

Vectrus		Policy	
Subject: ACCEPTANCE OF GIFTS, GRATUITIES, AND ACCOMMODATIONS BY VECTRUS EMPLOYEES	Policy No.: CM 1.6	Page: 1	
	Effective: 25 May 2016		
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TABLE OF CONTENTS

	<u>Page</u>
1. Policy/Practice Statement.	2
2. Applies To.	2
3. Definitions.	2
4. General.	3
5. Reporting And Disposal of Gifts.	4
6. Sample Letter for Returning Gifts.....	6

Vectrus		Policy	
Subject: ACCEPTANCE OF GIFTS, GRATUITIES, AND ACCOMMODATIONS BY VECTRUS EMPLOYEES	Policy No.: CM 1.6	Page: 2	
	Effective: 25 May 2016		
	Last Reviewed: 25 May 2016		

1. POLICY/PRACTICE STATEMENT.

Employees of Vectrus may not offer or accept a business courtesy if it violates any law, regulation or policy applicable to the giver or recipient; may be considered a bribe, payoff or kickback; violates customary business practices; or gives the appearance of impropriety or could give rise to a conflict of interest. No employee or member of the employee's immediate family shall receive or accept any gifts, other accommodations, or anything of value from anyone with whom the employee does business on behalf of the Corporation, which might place either the employee or the Corporation in a difficult, prejudicial, or embarrassing position or interfere in any way with the impartial discharge of assigned duties by the employee. This policy establishes the principles of conduct for Vectrus employees in order to foster fair, open competition, ensure that business relationships between Vectrus and its employees, business partners, suppliers and customers function in an atmosphere of objectivity, avoid the appearance of, or actual conflict of interest, and to avoid the appearance of favoritism.

2. APPLIES TO.

This Policy is applicable to members of the Vectrus Board of Directors and all employees of Vectrus and all programs/projects and affiliated operations, worldwide.

3. DEFINITIONS.

- a. 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

- b. 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.

- c. Agents include persons contracted to perform services for Vectrus such as technical representatives, technical experts, distributors, intermediaries, dealers, consultants, individual sponsors, teaming partners, and individual outside counsel.

- d. 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. Cards, thank you notes, certificates, or other written forms of thanks and recognition are not considered gifts.

Vectrus		Policy	
Subject: ACCEPTANCE OF GIFTS, GRATUITIES, AND ACCOMMODATIONS BY VECTRUS EMPLOYEES	Policy No.: CM 1.6	Page: 3	
	Effective: 25 May 2016		
	Last Reviewed: 25 May 2016		

e. Anything of Value includes cash and cash equivalents to include anything the recipient would find interesting or useful and is not limited to tangible items or economic value. It includes, but is not limited to:

- Cash,
- Cash equivalents (such as gift certificates, gift cards, vouchers, or loans),
- Gifts,
- Entertainment, meals and travel,
- In-kind goods or services,
- Use of vehicles or accommodations,
- Valuable favors, such as educational or employment opportunities for friends and relatives,
- Business, employment or investment opportunities,
- Training,
- Personal discounts or credits,
- Assistance to or support of family members and other benefits such as those listed above,
- Payment of medical expenses

f. Token Value is a value of \$25.00 or less for Vectrus employees. For government employees token value is considered \$10.00 or less.

4. GENERAL.

a. During the course of business many personal relationships develop between Vectrus personnel and outside suppliers, customers, or agents and other parties with whom Vectrus does business. In time this may lead to the expression of friendship in the form of gifts or accommodations which, under normal circumstances and viewed solely in the light of a personal friendship, may be perfectly proper. In the operation of a complex business such as ours, however, the business relationship cannot be separated from the personal relationship.

b. It is of the utmost importance that the integrity of the business relationship not be subject to question. It follows that the business relationship can be questioned if gifts are made, received, or exchanged by parties to this relationship, regardless of the degree of personal friendship.

c. The receipt and giving of what might otherwise be considered as perfectly proper and innocent gifts, even when extended on a personal friendship basis could lead to perceptions of favoritism, bribery, or conflict of interest. This could prove to be embarrassing to the parties concerned and to Vectrus. Particular attention should be paid to the use of other property, facilities or transport which is not related to the normal business activity. The use of these may create or lead to a situation or problem that this policy intends to avoid.

d. In general, an employee may not give (or contribute toward) a gift for the employee's official supervisor and above. An employee may not ask another employee for a contribution toward a gift for the employee's own official supervisor or for the other employee's official supervisor. The exception is that an employee may solicit or contribute – on a strictly voluntary basis – nominal amounts for a group gift to an official supervisor for infrequently

Vectrus		Policy	
Subject: ACCEPTANCE OF GIFTS, GRATUITIES, AND ACCOMMODATIONS BY VECTRUS EMPLOYEES	Policy No.: CM 1.6	Page: 4	
	Effective: 25 May 2016		
	Last Reviewed: 25 May 2016		

occurring events of personal significance, such as marriage, illness, or the birth or adoption of a child (as distinguished from a birthday or annual holiday); or occasions that terminate the subordinate-official supervisor relationship, such as retirement, resignation, or transfer.

e. These rules do not prohibit an employee from giving a gift to another employee, or accepting a gift from another employee, as long as a personal friendship justifies the gift.

5. REPORTING AND DISPOSAL OF GIFTS.

a. Vectrus employees and their family members are generally not permitted to accept any business courtesy gift or other benefit of any type (this includes meals, travel, entertainment and tickets) regardless of value that is offered in connection with Vectrus business.

b. There are only three exceptions to this general prohibition. Employees may accept:

(1) Limited refreshments and meals, such as coffee, pastries and a working meal, when these items are provided during a business meeting.

(2) 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.

(3) Promotional, business items (with logos) with only token value.

c. Other exceptions must be specifically approved in writing on a case-by-case basis by the Vectrus Chief Legal Officer.

d. Employees may not defeat the intent of this Code by using their own personal funds to pay for any gift, meal, entertainment or other benefit under circumstances where it would be a violation if Vectrus were to make the same payment.

e. Any employee of Vectrus who is offered remuneration, gifts, or any benefit of more than token 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/her immediate supervisor, who will report the facts to the Vectrus Legal Department.

f. If a prohibited gift is received by an employee, it should be returned through the corporation's mailing or shipping facilities, with a polite cover letter from the employee's Department Manager explaining corporate policy (see Exhibit A, Form Letter). This practice of returning such gifts also applies to those delivered to the employee's home or directed to a member of the employee's immediate family.

Vectrus		Policy	
Subject: ACCEPTANCE OF GIFTS, GRATUITIES, AND ACCOMMODATIONS BY VECTRUS EMPLOYEES	Policy No.: CM 1.6	Page: 5	
	Effective: 25 May 2016		
	Last Reviewed: 25 May 2016		

g. When a gift of a perishable nature is received by an employee, making its return impractical:

(1) Plants or flowers will be displayed in the lobby, or at another central location where all employees may enjoy their presence.

(2) Gifts of food belong to the entire staff even if addressed to a single employee. Under no circumstances may an employee take a food gift home. Food gifts must be shared with and distributed to the office, with appropriate email notice, during work hours, in central, worksite locations.

Vectrus		Policy	
Subject: ACCEPTANCE OF GIFTS, GRATUITIES, AND ACCOMMODATIONS BY VECTRUS EMPLOYEES	Policy No.: CM 1.6	Page: 6	
	Effective: 25 May 2016		
	Last Reviewed: 25 May 2016		

Exhibit A
Form Letter for Returning Gifts

Date

Mr. John Doe
ABC Company
000 XYZ Street
City, State, Zip Code

Dear Sir:

As members of Vectrus, we appreciate the recognition our assigned responsibilities have been given, both inside and outside our company.

This reputation of being fair and impartial may be severely damaged by an innocent gift. Innocent as these gifts appear to the donor, any gift may embarrass the recipient and ultimately the donor, as well.

In order to protect your company's reputation as one which gives Vectrus maximum value, as well as being one which is considerate of our reputations, it is the policy of Vectrus to return all gifts of any kind, regardless of value, to the donor.

In accordance with this policy, we are returning the gift to you.

We need your help in observing this policy and eliminating possible problems. The remedy is clear. Please do not send gifts of any kind to Vectrus employees.

Sincerely,

Signature
Title

—End of Policy—