



PAE

Leading the Way

Code of Ethics and Business Conduct

Published by the Office of Ethics and Business Conduct

PAE
1525 Wilson Blvd, Suite 900
Arlington, Virginia 22209
www.paegroup.com

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In addition to English, this booklet is published in the following languages:

Arabic, Chinese (Simplified), French, Japanese, Korean,
Romanian, Spanish, Dari, Tagalog and Swahili.

The most current version of this document is available on-line via the
GAIN internal website.

The PAE Policy Statements (PPSs) identified in this Code
are included only as references for PAE employees and are
subject to change or elimination at the discretion of PAE.

Any such change or elimination will not change this Code.
The current versions of all PPSs are available to employees
on the PAE intranet.



Leading the Way

Code of Ethics and Business Conduct

Dear PAE Colleague,

Throughout our history, PAE has distinguished itself from its competitors by maintaining a reputation of integrity and excellence while providing critical services to our customers. I am proud to lead a team of committed professionals who understand that our success as a company depends as much on ethical behavior as superior performance, and who lead others by their example. It isn't always easy.

PAE is known for its ability to rise to any of our customers' challenges, to perform on a tight schedule, often in conflict or post-conflict environments. In these conditions, it is all the more essential that each employee performs to the highest ethical standards and embodies our corporate values.

Our Code of Ethics and Business Conduct, *Leading the Way*, guides employees through the laws, regulations and company values that shape the PAE's definition of ethical behavior. This pamphlet, which has been designed to accommodate the diverse social and cultural settings in which PAE operates, addresses a wide range of topics, ranging from appropriate interpersonal conduct to the requirements of international shipping.

Obviously some areas will apply to all employees, while other areas are specific to certain job functions; however, each employee is expected to review all topics addressed in this booklet and certify that they understand and agree to follow this code.

Our business is complex, and this pamphlet may not have an answer for every situation. I encourage you to use the resources at your disposal – your manager, our Ethics Business Conduct Officer, the Human Resources or Legal department - to ask additional questions if needed, confirm a course of action or voice a concern.

We must work as a team to maintain our culture of Ethics, and I appreciate your full commitment to helping PAE “Lead the Way with Integrity and Excellence.”

Sincerely,



Mike Dignam
President



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OUR VISION AND OUR VALUES

PAE is committed to dealing honestly and fairly with our employees, customers, suppliers, shareholders and the communities in which we live and work.

Our success depends on maintaining a culture of integrity.

PAE holds each director, executive, leader, employee and agent accountable for upholding Our Vision, Our Values and our Code. In so doing, we ensure that PAE's business will be conducted in consistency with the high ethical standards that we demand from each other and that others have the right to demand from us.

Leading with Integrity and Excellence

REPORT VIOLATIONS OF THIS CODE

You have many different channels to report violations or potential violations of this Code, including your manager, Human Resources, Legal, Security, Internal Audit, Environment, Safety and Health Organizations and Ethics, as appropriate.

If you have good reason to believe that a violation of the Code or a contract provision has occurred, or if you are asked to violate the Code or a contract provision; speak up. Report such violations, or suspected violations. Depending on the circumstances, failure to report may itself violate this Code. Remember that no unethical or illegal acts can be justified by saying that they benefited the Company or that they were directed by a higher authority in the organization.

In addition to reporting violations, you are encouraged to contact the Office of Ethics and Business Conduct to discuss any ethics question or concern. When faced with an ethical dilemma, it is always better to obtain guidance before acting.

You may contact the Office of Ethics and Business Conduct to report a concern or seek guidance. The following are some of the confidential ways that you can communicate with the Office of Ethics and Business Conduct (Note: Caller ID is not used on Ethics HelpLine phone numbers):

Call: 888-360-4597 or 703-656-7500

Write: Office of Ethics and Business Conduct
PAE
1525 Wilson Blvd.
Suite 900
Arlington, VA 22209

Email: Ethics@paegroup.com

CONTACTING YOUR ETHICS AND BUSINESS CONDUCT OFFICER

- Your concern will be treated seriously and fairly.
- You will be treated with dignity and respect.
- You need not identify yourself.
- Whether you identify yourself or not, your communication will be kept confidential to the greatest extent possible.
- At a later date, you will be contacted by the Office of Ethics and Business Conduct and informed of the outcome. If you have reported anonymously, you can call the Ethics Helpline to learn the outcome of the case.
- Due to privacy considerations, you likely will not be informed of the details of any discipline that may result from an investigation into your concerns.
- PAE takes its obligations very seriously and will take appropriate action in response to violations of this Code, even if these actions are not always visible to you.

Remember, there is never a penalty for contacting the Office of Ethics and Business Conduct in good faith. People in a position of authority cannot stop you; if they try, they are subject to disciplinary action up to and including dismissal. PAE will not tolerate retaliation against employees who raise concerns to any source in good faith. For more information, please see “How the Ethics Process Works at PAE” which is available at the following internet link, or which will be mailed to you upon request:

<https://gain.paegroup.com/Functions/Ethics/Pages/Default.aspx>

BE ACCOUNTABLE FOR UPHOLDING THE CODE

Our Code applies to all PAE employees, members of the Board of Directors, agents, consultants, contract labor or others, when they are representing or acting for the company.*

You are responsible for adherence to the standards of conduct set forth in this Code and for raising questions if you are concerned that these standards are not being met. Violations of the Code are cause for corrective action, which may result in disciplinary action up to and including discharge.

PAE leaders must be particularly careful with their words and conduct to avoid placing, or seeming to place, pressure on subordinates that could cause them to perform in a way that is contrary to the ethical standards set forth in this Code and company policies. If someone approaches you with a question or concern relating to the Code, listen carefully and ask for clarification and additional information to ensure that you fully understand the question or concern. Answer any question that you can, but do not feel that you must provide an immediate response. Seek help if you need it before responding.

If the concern raised requires that an investigation be conducted to determine compliance with the Code, refer it to the appropriate resource identified in the section entitled “Report Violations of this Code.”



* A waiver of the Code for executive officers or members of the Board of Directors may be made only by the Board or Board committee.

ZERO TOLERANCE FOR DISCRIMINATION AND HARASSMENT

Our Value

PAE is committed to providing a safe and respectful work environment free from threats, violence, harassment and discrimination. Respecting others and performing with excellence create opportunities to achieve success in our workplace.

Leading the Way

You are expected to treat all PAE employees, suppliers and customers with dignity and respect. PAE's goal is to maintain a professional work environment that is free from threats and acts of violence, bullying, abusive or intimidating conduct or other similar behavior. PAE does not tolerate harassment or discrimination of any kind especially involving race, ethnicity, religion, color, sex, national origin, age, U.S. military veteran's status, ancestry, sexual orientation, gender identity or expression, marital status, family structure or disability.

As a global enterprise, we recognize that the various countries in which we do business may have different legal provisions pertaining to discrimination and harassment in the workplace. Nonetheless, PAE has set a standard of zero tolerance for discrimination and harassment that applies to all of its employees, wherever they work.

If you are a PAE leader, you have a special responsibility for promoting a positive, diverse and inclusive work environment where everyone may raise issues or concerns without fear of retaliation.

PAE employees should consult the following policy statements for further information about this topic:

PPS-300 Nondiscrimination - Equal Employment Opportunity

PPS-310 Harassment Free Workplace

PPS-534 Trafficking in Persons

PPS-307 Military Duty

PPS-960 PAE Corporate Security Management

MAINTAIN A SAFE AND HEALTHY WORK ENVIRONMENT



Our Value

PAE is committed to providing a drug-free, tobacco-free, safe and healthy work environment. PAE observes environmentally sound business practices throughout the world because it is the right thing to do.

Leading the Way

You are responsible for complying with environmental, health and safety laws and regulations. Observe all posted warnings and regulations. Report immediately to the appropriate management any accident or injury sustained on the job, or any environmental or safety concern you may have.

You may not be under the influence of alcohol or illegal drugs, or abuse legal drugs, in the workplace at any time. PAE also has a tobacco and smoke-free environment. You may not smoke, use or sell tobacco products on PAE premises.

PAE employees should consult the following policy statements for further information about this topic:

PPS-920 Environment, Safety and Health (ESH)

PPS-306 Drug-Free Workplace

PPS-960 PAE Corporate Security Management

ACCURATELY CHARGE LABOR AND OTHER COSTS

Our Value

PAE customers place special trust and confidence in us when they award us work. We must honor this special trust by ensuring the integrity of our accounting and company records.

Leading the Way

You and your manager are responsible for understanding and complying with PAE's labor recording policies and procedures. You are also responsible for properly accounting for labor, travel, material and other costs, and ensuring that they are accurately recorded and charged to the company's records. These costs include, but are not limited to, normal contract work, and bid and proposal activities.

Knowingly mischarging the time that you work or falsifying your time keeping records violates company policy and the law. No employee shall knowingly charge an incorrect account or cost objective, or knowingly approve such mischarging. Shifting costs to improper accounts also is prohibited.

Transactions between PAE and outside individuals and organizations must be promptly and accurately entered in our books in accordance with generally accepted accounting practices and principles in the United States, and in the countries in which we do business. Under no circumstances should you misrepresent facts or falsify records.

PAE employees should consult the following policy statements for further information about this topic:

PPS-202 Internal Control & Total Audit Program

PPS-232 Business Travel

PAE-280-12 Commercial Cards

PPS-209 Pricing & Cost Estimating

MAINTAIN ACCURATE BUSINESS RECORDS

Our Value

PAE's reputation and credibility depends on all of us maintaining accurate business records. We are committed to operating in an environment of open communication, while not compromising proprietary and confidential information.

Leading the Way

You must ensure the accuracy of any business or financial records for which you are responsible. These include not only financial accounts, but other records such as quality reports, time records, expense reports, resumes and submissions to the company, the customer or regulatory authorities.

If you are responsible for the preparation of any business or financial records on behalf of the PAE or for making public communications, you must ensure that all information contained in such records or communications is full, fair, timely, accurate and understandable.

You should not include any proprietary or confidential information in any public disclosures without obtaining the proper prior approval. Public disclosures include reports or documents filed with regulatory authorities and other public communications made by PAE.

If you have concerns about any aspect of our business or financial records or auditing matters, or you learn that others have such concerns, you should talk to your manager, the Finance organization, Internal Audit, the Legal Department or the Office of Ethics and Business Conduct.

PAE employees should consult the following policy statements for further information about this topic:

PPS-942 Records Management

PS-202 Internal Control & Total Audit Program

PS-130 Corporate Communications & Public Affairs

RESPONDING TO INVESTIGATIONS AND LEGAL ACTION

Our Value

PAE values the trust placed in our company. We face a significant risk of damaging that trust and our reputation when we are involved in an investigation or litigation. We must pay particular attention to conducting our business and ourselves according to the highest standards of business ethics.

Leading the Way

You are required to cooperate in internal investigations. You must never destroy or alter any documents or electronic records; lie to or mislead an investigator; or obstruct the collection of information relating to an investigation or any legal action brought on behalf of, or against, PAE.

To the greatest extent possible, PAE shall cooperate with government agencies responsible for investigating suspected violations of law. If requested by PAE, you also are required to cooperate with investigations conducted by the government. You must notify the Office of Ethics and Business Conduct or the Legal Department immediately if you learn that a government agency or any third party is conducting such an investigation or asking for information pertaining to a suspected violation of law. The Office of Ethics and Business Conduct or Legal Department will help you to review information before it is released to the investigative organization.

PAE employees should consult the following policy statements for further information about this topic:

PPS-518 Voluntary Disclosure

PPS-163 Internal Investigations

PPS-001 Ethics and Business Conduct

STRICTLY ADHERE TO ALL ANTITRUST LAWS

Our Value

PAE values open and fair competition. We want to win, but only with integrity. We do not knowingly enter into business arrangements that eliminate or discourage competition or that provide us an improper competitive advantage, as such arrangements undermine the free marketplace on which our business depends. If you are involved in any dealings with competitors, you are expected to know that antitrust laws may apply to your activities and to consult with the Office of Ethics and Business Conduct or the Legal Department before negotiating with or entering into any arrangement with a competitor. In addition, you should be aware that any of the following may violate antitrust laws:

- Price fixing;
- Boycotting suppliers or customers;
- Pricing intended to run a competitor out of business;
- Disparaging, misrepresenting or harassing a competitor;
- Bribery, kickbacks or stealing trade secrets;
- Entering into agreements or understandings with competitors to divide the market in which they compete by allocating territories or markets, and/or limiting the production or sale of products or product lines;
- Conditioning the sale of one product/service on the sale of another unwanted product/service; and/or
- Conditioning the sale or purchase of products/services on the requirement that the seller or purchaser not do business with competitors of the Company.

Leading the Way

You must avoid engaging in or discussing any of the above activities with competitors, suppliers or customers, and you must report any instances in which such activities are proposed or discussed to the Office of Ethics and Business Conduct or the Legal Department.

PAE employees should consult the following policy statements for further information about this topic:

PPS-520 Compliance with the Antitrust Laws

DO BUSINESS ETHICALLY OUTSIDE THE UNITED STATES

Our Value

PAE's commitment to the highest standards of ethical conduct applies globally. Bribery, violations of export and import laws, and participating in illegal boycotts erode confidence in the marketplace, undermine democracy, distort economic and social development, and hurt everyone who depends on trust and transparency in the transaction of business.

Leading the Way

Unless prohibited by U.S. law, you are responsible for complying with the national and local laws of the countries in which we operate. In the case of a conflict with U.S. law, you must obtain direction from the Legal Department or the Office of Ethics and Business Conduct, which will consult with the Legal Department. In particular, you must pay special attention to the following laws:

Anti-corruption:

You must strictly comply with the anti-corruption laws that govern our operations in the countries where we do business. Such laws include the U.S. Foreign Corrupt Practices Act (FCPA) and similar laws enacted by other countries, for example, under the Organization of Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Officials and other international, anti-bribery conventions. Generally, these laws prohibit the bribery, direct or indirect, of foreign government officials, political parties or candidates to obtain some improper business advantage. More specifically, they prohibit you, directly or indirectly, from giving, offering or promising anything of value to foreign officials or foreign political parties or candidates; for the purpose of influencing them to misuse their official capacity to obtain, keep or direct business or to gain any improper advantage. In addition, to prevent the concealment of bribery, the FCPA prohibits knowingly falsifying a company's books and records or knowingly circumventing or failing to implement adequate internal accounting controls.

Export/Import And Other Trade Restrictions:

You are required to strictly comply with all export and import laws and regulations which govern the transfer of certain technical data, equipment and technology between countries. The export licensing and controls that govern such transfers, as well as the rules pertaining to the import of goods and services, are complex. You must be careful to avoid even inadvertent violations.

In addition, you may not obligate PAE to engage in trade in any country subject to trade restrictions imposed by the U.S. government. Such restrictions can include sanctions or embargoes that prohibit PAE from engaging in certain business activities in specified countries, and with specified individuals and entities. For example, U.S. law prohibits interaction with identified terrorist states and organizations.

To ensure compliance with these laws, sanctions and embargoes, you are responsible for consulting with company experts in the International Trade Compliance Office, the Office of Ethics and Business Conduct or the Legal Department before negotiating any foreign transaction.

Antiboycott:

You may not enter into an agreement, provide any information or take any action that would cause PAE to refuse to deal with potential or actual customers, suppliers or others in support of an illegal boycott, or otherwise to engage in or support restrictive international trade practices or boycotts not sanctioned by the U.S. government. All requests to engage in any such activity must be immediately reported to the Legal Department or the Office of Ethics and Business Conduct, which will consult with the Legal Department.

PAE employees should consult the following policy statements for further information about this topic:

PPS-800 Export/Import Controls and Compliance

PPS-516 Compliance with United States Antiboycott Laws

PPS-530 Compliance with the Foreign Corrupt Practices Act

PPS-504 International Consultants

PPS-510 Protection of Sensitive Information

POLITICAL CONTRIBUTIONS AND ACTIVITIES, INCLUDING LOBBYING

Our Value

PAE respects the integrity of the political process. PAE values its reputation and is committed to upholding the spirit and letter of all laws relating to its participation in the political process.

Leading the Way

Many countries, including the United States, prohibit PAE from donating corporate funds, goods or services, directly or indirectly, to political candidates. This includes employees' work time. Local and state laws also govern PAE's political contributions and activities. Because the laws in this area are complex, you must obtain the written approval of the Legal Department or the Office of Ethics and Business Conduct before using any PAE funds, assets or facilities for the benefit of political parties or candidates anywhere in the world.

You are encouraged to participate personally in civic affairs and the political process and to support the political parties and candidates of your choice. Your involvement and participation in the political process must be on an individual basis, on your own time, and at your own expense. You must be aware of, and avoid, conflicts of interest that can arise if you campaign for or hold public office or serve on commissions or advisory groups. If you plan to seek or accept a public office, you must consult with the Legal Department.

You must also be certain to know and follow corporate guidance before contacting U.S. Congressional and Executive Branch employees and staff.



If you engage in such activity, you may be engaged in lobbying. Always ask before you act to avoid unintentional violations of corporate policy and federal rules concerning gifts and lobbying.

You must also know and follow corporate policies and procedures before contacting any member or employee of a non-U.S. government.

It is important that PAE present a single, consistent business message to our Washington, DC-based customer community. You must coordinate with the Vice President of Government Affairs before interacting with U.S. Congressional and Executive Branch employees and staff.

PAE employees should consult the following policy statements for further information about this topic:

PPS-555 Political Activity

PPS-102 Washington Operations

COMPETE FAIRLY FOR ALL BUSINESS OPPORTUNITIES

Our Value

PAE's continued long-term success depends on our upholding the integrity of the procurement process in bidding, negotiating and performing contracts for local, state, national and international customers. We compete fairly and ethically for all business opportunities.

Leading the Way

You are responsible for dealing fairly with the company's customers, suppliers, competitors and employees. If you are involved in proposals, bid preparations or contract negotiations, you must be certain that all statements, communications and representations to prospective customers and suppliers are accurate and truthful. Once awarded, all contracts must be performed in compliance with specifications, requirements and clauses.

You must refuse any offers to provide PAE with any unauthorized contractor bid and proposal information or source selection information and immediately report the offer to the Legal Department or the Office of Ethics and Business Conduct. You may not use, obtain, accept or receive any information to which PAE is not clearly and legitimately entitled. If you ever have reason to believe that the release or receipt of any information is unauthorized, or you are uncertain as to PAE's legal right to use the information, do not copy, distribute or use it until you have obtained guidance from the Legal Department, or the Office of Ethics and Business Conduct.

PAE employees should consult the following policy statements for further information about this topic:

PPS-507 Government and Competitor Information

PPS-510 Protection of Sensitive Information

PROVIDE AND ACCEPT APPROPRIATE BUSINESS COURTESIES

Our Value

PAE competes on the merits of its products and services and does not use the exchange of business courtesies to gain an unfair competitive advantage. When people exchange business courtesies it can create the perception that favors were granted in order to influence business judgment.

Leading the Way

Definition of Business Courtesy:

PAE defines the term “business courtesy” broadly to mean gift, gratuity, favor, benefit, loan, commission, discount, forbearance or other intangible or tangible item having monetary value for which fair market value is not paid by the recipient. Such courtesies include, but are not limited to: cash, honoraria, entertainment and recreation (tickets to sporting, recreational or other events, passes, fees, etc.), services, training, transportation, discounts, promotional items, lodging, meals, drinks, door prizes, or use of a donor’s time, material, equipment or facilities.

1. Offering or Providing Business Courtesies to Government Officials or Representatives:

The rules and regulations that apply to the offering of business courtesies to government employees, officials and representatives of the U.S. and foreign governments are complex. You must comply strictly with these laws and regulations, and you must never offer or accept a business courtesy if doing so violates a law or regulation, causes embarrassment for PAE or will reflect negatively on PAE’s reputation.

The following subsections address the offering or providing of business courtesies in specific situations:

A. U.S. Federal, State and Local Governments

Employees of U.S. federal, state and local governments are subject to laws and regulations concerning acceptance of business courtesies from firms and persons with whom the government does business or over whom it has regulatory authority.

1. Federal Executive Branch Employees

You may not offer or give anything of value to federal Executive Branch employees, except as follows:

- PAE advertising or promotional items of little intrinsic value (generally \$20.00 or less) such as a coffee mug, calendar or similar item displaying the company logo;
- Modest refreshments such as soft drinks, coffee and donuts on an occasional basis in connection with business activities; or
- Business courtesies, other than transportation, having an aggregate value of \$20.00 or less per occasion.

When combined, the value of the business courtesies may not exceed \$50.00 in a calendar year. Although it is the responsibility of the government employee to track and monitor these thresholds, you must not knowingly provide business courtesies exceeding the \$20.00 individual or \$50.00 annual limit.

2. Federal Legislative and Judiciary Branches, and State and Local Government Employees

Employees of the federal Legislative and Judiciary Branches and employees of state and local government departments or agencies are subject to a wide variety of laws and regulations.

With few exceptions, you may not provide business courtesies to Senate or House of Representatives members, officers or staffs. Generally, you also may not provide business courtesies to members of the Judiciary Branch.

You may provide business courtesies of reasonable market value to employees of state or local governments in support of business activities, provided such practice does not violate any law or regulation or the standards of conduct of the recipient's organization. It is your responsibility to know the prohibitions or limitations of the recipient's organization before offering any business courtesies.

B. Foreign Governments

The U.S. Foreign Corrupt Practices Act (FCPA) and the anti-corruption laws of other countries in which we do business may restrict PAE from offering or giving business courtesies to any foreign official, any foreign political party or official of a foreign political party, or any candidate for foreign political office. The company policy on Compliance with the Foreign Corrupt Practices Act contains a list of Hospitality Guidelines that outline those business courtesies that are acceptable to offer and give in countries where we do business. You should understand that because PAE is incorporated in the United States, the FCPA applies to all employees around the world, including employees of wholly-owned subsidiaries.

If you seek to offer or give a business courtesy that is not expressly mentioned in the Hospitality Guidelines, you must obtain prior approval from the Legal Department or the Ethics Office of Ethics and Business Conduct which will consult with the Legal Department.

2. Offering or Providing Business Courtesies to Non-Government Persons

You may provide business courtesies of reasonable value to non-government persons in support of business activities, provided:

- The practice is not for any improper purpose and does not violate any law or regulation or the standards of conduct of the recipient's organization; and
- The business courtesy is consistent with marketplace practices, infrequent in nature, and not lavish or extravagant. While it is difficult to define "lavish or extravagant" by means of a specific dollar amount, you should make a common sense determination consistent with reasonable marketplace practices.

You are prohibited from offering or giving tangible gifts (including tickets to sporting, recreational or other events) having a market value of \$100.00 or more to a person or entity that PAE does or seeks to do business with, unless specifically approved by your manager and the Office of Ethics and Business Conduct in advance.

3. PAE Acceptance of Business Courtesies by Employees Who Procure Goods or Services

If you buy goods or services for PAE or are involved in the procurement process, you must treat all suppliers uniformly. In deciding among competing suppliers, you must objectively weigh all facts and avoid even the appearance of favoritism.

For this reason, you may not accept gifts from suppliers or vendors, except advertising or promotional items of nominal value such as a pen, key chain, water bottle, visor, cup or glass or generally similar items displaying a company's logo. Established routines and procedures should be followed in the procurement of all goods and services.

4. PAE Acceptance of Business Courtesies by Employees in Non-Procurement Functions

Although you may not use your position at PAE to obtain business courtesies, it is permissible to accept unsolicited business courtesies, provided:

- The acceptance will promote goodwill and successful business relations;
- The courtesies are not lavish or extravagant under the circumstances;
- The courtesies are not frequent and do not reflect a pattern or the appearance of a pattern of frequent acceptance of courtesies from the same entities or persons;
- You would feel comfortable discussing the courtesies with your manager or a coworker, or having the courtesies known by the public; and
- The courtesies have a market value of \$100.00 or less.

Solicitation of business courtesies is always prohibited. If you have any questions about the propriety of accepting a business courtesy, contact your supervisor or manager, or the Office of Ethics and Business Conduct for guidance. It is your personal responsibility to ensure that your acceptance of a business courtesy does not create the perception that favors were granted to secure favorable treatment.

Questions and Exceptions

If you have any questions about whether an offer or acceptance of a business courtesy is in compliance with the rules, regulations and PAE policy, you must obtain guidance in advance from the Office of Ethics and Business Conduct, which will consult with the Legal Department as applicable. You may only offer, give or accept a business courtesy that is not expressly permitted by this Code or PAE policy if you obtain written approval in advance from your manager and the Office of Ethics and Business Conduct, as appropriate.



PAE employees should consult the following policy statements for further information about this topic:

PPS-507 Government and Competitor Information

PPS-510 Protection of Sensitive Information

PPS-161 Gift, Gratuities and Other Business Courtesies

AVOID PERSONAL CONFLICTS OF INTEREST

Our Value

PAE is committed to upholding the highest standards of ethical business conduct and expects the same of its employees, agents and Board of Directors. We all have a responsibility to our shareholders to act in the best interests of PAE.

Leading the Way

Definition of Conflict of Interest:

A conflict of interest exists when you have divided loyalties; or when you have a direct or indirect personal interest in a transaction or matter, such that it might reasonably appear to affect the judgment that you exercise on behalf of PAE, influence your actions or lead you to neglect PAE business interests.

Personal Conflict of Interest Guidelines:

As a PAE employee, you are responsible for acting in a fair and impartial manner in all business dealings, and placing the interests of PAE over personal interests in matters relating to PAE business.

You must avoid financial, business or other transactions or situations in which your personal interests might conflict with, or appear to conflict with, the interests of PAE. Such situations may arise from relationships with customers, competitors, suppliers, present or prospective employees, or from the acquisition or use of company assets for personal gain. An actual conflict of interest does not need to be present to constitute a violation of this Code; you must also avoid activities that create the appearance of a conflict of interest.

A conflict of interest may exist when you use your contacts or position in the company to advance interests other than the company's; such as your own private business or financial affairs, or those of a friend or relative (whether or not at the expense of the company). You should never use company property or information for personal gain, or take for yourself personally any opportunity that is discovered through your position at PAE.

Examples of How a Personal Conflict of Interest Could Occur:

- Employment by a competitor or potential competitor, regardless of the nature of the employment, while employed by PAE.
- Acceptance of gifts, payment or services from those seeking to do business with PAE.
- Placement of business with a firm owned or controlled by a PAE employee or their family.
- Ownership of, or substantial interest in, a company that is a customer, competitor or a supplier of PAE.
- Acting independently as a consultant to a customer or supplier, while employed by PAE.
- Having a personal interest or potential for gain in any company transaction.
- Using company assets, intellectual property or proprietary information for personal gain.
- Employing or discussing employment with former government employees, or using them as consultants or subcontractors in violation of applicable laws or regulation.
- Having a close, personal relationship with a subordinate employee.

You must disclose in writing any situation, transaction or relationship that might give rise to an actual or potential conflict of interest to your manager, who will review the disclosure with the Legal Department.

Solicitation of business courtesies is always prohibited. If you have any questions about the propriety of accepting a business courtesy, contact your manager or the Office of Ethics and Business Conduct for guidance. It is your personal responsibility to ensure that your acceptance of a business courtesy does not create the perception that favors were granted to secure favorable treatment.

PAE employees should consult the following policy statement for further information about this topic:

PPS-512 Conflict of Interest

AVOID CONFLICTS OF INTEREST WHEN HIRING AND WORKING WITH FORMER GOVERNMENT EMPLOYEES

Our Value

PAE's continued success and ability to compete in the marketplace depends on ensuring that we do not hire or work with former government employees in any manner that creates a real or perceived conflict of interest. We compete fairly and ethically for all business opportunities.

Leading the Way

You are responsible for ensuring that PAE avoids conflicts of interest in connection with employing or acquiring the services of current or former government employees.

You must comply fully with all laws and regulations pertaining to employing or acquiring the services of government employees. These rules apply to contact or negotiations with current government employees to discuss their potential employment by the company or their potential service as consultants or subcontractors. These rules also may restrict the roles and responsibilities that former government employees may perform on our behalf after joining the company.

The laws and regulations governing the hiring and employment of former government employees can be difficult to follow. When in doubt, you should consult PAE policies and procedures and seek the advice of your manager, Human Resources, the Office of Ethics and Business Conduct or Legal Department.

PAE employees should consult the following policy statement for further information about this topic:

PPS-305 Employing or Acquiring the Services of Current or Former U.S. Military Personnel and Federal Government Employees

PROPERLY ENGAGE CONSULTANTS, REPRESENTATIVES AND OTHER THIRD PARTIES

Our Value

PAE only works with consultants, business representatives and other third parties who share PAE's commitment to upholding the highest standards of business integrity. The actions of our consultants, representatives and other third parties reflect on and impact the reputation of PAE. Business integrity and commitment to obeying the law are key considerations in the selection and retention of those who represent PAE.

Leading the Way

You must not retain a consultant, representative or other third party to conduct business in a manner that is contrary to PAE's policies or procedures or to circumvent our values and principles. For example, you must not retain consultants, representatives or other third parties for the purpose of paying bribes or kickbacks, engaging in industrial espionage, obtaining the proprietary data of a third party without authority, or improperly gaining inside information or influence.

You are responsible for seeking advice from the Legal Department prior to engaging an international or domestic consultant. Consultants and representatives must certify their willingness to comply with this Code, PAE's policies and procedures, and all applicable laws and regulations.

PAE employees should consult the following policy statements for further information about this topic:

PPS-503 Domestic Business Development Consultants

PPS-504 International Consultants

PROTECT SENSITIVE INFORMATION



Our Value

PAE's customers and suppliers trust us to protect sensitive information. We generate sensitive information in our day-to-day work, and we regularly receive sensitive information from our customers, suppliers and others. Our obligation to protect sensitive information extends beyond our employment with PAE.

Leading the Way

You may not disclose or receive sensitive information, including proprietary company information, without proper authorization. You must keep sensitive information, including any proprietary documents, protected and secure. You may only disclose sensitive information if you have the proper authorization to do so.

In the course of normal business activities, suppliers, customers and competitors may sometimes divulge to you information that is proprietary to their business. You may only accept or use the proprietary information of a supplier, customer or competitor if such use or acceptance complies with company policy. If you receive proprietary information from a supplier, customer or competitor without proper authorization, such as a non-disclosure agreement, you must immediately bring this to the attention of the Legal Department or the Office of Ethics and Business Conduct.

PAE employees should consult the following policy statement for further information about this topic:

PPS-510 Protection of Sensitive Information

PROTECT PERSONAL INFORMATION

Our Value

PAE employees, contract labor, agents, consultants, customers, business partners and members of the Board of Directors entrust personal information to us. To continue building and sustaining a culture of trust, we must protect this sensitive data and use it only for authorized purposes.

Leading the Way

You must not access personal information unless you have a need to know such information for legitimate business purposes and have prior authorization. If you have access to personal information (including personnel or medical records), you may not disclose such information without proper authorization. You must keep personal information protected and secure in accordance with all corporate policies, laws and applicable third party agreements. You must never use personal information for any purpose for which it was not intended or for personal gain.

If you collect or access personal information on behalf of PAE, you are responsible for knowing and complying with all applicable laws and policies that govern such activities.

If you become aware or believe that personal information has been accessed by an unauthorized person, disclosed inappropriately, used for purposes other than PAE business, or gathered in violation of corporate policy or the law, you must immediately bring this to the attention of the Legal Department or the Office of Ethics and Business Conduct.

PAE employees should consult the following policy statement for further information about this topic:

PPS-510 Protection of Sensitive Information

PROPERLY USE COMPANY AND CUSTOMER ASSETS

Our Value

PAE's resources and assets do not belong to any of us individually. They belong to the Company and its owners, and we as individuals have a special responsibility to protect them, acting as stewards of those assets and resources. We have the same special responsibility to protect all customer resources and assets that are entrusted to PAE for use and safeguarding.

Leading the Way

You are responsible for the proper use of company and customer property, electronic communication systems, information resources, materials, facilities and equipment. You must use and maintain these assets with the utmost care and respect, guarding against waste and abuse, and you must never borrow or remove them from company or customer property without management's permission.

Company assets should be used to conduct PAE's business. You may occasionally use company assets for personal use if you obtain permission from your manager and if your use is in accordance with company policy. You must also seek guidance and permission before using any customer asset for personal use. You may not use the company's resources to support a personal business or for an illegal act or a purpose which would cause embarrassment to PAE.

Use of a company credit card for personal expenses is strictly prohibited.

PAE employees should consult the following policy statements for further information about this topic:

PPS-557 Personal Use of PAE Assets

PPS-400 Computing and Information Resources

PPS-512 Conflict of Interest

PARTICIPATE IN BUSINESS CONDUCT COMPLIANCE TRAINING AND ETHICS AWARENESS TRAINING



Leading the Way

PAE expects all employees, consultants and the Board of Directors to participate in awareness training. You are required to complete Ethics Awareness Training annually and compliance training as assigned.

Completion of annual Ethics Awareness Training and Business Conduct Compliance Training is a condition of your continued employment with PAE.

The current list of Business Conduct Compliance Training courses can be found on the PAE Ethics website, in the “shared documents” folder of this page:

<https://gain.paegroup.com/Functions/Ethics>

or obtained from your manager.

ABOUT THE OFFICE OF ETHICS AND BUSINESS CONDUCT

PAE has established the Office of Ethics and Business Conduct to underscore our commitment to ethical conduct throughout PAE.

The Ethics and Business Conduct Office reports directly to the President and oversees a vigorous company-wide effort to promote a positive, inclusive and ethical work environment for all employees.

The Office of Ethics and Business Conduct promotes a positive, inclusive and ethical work environment and operates a confidential Ethics HelpLine. Please use these resources whenever you have a question or concern that cannot be readily addressed within your work group or through your manager.

If your concern relates to the actions or decisions of the Ethics Officer, please contact the Vice President of Human Resources.

WARNING SIGNS - YOU'RE ON THIN ETHICAL ICE WHEN YOU HEAR...

“It doesn’t matter how it gets done as long as it gets done.”

“No one will ever know.” *“We didn’t have this conversation.”*

“It sounds too good to be true.” “Shred that document.”

“I deserve it.” *“It’s all for a good cause.”*

“Well, maybe just this once.” “Everybody does it.”

“This will destroy the competition.” *“What’s in it for me?”*

“It’s okay if I don’t gain personally.”

You can probably think of many more phrases that raise warning flags. If you find yourself using any of these expressions, take the following Quick Quiz and make sure you are on solid ethical ground.

“How will it look to my customer or supplier?”

“Am I being fair and honest?”

“How will I sleep tonight?”

“How will it look in the newspaper?”

“Does my supervisor know?”

“What would I tell my child to do?”

“Will my action stand the test of time?”

“What are the consequences of the proposed action?”

***“How would I feel if my family, friends and neighbors
knew what I was doing?”***

“Can I live with this decision?”

—Does it comply with PAE’s values?”

If you are still not sure what to do, ask...and keep asking until you are certain you are doing the right thing.

RECEIPT AND ACKNOWLEDGEMENT

I acknowledge that I have received my personal copy of *Leading the Way*, the PAE Code of Ethics and Business Conduct (the Code). I have read and will abide by the Code.

Signature: _____

Print Name: _____

Employee Number: _____

Company: _____

Location: _____

Date: _____

CONTACTS

My Manager is:

Name: _____

Phone Number: _____

My Ethics Officer is:

Name: _____

Phone Number: _____

My Human Resources Business Partner is:

Name: _____

Phone Number: _____

Comments on the Code

Please feel free to provide the Office of Ethics and Business Conduct with your comments about the Code.

E-Mail: Ethics@paegroup.com
or call

888-360-4597 or 703-656-7500
(International or Domestic)

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