perform Company duties in an objective, timely, and satisfactory manner. Employees should discuss with their supervisor any substantial amount of time to be devoted to such activities to assess the impact on their Company responsibilities.

In all personal activities, employees should make clear that they are participating in their personal capacity and not as a representative of the Company, unless they have prior approval to act as a Company representative. Any proposed use of Company facilities or personnel must be approved in advance by Company management. Any proposed use of the Company's name or logo must be approved in advance by the General Counsel.

Approval to engage in an outside activity that may present a conflict with Company business must be provided in advance and in writing by a member of Company senior management. The following specific rules apply to activities conducted outside of the Company:

- Private, paid consulting by full-time Company employees is not permitted.
- Any personal activities that interfere with the achievement of regular Company assignments and workload are not permitted.
- Any investments or business activities that might conflict or overlap with Company business must be discussed in advance with the employee's manager.
- Any activities that are competitive with the Company are not permitted.
- Any plan to pursue a patent for an invention that may be related to Company business must be disclosed in writing to the Company so that the Company may assess whether there is any potential conflict with Company business or intellectual property rights.
- Employees engaged in outside activities cannot use Company facilities, equipment, software, supplies, or personnel unless authorized in advance.
- Personal phone calls from Company phones that relate to investments or other outside activities must be limited to occasional use.

Our policy regarding any conflict of interest extends to family members and close personal relationships.

### **Protection of Company Property & Confidential Information**

Among the Company's most important assets is its intellectual property. Intellectual property refers to the tangible and sometimes intangible results of our work at the Company. Examples include software, documentation, methodologies, business processes and know-how. The Company uses its intellectual property assets in the development, marketing, and delivery of Company products and services and these assets are protected through copyright, trademark, patent and trade secret laws.

Other proprietary and confidential information of the Company includes such items as the Company's internal business strategy, pricing, customer lists, employee information and financial plans. In addition to proprietary and confidential information belonging to the Company, employees of the Company may have access to sensitive and confidential information belonging to, or jointly developed with, customers or business partners.

Companies and individuals external to the Company, including competitors, may wish to gain access to the confidential information of the Company, or of our customers or business partners.

Maintaining the confidentiality of Company information is essential for competitive, security and other business reasons, as well as to comply with securities laws; therefore, it is critical that such confidential information be closely guarded and all employees take appropriate steps to avoid unauthorized disclosures. In this regard, before

providing any confidential information to a person outside of the Company, employees must first verify that the disclosure is authorized, proper, and covered under the terms of an appropriate non-disclosure agreement. You should treat all information you learn about the Company or its business plans in connection with your employment as confidential and proprietary to the Company.

Unless authorized to do so, Company employees are prohibited from sending, transmitting, or distributing to outside parties any proprietary information, data, trade secrets or other confidential information belonging to the Company or about the Company, its employees, customers, suppliers or vendors. To avoid unauthorized disclosure of confidential information, employees should mark e-mail or other electronic communications that contain sensitive or confidential Company data as “Company Proprietary and Confidential Information” or words to that affect. Confidential information includes, but is not limited to: work product, financial records, business, marketing and strategic plans, personnel, medical and payroll records regarding current or former employees, the identity of, contact information for, and any other account information on customers, vendors and suppliers; inventions, programs, trade secrets, formulas, techniques and processes; and any other documents or information regarding Company operations, procedures, or practices. If employees are ever in doubt as to whether information should be disclosed, they should err in favor of not disclosing the information and discuss the situation with their managers.

### **Use of Company Computer Systems**

The Company maintains an electronic communications system, including, but not limited to computer equipment, software, operating systems, storage media, network, Internet/Intranet/Extranet-related systems, network accounts providing electronic mail, voice mail, fax, telephone, cell phone, web browsing, instant messaging, and FTP (collectively, referred to as “Computer System”). This system is to be used only for business purposes in serving the interests of the Company, our customers or partners in the course of normal operations. Company employees are responsible for using the Computer System in a professional, lawful and ethical manner.

While the Computer System is provided for business purposes, limited appropriate personal use is permitted as long as such use does not interfere with an employee’s ability to fulfill his or her job responsibilities, have an undue effect on the computer or network’s performance, or violate Company’s Code of Conduct and/or other related Company policies. Employees are responsible for exercising good judgment regarding the reasonableness of personal use of Company Computer Systems. If there is any uncertainty, employees should consult with Human Resources.

Employees who wish to pursue any activities related to the development, publishing, licensing, or patenting of software outside of the Company should be aware of the potential conflict with their responsibilities to the Company, with Company intellectual property rights, and with Company business in general. To avoid any conflict of interest or the appearance of a conflict, employees must obtain the Company’s advance written agreement as to the absence of any conflict from a Company vice president or above. Any such activities must not use Company resources and must not interfere with the performance of an employee’s work for Company. Employees may not use software owned or licensed by the Company - or any derivative of such software - in connection with their own software development activities.

### **Company Property & Your Privacy**

All Computer Systems, whether owned or leased by the Company, and the messages, files, data, software or other information stored or transmitted on them are, and remain at all times, the property of the Company. All information created, sent or retrieved through the Company Computer Systems and all activities conducted using Company Computer Systems should not be considered private. The Company reserves the right, at all times, and without prior notice to the employee, to inspect and search all Company Computer Systems and any and all information contained therein to determine whether this Code of Conduct or any other policy has been complied with or violated. Such search or inspection may be necessary for purposes of promoting safety in the workplace and for compliance with federal, state, or local laws. These inspections and searches may be conducted during or outside business hours and in the presence or the absence of the employee. Employees may be given an electronic password when granted access to an e-mail account, a voice-mail account, the Internet, the intranet or any other Company Computer Systems. Employees may change their password from time to time. The Company may override any applicable passwords or codes to inspect, investigate, or search an employee’s files and messages.

Thus, employee passwords do not create any right of privacy in employee computers, telephone systems, or any information stored or sent with Company Computer Systems. Furthermore, the IT Department or management may need to access all electronic resources for maintenance and upgrade.

### **Retention of Company Records**

The Company has a detailed policy regarding retaining records. Generally, we retain records only for as long as those records are being actively used, unless the law or business needs require longer retention.

We never knowingly destroy or discard evidence. Records relevant to a legal action, investigation or inquiry cannot be destroyed or discarded without the approval of the General Counsel. If the Company receives a subpoena or request for records or other legal papers or if we have reason to believe that such a request or demand is likely, our policy is to retain all records that are relevant to the matter. If you receive such a request or other legal papers, notify the Legal Department immediately.

### **Privacy of Personal Information**

In the course of conducting Company business it may be necessary for the Company to collect and maintain certain personal information about employees and customers. In addition, Company employees may have access to sensitive information about customers, customers of our customers, and other third parties. The Company is committed to respecting and protecting the privacy of any such information and complying with all applicable privacy and data protection laws and regulations.

### **Insider Trading & Securities Laws**

The Company has adopted an Insider Trading Policy for board members, executives, officers and employees with respect to the trading of Company securities, as well as the securities of publicly traded companies with which we have a business relationship.

Federal and state securities laws prohibit the purchase or sale of a company's securities by persons who are aware of material information about that company that is not generally known or available to the public. These laws also prohibit persons who are aware of such material nonpublic information from disclosing this information to others who may trade. Companies and their controlling persons are also subject to liability if they fail to take reasonable steps to prevent insider trading by company employees.

It is important that you understand the breadth of activities that constitute illegal insider trading and the consequences, which can be severe. Both the U.S. Securities and Exchange Commission (the "SEC") and the National Association of Securities Dealers investigate and are very effective at detecting insider trading. The SEC, together with the Department of Justice, pursues insider trading violations vigorously. Cases have been successfully prosecuted against trading by employees through foreign accounts, trading by family members and friends, and trading involving only a small number of shares.

This policy applies not only to you, but to family members who reside with you, anyone else who lives in your household and any family members or others who do not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in Company securities).

The prohibition on insider trading in this policy is not limited to trading in Company securities. It includes trading in the securities of other firms, such as customers or suppliers of the Company and those with which the Company may be negotiating major transactions, such as an acquisition, investment or sale. Information that is not material to the Company may nevertheless be material to one of those other firms.

You may not pass material nonpublic information on to others or recommend to anyone the purchase or sale of any securities when you are aware of such information. This practice, known as "tipping," also violates the securities laws and can result in the same civil and criminal penalties that apply to insider trading, even though you did not trade and did not gain any benefit from another's trading.

To help prevent inadvertent violations of the federal securities laws and to avoid even the appearance of trading on the basis of inside information, the Company has adopted an Addendum to Insider Trading Policy (the “Addendum”) that applies to directors, executive officers subject to Section 16 of the Securities Exchange Act of 1934 and certain designated employees and consultants of the Company who have access to material nonpublic information about the Company. The Company will notify you if you are subject to the Addendum.

The Addendum generally prohibits persons covered by it from trading in the Company’s securities during quarterly blackout periods (beginning 15 days before the end of a quarter (including the fourth quarter) and ending after the second full business day following the release of the Company’s earnings for that quarter) and during certain event-specific blackouts.

Inside information has two important elements - materiality and lack of public availability. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell a security. Any information that could reasonably be expected to affect the price of the security is material. Both positive and negative information can be material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved in favor of materiality, and trading should be avoided. Nonpublic information is information that is not generally known or available to the public. One common misconception is that material information loses its “nonpublic” status as soon as a press release is issued disclosing the information. In fact, information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) and the investing public has had time to absorb the information fully. As a general rule, information is considered nonpublic until the second full trading day after the information is released.

This policy continues to apply to your transactions in Company securities even after you have terminated employment or other services to the Company until such time the information you possess has become public or is no longer material.

### **Fair Disclosure**

It is critical that all of our investors have access to the same information about the Company at the same time. No one investor should be given an advantage by receiving material information that is not yet widely communicated. Selective disclosure of information is unfair to the majority of our shareholders and exposes you and the Company to serious legal consequences.

### **Disclosure of Interests in Other Business Organizations**

If you have an investment or other financial interest - either directly or through members of their family or household - that exceeds 10%, or is otherwise controlling in any existing or prospective customer, supplier, subcontractor, landlord, or competitor of the Company, you must disclose this interest in writing to the General Counsel. Investments made through mutual funds or other independently managed investment vehicles are not included in this disclosure requirement.

Similarly, if you serve as a director, officer, partner, or employee of an existing or prospective customer, supplier, subcontractor, landlord, or competitor of the Company, this fact must be disclosed in writing to the General Counsel.

### **Publications, Speaking Engagements & Media Contact**

The Company supports those employees who choose to publish articles sharing their technical or professional knowledge. The Company likewise encourages employees to participate as speakers at functions sponsored by professional organizations. Publications and speaking engagements relating to Company business activity require the prior approval of the Chief Executive Officer. Employees should never suggest or imply that they are speaking on behalf of the Company when presenting personal views in community or professional activities.

The Company is committed to providing its shareholders, the media, market participants and the public with accurate and timely information about the Company in a manner that complies with its legal and regulatory

obligations. In order to ensure compliance with applicable rules and regulations, the Company has designated certain individuals who are authorized to speak on behalf of the Company – namely, the Chief Executive Officer, the President, the Chief Financial Officer, the General Counsel and the Director of Corporate Communications. If any other employee of the Company receives inquiries about the Company from the financial community, shareholders or the media, he or she should in all instances refer such inquiries to the Director of Corporate Communications.

## **E. RESPONSIBILITY TO OUR COMMUNITIES**

### **Political Involvement**

The Company respects and supports everyone's right to participate in the political process and to make contributions to such candidates or organizations as they choose. However, Company contributions to political candidates or organizations may be prohibited or regulated by law and no one should solicit contributions for any political party, organization, committee or candidate on the Company's behalf during work hours or on Company property. Employees who attend political events should take care to avoid the impression that he or she is representing the Company.

### **Community & Charitable Involvement**

The Company strives to be a dedicated and responsible member of the communities where we do business and the Company has an annual charitable giving policy. Employees are free to take an active interest in community and charitable projects and to make contributions to such organizations as they choose. Any employee who attends such events should take care to avoid the impression that he or she is representing the Company.

### **Working with Governments**

The Company conducts much of its business within the public sector, including the U.S. federal government and state and local governments. Our success depends upon an ongoing commitment to the highest standards of integrity, ethical conduct and adherence to the special regulations and requirements applicable to government projects.

### **Subcontractors & Independent Consultants**

The Company will comply with U.S. federal government laws and regulations and the Company's policies concerning subcontractors and independent consultants performing work under government contracts. Company policies relating to subcontractors and independent consultants have four primary objectives:

- To ensure that every subcontractor and independent consultant is retained to perform specific, well-defined work under formal subcontract agreements and that such subcontractors and independent consultants are not retained by the Company on a temporary basis while awaiting U.S. federal employment;
- To ensure that no subcontractors or independent consultants provide personal services to U.S. federal customers;
- To ensure full verification of subcontractor and independent consultant invoices prior to Company acceptance and submission under U.S. federal contracts; and
- To ensure that all subcontractors and independent consultants acknowledge and accept responsibility for and comply with applicable government laws and regulations.

### **Working Internationally**

Many countries throughout the world have laws and regulations governing international transactions and trade controls. These laws and regulations support various economic, national security and foreign policy objectives. Company employees working in, or traveling to, countries outside the U.S. are advised that their business activities will be subject to local country laws. Violating the laws of a country an employee is visiting or residing in temporarily is just as unacceptable as violating the laws of the employee's home country. This Code of Conduct and related Company policies on ethics apply without geographic restriction and our objective is to be a good corporate citizen wherever we operate.

### **U.S. Foreign Corrupt Practices Act**

Generally, the Foreign Corrupt Practices Act (the "FCPA") prohibits any U.S. person from making a payment (a "bribe") to a foreign official to obtain or retain business. The FCPA, however, provides an exception for "facilitating or expediting" payments. For example, government officials in certain countries may pressure individuals to make a payment before they perform routine official duties, such as inspecting baggage or stamping passports. You should be aware that most countries do not recognize the U.S.'s facilitation payment exception. Company policy is to avoid facilitating or expediting payments whenever possible. Employees who are pressured to make a facilitating or expediting payment should make every attempt to consult with a Company senior manager before making the payment. In extreme situations, the payment may be made, but must be promptly reported to Company senior management and be accounted for properly.

Under no circumstances may you, or any third-party representative of the Company, make, or attempt to make, any payment in order to attempt to influence a foreign government official to award business to, or continue to do business with, the Company.

The Company has four specific procedures regarding the FCPA and business transactions overseas (all of which can be found on your Company's website):

- A. International Service Providers Procedure
- B. Procedure Governing Travel for Foreign Officials
- C. International Gifts and Hospitality Procedure
- D. International Facilitating Payment Procedure

### **RESPONSIBILITY FOR COMPLIANCE**

All members of the board of directors, all executives, officers, employees and third parties representing the Company (consultants, independent contractors, agents, etc.) have the duty to read, understand and comply with this Code of Conduct as well as all other policies that may relate to other aspects of the Company's business practices. This Code of Conduct, as revised from time to time, will be distributed annually and you will be expected to read, understand and agree to abide by these policies. Failure to abide by the Code of Conduct could result in severe disciplinary action, civil litigation or even criminal charges.

Final word, remember: *WE ALWAYS DO THE RIGHT THING.*