

# P&A

ETHICS & BUSINESS  
CONDUCT

## The Office of Ethics and Business Conduct Manual

July 2011

# Introduction

The employees of Pacific Architects & Engineers Incorporated (“PAE” or “Company”) share a commitment to the highest standards of ethical conduct in all activities throughout the Company.

The Ethics and Business Conduct Officer reports directly to the President and is responsible for overseeing vigorous company-wide efforts to promote a positive, ethical work environment for all employees and to support business practices that foster confidence among our customers, suppliers, shareholders and members of the communities where we do business.

The following questions and answers are provided to assist employees and others in understanding the ethics process at PAE and the many resources available to answer questions and address concerns.

# How does Ethics relate to business conduct at PAE?

At PAE, we aspire to do more than comply with laws and regulations. We strive to do what is right. As former United States Supreme Court Justice Potter Stewart said:

*“Ethics is knowing the difference between what you have a right to do, and what is the right thing to do.”*

It begins with our Corporate Vision:

Create value for our customers and stakeholders by consistently exceeding mission requirements and implementing innovative solutions with both integrity and excellence.

We will accomplish our Vision by conducting business in accordance with our Values:

- Perform as one team with excellence, integrity and respect.
- Embrace the customer’s mission as our own.
- Seek opportunities for growth, both corporate and individual.

# What is your advice to an employee with a problem, question or concern?

As a general guideline, the first action should be to discuss the situation with your manager. If that is not possible for some reason or if taking it to your manager doesn't resolve the matter, it is your responsibility to discuss the situation with a representative within your organization or within another department such as Human Resources, Audit, the Office of Ethics and Business Conduct or Legal. You may contact the Office of Ethics and Business Conduct at:

[Ethics@paegroup.com](mailto:Ethics@paegroup.com)

Employees who wish to discuss a matter of concern with the Office of Ethics and Business Conduct are urged to contact the Ethics HelpLine:

1-888-360-4697 (toll free)

Or

703-656-7500 (Domestic)

Suppliers and others can also contact the HelpLine to seek assistance or to raise matters of concern.

# How do I contact the Ethics HelpLine?

There are several ways to contact the Office of Ethics and Business Conduct:

**BY PHONE:**

Worldwide Helpline:

1-888-360-4697 (toll free)

Or

1-703-656-7500 (Domestic)

**BY MAIL:**

PAE

Office of Ethics and Business Conduct

1525 Wilson Boulevard

Suite 900

Arlington, VA 22209

**BY FAX:**

703-717-6106

**BY E-MAIL:**

[Ethics@paegroup.com](mailto:Ethics@paegroup.com)

If your concern relates to the actions or decisions of the Office of Ethics and Business Conduct, please contact the Vice President and General Counsel of PAE.

# What happens when an employee or other person contacts the Ethics HelpLine?

If you have a question or need clarification, you will receive a prompt answer – usually when you first contact our office, but in most cases within two business days of your initial discussion.

When you contact the Office of Ethics and Business Conduct:

- You will be treated with dignity and respect.
- Your communication will be protected to the greatest extent possible.
- Your concern will be thoroughly addressed. If it is not resolved at the time you call, you will be informed of the outcome when the matter is resolved.
- You need not identify yourself.

There is never a penalty for using the Ethics HelpLine. People in a position of authority can't stop you; if they try, they are subject to disciplinary action up to and including dismissal.

**Remember, when in doubt:**

**ASK BEFORE YOU ACT!**

# How does the Office of Ethics and Business Conduct support high ethical standards at PAE?

The Office of Ethics and Business Conduct serves as a third-party, independent resource for information, advice and resolution of problems and issues. To maintain an effective program, all PAE employees must be conscious of, and adhere to, our values:

- Perform as one team with excellence, integrity and respect.
- Embrace the customer's mission as our own.
- Seek opportunities for growth, both corporate and individual.

To help equip employees with the tools needed to address ethical issues in the workplace, PAE conducts annual live ethics awareness and business conduct compliance training for all employees.

## **What information will I be asked to provide when I call the Ethics HelpLine to report observed misconduct?**

To facilitate a thorough investigation, it is necessary to know the location where the alleged misconduct occurred and pertinent details. Specifically, information concerning the who, what, where, when and how of the concern is beneficial.

Although it is not a requirement, we encourage callers who use the Ethics HelpLine to provide us with their name and a means of enabling contact for follow-up information, if necessary. This information also allows us to provide you with the results of an investigation.

## **Can I remain anonymous and still keep track of what is happening throughout an ethics investigation initiated by my contact?**

Upon request, you can be assigned a case number or code name so you may anonymously inquire on the status or outcome of an ethics investigation initiated by your call to the Office of Ethics and Business Conduct.

## **How long does it take to complete an ethics investigation?**

Depending on the nature of the case, an investigation may span over a few days or several months. The average time to close an ethics case is approximately 30 days.

## **How often are ethics cases substantiated? What happens to the cases that are not substantiated?**

Historically, about 40% of all cases handled by the Office of Ethics and Business Conduct are substantiated. The remaining cases are closed without substantiation because the facts obtained during the investigation did not support the allegations or because sufficient information was not available to determine if the allegation was true. At the end of each calendar year, records are treated in accordance with the Company's records retention policy.

## **What typically happens as a result of an ethics investigation when the allegation is substantiated?**

Action taken as a result of a substantiated ethics case varies depending on the type of case and the severity of the misconduct. Termination of employment, resign/retire in lieu of termination, suspension, written or oral reprimands, and counseling are among the actions typically taken. Please note that disciplinary actions will not be shared with the party who files a claim. Sanctions are often accompanied by other corrective actions, including training, accounting adjustments, reassignment and reorganization. PAE's commitment to ethics is real.

## **How does PAE measure the effectiveness of its ethics process?**

To measure the effectiveness of the ethics process, PAE periodically conducts all-employee ethics surveys and makes the results available to employees. We also follow up with employees who raise ethics concerns to evaluate whether they are satisfied with the way the matter was handled.

# Summary

You are encouraged to seek advice or express concerns about ethical misconduct to whomever you are most comfortable---your manager, the Ethics and Business Conduct Officer, Human Resources, Legal or Audit.

If you have a question or concern regarding an ethics matter, please discuss it with your management or the Ethics Office and Business Conduct Officer.

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**WHO IS RESPONSIBLE FOR  
ETHICAL CONDUCT?**

**WE ALL ARE**