

# **Code of Ethics and Business Conduct**



**Tactical Solutions  
International, Inc.**  
**177 Burris Lenore Road**  
**Crowheart, Wyoming 82512**  
**USA**  
**+1 307 486 2336**

## ***From the Desk of the President/Chief Executive Officer***

23 August 2012

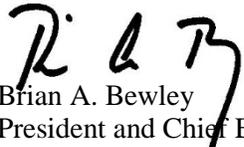
To all Tactical Solutions International, Inc. employees:

Attached is a copy of Tactical Solutions International, Inc.'s Code of Ethics and Business Conduct. This Code informs all employees of the Company's expectations and of employees' legal and ethical responsibilities and obligations. Tactical Solutions International, Inc. strives to apply the highest legal, moral and ethical principles in every aspect of business conduct.

At its core, the Code of Ethics and Business Conduct expresses the fundamental values that must drive our behavior. Living by a set of core values guides the way we treat each other and how we make business decisions. These shared values are vital to earning and maintaining trust with and respect from our co-workers, customers, stakeholders, government officials and the public at large. We regard the quality of the services we provide our customers and our integrity in our business dealings among our most valuable assets. Remember, every Tactical Solutions International, Inc. employee holds the Company's reputation in their hands.

Everyone in our Company is expected to be familiar with our Code of Ethics and Business Conduct. I ask that you read the entire booklet and sign the acknowledgement form in the back. This will both confirm and attest that you have read and understand this vital Code, as well as to your agreement to abide by its terms. You will apply them in the performance of your duties.

Legal, moral and ethical behavior is cornerstone to our Company's foundation and it remains a vital part of our corporate culture and the way we do business. I thank you in advance for your part in maintaining our high legal, moral and ethical standards.

  
Brian A. Bewley  
President and Chief Executive Officer  
Tactical Solutions International, Inc.

## Table of Contents

INTRODUCTION.....	4
Part 1.0: CANON OF BUSINESS ETHICS .....	5
TACTICAL SOLUTIONS INTERNATIONAL, INC. CANON OF BUSINESS ETHICS .....	5
Part 2.0: TACTICAL SOLUTIONS INTERNATIONAL, INC. ETHICS PROGRAM .....	6
AND CODE OF ETHICS AND BUSINESS CONDUCT .....	6
2.1 Overview of Tactical Solutions International, Inc.’s Compliance Program .....	7
2.2 The Company’s Ethics Program and Compliance Functions .....	7
2.3 The Code of Business Conduct .....	8
2.4 Raising Questions or Reporting Concerns.....	8
2.5 Compliance Is Everyone’s Responsibility .....	9
Part 3.0: CONDUCT INVOLVING FELLOW EMPLOYEES .....	10
3.1 Respect For Your Fellow Employees .....	10
3.2 Equality and Fair Treatment.....	10
3.3 Harassment .....	10
3.4 Workplace Violence .....	11
3.5 Employee Privacy .....	11
3.6 Drug-Free Workplace and Health & Safety Measures .....	11
Part 4.0: CONDUCT INVOLVING OUR BUSINESS PARTNERS .....	12
4.1 Fair Competition and Antitrust Requirements .....	12
4.2 Gathering and Using Competitive Information.....	12
4.3 Dealing with Vendors and Suppliers .....	13
4.4 Relationships and Conflicts of Interest .....	13
4.5 Gifts and Entertainment .....	14
4.6 External Public Communications .....	14
Part 5.0: DOING BUSINESS WITH THE U.S. GOVERNMENT.....	15
5.1 How to Recognize When These Special Rules Apply .....	15
5.2 Special Rules Applicable To U.S. Government Contracts.....	15
5.2.9 Purchasing and Subcontracting .....	17
5.2.10 Government Property .....	17
5.2.11 Record Retention .....	18
5.2.12 Performance Obligations .....	18

5.2.13 Reporting Obligations .....	18
5.2.14 Cooperation with Government Agencies.....	18
5.2.15 Communication with Government Agencies .....	18
5.2.16 Security Requirements.....	18
Part 6.0: CONDUCT INVOLVING OUR BUSINSS RESOURCES .....	19
6.1 Accuracy of Books, Records and Financial Reporting .....	19
6.2. Time and Charging Cost .....	19
6.3 Intellectual Property .....	19
6.4 Responsible Use of Company Resources and Assets .....	20
6.5 Document and Records Management .....	20
6.6 Insider Trading .....	21
6.7 Marketing and Advertising Materials .....	21
Part 7.0: CONDUCT INVOLVING OUR BUSINESS COMMUNITIES.....	21
7.1. Environmental and Workplace Safety Policy .....	21
7.2. Political Contributions and Public Service Involvement .....	22
7.3. U.S. Foreign Corrupt Practices Act.....	22
7.4. Export and Import Controls Requirements.....	23
7.5. International Business.....	24
7.6 Commitment to Human Rights and Observing the Law of War .....	24
7.7 Human Trafficking.....	24
7.8 International Code of Conduct for Private Security Providers.....	25
Part 8.0: DISTRIBUTION OF THE CODE OF ETHICS AND BUSINESS CONDUCT .....	25
AND THE EMPLOYEE ACKNOWLEDGEMENT FORM.....	25
EXHIBIT A.....	26
TACTICAL SOLUTIONS INTERNATIONAL, INC., INC. CODE OF ETHICS AND BUSINESS CONDUCT EMPLOYEE ACKNOWLEDGEMENT FORM.....	26

## INTRODUCTION

Welcome to the Tactical Solutions International, Inc. Code of Ethics and Business Conduct (the “Code”). This document is intended to give you an overview and basic understanding of the obligations and responsibilities contained in the Code. These responsibilities and obligations arise from the Company’s legal obligations, as well as the moral and ethical responsibilities that have helped define Tactical Solutions International, Inc. as a premier security solutions provider – a Company that operates according to the highest principles and standards.

This Code applies to all employees of the Company, as well as to the Board of Directors and to consultants, agents, subcontractors, vendors/suppliers, and other business entities that do business with or on behalf of the Company. Throughout the Code, each reference to an “employee” implicitly includes these additional parties unless otherwise stated.

The purpose in adopting this Code and providing it to all employees is twofold. First, it is important that all employees understand what is expected of them, and how to identify and resolve any issues that arise that affect the Company or its business activities. Second, as a provider to the U.S. Government, the Company is required to institute a compliance program that ensures that the Company follows all applicable laws and regulations that accompany doing business with the U.S. Government. By adopting this Code, the Company ensures that, as it grows, it can maintain the legal, moral, and ethical business practices that have given the Company its outstanding reputation within the security industry. The Code of Ethics and Business Conduct consists of three distinct parts. The first part is the Company’s Canon of Business Ethics (the “Canon”), which is addressed in Part 1.0. The second part is the Company’s Code of Business Conduct (the “Code”), which is addressed in Parts 2.0-7.0. The final section, Part 8.0, discusses the distribution of the Code and the Employee Acknowledgement Form. Each of these parts is explained and discussed in more detail in the sections that follow.

Tactical Solutions International, Inc. may change, add or eliminate any policies or procedures contained in the Canon or Code at its sole discretion and at any time without notice, unless prohibited by law. While it is hoped the Cannon and Code will foster fair and consistent administration and concern for all employees, they do not create an employment contract between any employee and Tactical Solutions International, Inc.. **All employees of Tactical Solutions International, Inc., regardless of their classification or position, are employed on an "at-will" basis.** No officer, agent, representative or employee of Tactical Solutions International, Inc., except its CEO or the Board of Directors, has any authority to enter into any agreement for employment for any specific period of time or to make any agreement contrary to this paragraph. In order to change the at-will nature of your employment, the CEO or the Board of Directors must do so expressly and in writing.

The Code of Ethics and Business Conduct is available to all Company employees, the Board of Directors, consultants, and agents, and is also available on the Company’s website (in the “About Us” section). In addition, Tactical Solutions International, Inc. consultants and agents will be bound to the Code through written agreements. All Employees will be expected to acknowledge that they have read the Code, and Company managers and supervisors will be required to annually certify that they have discussed the Code with employees during performance evaluations. These acknowledgments and certifications, however, are for administrative convenience only, and regardless of whether they are signed and filed, employees will be expected to follow the Code and will be responsible for any violations that occur. Any questions about the Code should be directed to the Company’s Ethics Board (described in more detail in Section 2.2) or to the Legal Department.

## Part 1.0: CANON OF BUSINESS ETHICS

The Tactical Solutions International, Inc. Canon of Business Ethics defines the basic ethical framework for all of the Company's operations, and it incorporates the cornerstone of the Company's business philosophy: conducting our operations in a legal, ethical, and moral manner. Unlike the Code of Ethics and Business Conduct (in Parts 2.0-7.0 below), the Canon is not intended to be a set of specific rules and responsibilities, that is the reason for the Code. Each employee, however, should be familiar with the Canon and let it guide them in making decisions that affect the Company, its operations, and its reputation on a daily basis.

### TACTICAL SOLUTIONS INTERNATIONAL, INC. CANON OF BUSINESS ETHICS

#### *Preamble*

Legal, moral and ethical business practices have been the cornerstone of Tactical Solutions International, Inc.'s philosophy since the Company's inception. We believe that business is best conducted and society best served when business is based on the principles of honesty, trust, and integrity. This Canon of Business Ethics provides only general ethical guidelines. For specific responsibilities and obligations, employees should consult the Tactical Solutions International, Inc. Code of Ethics Business Conduct, applicable Company policies, or consult with their supervisor, the Ethics Board, or the Legal Department.

#### *Canon*

Our overarching principle is to **conduct our business in a legal, ethical, and moral manner**. This basic canon consists of three separate obligations:

#### **□ *Conducting Business in a Legal Manner:***

1. Comply with all laws relevant to companies that contract with the U.S. Government. The laws related to contracting with the U.S. Government are far-reaching and complex, placing burdens on Tactical Solutions International, Inc. that are in addition to those faced by companies without government contracts.
2. Conduct our business in accordance with the letter and spirit of all other applicable laws and regulations, including the applicable laws and regulations of the countries in which we do business, and applicable international law and international human rights law.
3. Never engage in harassment or discrimination of any kind and especially involving race, color, religion, gender, sexual orientation, age, national origin, disability, and veteran or marital status. Any discrimination is unacceptable in our work place environment.
4. Regard proprietary Company information as a valuable corporate asset, avoid the unauthorized disclosure of the Company's business activities, and respect proprietary information belonging to others.
5. Promptly report violations of law or the principles set forth in this document to appropriate personnel identified in the Code.
6. Make full, fair, accurate, timely and understandable disclosures in all communications required by law or regulation.
7. Help ensure accountability for adherence to the Code.
8. Remember that compliance with the law does not comprise our entire ethical responsibility. Rather, it is a minimum, absolutely essential condition for performance of our duties.

#### **□ *Conducting Business in a Moral Manner:***

1. Recognize the importance of social norms and cultural values in guiding proper conduct, and avoid purposeful actions that will violate them.
2. For the communities in which we live and work, act as a concerned and responsible neighbor, and reflect all aspects of good citizenship.

3. Remember that, when we perform our jobs, we each are an ambassador of the Company and hold the Company's reputation in our hands. Avoid conduct that places that reputation at risk.
4. Use sound judgment and discretion in the performance of job duties, and report any conduct or actions that you feel do not meet the requirements of the Company's Canon of Ethics.

#### ***□ Conducting Business in an Ethical Manner:***

1. Maintain the highest standards of professional conduct, both externally and within the Company.
2. Conduct our operations with an understanding of the ultimate goals and objectives of our customers, and avoid conduct or practices that compromise those goals and objectives.
3. Avoid misrepresentation, false promises, misleading advertising, or any promotion of our work that might lead to misconception on the part of our customers, potential customers or third parties.
4. Conscientiously avoid conflicts of interest and refuse to accept, or offer, any gift, favor, or service in the performance of our duties.
5. Maintain the Company's active role in shaping and promoting ethics within our industry, and lead by example.
6. Maintain respect for all competitors, and seek no unfair advantage by unethical or questionable means.

If you believe that someone within TSI, Inc. is engaged in activity or conduct contrary to the spirit of the Canon of Business Ethics, report it to your supervisor, the Ethics Board or the Legal Department.

## **Part 2.0: TACTICAL SOLUTIONS INTERNATIONAL, INC. ETHICS PROGRAM**

### **AND CODE OF ETHICS AND BUSINESS CONDUCT**

Tactical Solutions International, Inc. is committed to maintaining high legal, moral, and ethical standards in every aspect of its business in order to comply with the letter and spirit of all applicable U.S. federal, state, local laws and regulations, as well as the applicable laws and regulations of the countries in which we do business, international law and international human rights law, and contract obligations. We expect every employee to do the right thing, for the right reason, in the right way. All employees must strive to succeed in all our business endeavors, but this success must never come at the expense of our business standards. To that end, it is the personal responsibility of every employee to ensure that the Company's business is conducted in absolute compliance with applicable law, this Code, and Company policies.

Further, the Board of Directors and Company management believes that Tactical Solutions International, Inc. is and must continue to be a leader in fostering a working environment where attention to the "bottom line" is never an excuse for cutting corners or failing to comply with our legal, moral, and ethical obligations.

Tactical Solutions International, Inc.'s reputation for adherence to laws, regulations and its written Code of Ethics and Business

Conduct is more important than the position or personal advancement of any one officer or employee.

Tactical Solutions International, Inc.'s continued success depends on the strength of the Company's efforts to prevent, detect and promptly remedy any actual or suspected misconduct.

## **2.1 Overview of Tactical Solutions International, Inc.'s Compliance Program**

Tactical Solutions International, Inc. has adopted a Company-wide Ethics Program (the "Program") to coordinate, implement and monitor compliance with:

- (1) the Company's corporate values;
- (2) the laws and regulations applicable to the Company's business operations;
- (3) the Company's contracts and agreements with its customers; and
- (4) all Company policies and procedures. Tactical Solutions International, Inc. expects its directors, officers and employees to understand and abide by all legal requirements governing the Company's business and operations. The Company will provide ongoing education and guidance to employees concerning applicable laws and regulations.

Complying with the law, however, is just part of what we must do. We should continually try to avoid even the appearance of impropriety in matters involving legal obligations, the Company's Code of Ethics and Business Conduct, or other Company policies and procedures.

## **2.2 The Company's Ethics Program and Compliance Functions**

To effectively administer Tactical Solutions International, Inc.'s Compliance Program, the Company relies on several different components to manage different aspects of ethics and compliance.

The Company utilizes an "Ethics Board" to oversee the enforcement of the Code and to respond to allegations of violations of the Code. The Ethics Board consists of the following Tactical Solutions International, Inc. executives: the Chief Operating Officer, the General Counsel, and the Senior Vice President of Human Resources. The Ethics Board performs the following functions:

- (1) monitors the overall effectiveness and success of the Ethics Program;
- (2) makes changes to the Program as or when needed;
- (3) monitors and manages the Company's Ethics Hotline;
- (4) manages any investigations or inquiries into suspected or actual violations of the Code;
- (5) serves as a resource for questions about the Code or its applicability; and
- (6) approves training on the Code and the Company's Ethics Program. The Ethics Board meets as needed to respond to violations of the Code or to perform its other functions, and may delegate tasks to or depend on others in the Company to assist them in any of its functions. The Ethics Board reports directly to the Company's CEO and Board of Directors. Employees wishing to file a complaint with the Ethics Board should follow the procedures listed in Section 2.4 below.

To further support the application and enforcement of the Code, the Company also utilizes an Employee Relations Team ("ERT"). The ERT meets on a regular basis and is attended by a senior representative from the Operations, Legal, and Human Resources Departments. The ERT addresses routine complaints brought forth by employees or other parties (e.g., to the Human Resources Department) and, when needed, facilitates the response and resolution of those complaints. The ERT reports to the Ethics Board. If the ERT receives a complaint that involves a potentially serious and/or material violation of the Code, it may consult with or refer the complaint to the Ethics Board. Employees wishing to file a complaint with the ERT should refer to Section 2.4 for reporting procedures.

In addition to these two resources, the Company relies on a Contract and Regulatory Compliance Department to assist the Company in actively monitoring its compliance with applicable regulatory and contractual requirements. The Contract and Regulatory Compliance Department performs a number of ethics and compliance-related functions, including:

- (1) ensuring that the Company maintains an Ethics Program that meets the industry standard for such programs as required for U.S. Government contractors;
- (2) developing appropriate policies, practices, and training related to ethics and compliance topics; and
- (3) when needed, reviewing and advising on investigations or inquiries into misconduct or suspected or actual violations of the Code.

Finally, to supplement the requirements of the Code, the Company maintains a large library of Company policies, as well as additional Company procedures, guidelines, forms, and directives, to include specific project and department level documents (collectively referred to as “Company policies and directives”). Current versions of the documents are available on the Company’s intranet site **InsideTSI**. Many of these documents expand on topics addressed in the Code, and they provide a baseline for the Company’s expectations of its employees. Other Company policies and directives support the overall goals of the Ethics Program, such as the **Open Door Policy**, which permits employees to report concerns directly to senior management, and the **Conflict of Interest Policy**, which identifies situations in which employees may have conflicting objectives or responsibilities. Violations of Company policies and directives are treated similar to violations of the Code, and all Company employees should ensure that they are familiar with Company policies and directives, which are available on **InsideTSI**.

Unfamiliarity with or a lack of understanding of the Code or Company policies and directives, or failure to stay informed of the current contents of the Code or Company policies and directives will not excuse an employee from a violation. As with the Code, all Company policies and directives are subject to periodic updates and revisions, and employees must adhere to all requirements.

Employees are encouraged to contact the Ethics Board, a supervisor, or the Legal Department concerning questions about the Code, Company policies, the Company’s Ethics Program or any specific issues that may arise. Additionally, employees may use the Company’s Ethics Hotline and similar resources as discussed in Section 2.4 below.

### 2.3 The Code of Business Conduct

The Company has adopted this Code of Ethics and Business Conduct, which applies to all members of the Board of Directors, officers, employees, and certain agents, representatives and consultants working for or on behalf of the Company, including all business units involved in government contracting. The specific parts of the Code, addressed in the sections that follow, cover compliance with laws and regulations applicable to the Company’s business operations (both Government and non-Government), as well as conduct involving the Company’s employees, its business partners, use of its business resources, and the business communities in which the Company works. Depending on your job description and responsibilities, you may be subject to additional and more specific rules covering one or more of the topics discussed in this Code.

The Code provides guidelines, but cannot cover every situation you may encounter. Should you become aware of or involved in a questionable practice, bring it to the attention of your supervisor, use the Ethics Hotline, refer to the Company’s **Open Door Policy**, contact the Company’s Ethics Board, or consult with the Legal Department. There also is a Compliance Form located on **InsideTSI** where employees may anonymously submit information via e-mail Ethics Board.

### 2.4 Raising Questions or Reporting Concerns

If any employee (or consultant, agent, etc.) wishes to raise a question or report a concern, there are a variety of methods available. First, the employee may contact his or her supervisor and provide the necessary information, and it is the supervisor’s responsibility to resolve the question or concern in accordance with this Code, to include providing prompt notice of the question or report to the Ethics Board. If the employee is uncomfortable reporting the matter to their supervisor, he or she may report it directly to the Ethics Board, the Human Resources Department, or the Legal Department, or they may use the Company’s **Open Door Policy**.

To encourage and support the submission of questions or concerns, including suspected violations

of the Code, the Company has developed an internal reporting system for employees. The Company has established an “**Ethics Hotline**” at **1-307-486-2248** to enable employees, consultants and agents to raise questions or report possible misconduct. The Ethics Hotline is available 24 hours a day, 365 days a year. The Ethics Hotline will be publicized throughout the Company, such as on the Company’s intranet **InsideTSI**. In addition, the Company has an Ethics Submission Form located on the **InsideTSI** Ethics Hotline page, and an email address: [EthicsHotline@tacticalsolutionsintl.com](mailto:EthicsHotline@tacticalsolutionsintl.com), to allow for the electronic submittal of information. Calls to the Hotline or reports submitted via the Ethics Submission Form are received directly by the Ethics Board, and missed calls will transfer to a secure voice mailbox that can only be accessed by the Ethics Board. Calls can be made anonymously, and every reasonable effort will be made to protect the identity of the caller. **Tactical Solutions International, Inc. has a non-retaliation policy that prohibits retaliation against an employee for raising a concern or reporting actual or suspected misconduct in good faith.** Any concerns raised with, or reports made to, the Ethics Board or via the Ethics Hotline, the Ethics Submission Form, email address, or by any other means will be reviewed and investigated by the Company promptly, and appropriate remedial measures will be undertaken. Investigations will be conducted in as confidential a manner as possible, depending upon the circumstances presented.

Full contact information for the Ethics Board is available on the Ethics Hotline page available on **InsideTSI**. To locate the page, click on “Ethics Hotline” on the **InsideTSI** main page, under “CONTACTS”.

## 2.5 Compliance Is Everyone’s Responsibility

Every Tactical Solutions International, Inc. officer, director and employee receiving this Code must read it and follow its provisions. Company managers are responsible for ensuring that this Code is understood and followed by their subordinates. Compliance with this Code will be taken into account in reviewing the performance of all employees.

It is important for you to understand that:

- You are personally responsible for your own conduct in complying with all provisions of this Code and for promptly reporting known or suspected violations of this Code via the Ethics Hotline, Ethics Compliance Form via **InsideTSI** or to your supervisor, the Ethics Board, the Human Resources Department, or the Legal Department, or via the Company’s Open Door Policy.
- If you are a supervisor, you are responsible and accountable for ensuring that your employees understand and comply with this Code;
- No one in this Company has the authority or right to order, request or influence you to violate this Code;
- You will not be excused for violating this Code for any reason, even at the request of another person, including your supervisor or Company officers;
- Any retaliation or threat of retaliation against any person for refusing to violate this Code or for reporting in good faith a violation or suspected violation of this Code is itself a violation and may be a violation of law;
- Any reported violation of this Code will be investigated, and every actual violation will constitute a basis for disciplinary action involving the person violating this Code up to and including termination, and violations may result in civil or criminal action against that person; and

Any employee who acts contrary to this Code or engages in retaliation, or who knowingly gives a false report regarding a violation of this Code, may be subject to disciplinary action, up to and including termination of employment.

As part of Tactical Solutions International, Inc.'s commitment to ethics and compliance, all directors, officers and employees of the Company have a duty to promptly report concerns or any actual or suspected misconduct or violation of this Code. Failure to fulfill this duty is a violation of this Code and may result in disciplinary measures up to and including termination of employment, in appropriate cases. Failure to report actual or suspected misconduct also may expose the Company and its directors, officers and employees to potential criminal and civil penalties and damage the Company's reputation.

## **Part 3.0: CONDUCT INVOLVING FELLOW EMPLOYEES**

### **3.1 Respect For Your Fellow Employees**

The Company believes that the underlying basis for all professional relationships is respect for others. Preventing harassment, discrimination, threats and a hostile work environment is a matter of respecting the rights and dignity of others. Employees are expected to treat their peers, superiors, or subordinates, as well as customers, suppliers, and others with whom the Company does business, with respect and to not engage in abusive, disrespectful, violent or insubordinate behavior. Such behavior is counter to the values of the Company, and reflects poorly on the employee and the Company.

### **3.2 Equality and Fair Treatment**

Tactical Solutions International, Inc. is firmly committed to the principles of equality of opportunity in employment and human relationships. The Company believes diversity strengthens its work force and enhances its competitiveness. Tactical Solutions International, Inc. expects its employees to treat each other with respect and to learn to appreciate other backgrounds and cultures.

Tactical Solutions International, Inc. is committed to recruiting, hiring, developing and promoting employees without discrimination on the basis of race, color, religion, gender, sexual orientation, age, national origin or ancestry, disability, marital status, veteran status or any other status protected by law not listed here.

Fulfillment of our commitment to equal employment opportunity requires action by all employees. Similarly, business relationships with competitors, suppliers and customers of Tactical Solutions International, Inc. must always be conducted free of discrimination or favoritism based on race, color, religion, gender, sexual orientation, age, national origin or ancestry, disability, marital status, veteran status or any other status protected by law not listed here. All Tactical Solutions International, Inc. employees are responsible for implementing the Company's policies of non-discrimination and conflict of interest.

### **3.3 Harassment**

The Company does not tolerate harassment based race, color, religion, gender, sexual orientation, age, national origin or ancestry, disability, marital status, veteran status or any other status protected by law not listed here. Tactical Solutions International, Inc. does not tolerate any form of harassment – verbal, physical or visual – by other employees, customers, vendors, agents or other third parties. Harassment is personally offensive, lowers morale and interferes with the ability to work cooperatively. Tactical Solutions International, Inc. employees must not engage in any sexual or other harassment of co-workers, competitors, suppliers or customers.

Workplace harassment can take many forms, all of which are unacceptable:

- Offensive jokes, cartoons, pictures, posters, insults, threats and other unwelcome actions or comments about a person's race, color, gender, age, religion, sexual orientation, national origin or ancestry, citizenship, disability, medical condition, marital status, veteran status, social or economic status, or educational background, or negative stereotyping of individuals or groups.
- Verbal, written, graphic or taped material that demeans or shows hostility or aversion towards an individual or group because of race, color, religion, sexual orientation, gender, national origin, age, disability, medical condition, or veteran status and is displayed on our walls, bulletin boards, e-mails, Intranet or elsewhere in or on Company premises, or circulated in the workplace.
- Taking retaliatory action against an employee for discussing, reporting or making a harassment complaint.
- Sexual harassment may include unwelcome sexual advances, requests for sexual favors, unwelcome physical contact, or other communications of a sexual nature when such conduct creates an offensive, hostile and intimidating working environment and prevents an individual from effectively performing the duties of his or her position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implicitly or explicitly, or when an employment or compensation decision or performance evaluation is based on an individual's acceptance or rejection of such conduct. It is important to note that sexual harassment crosses age and gender boundaries, and cannot be stereotyped.

If you are harassed, you are encouraged, but not required, to complain directly to the alleged harassers, and to make it clear that the harasser's behavior is unacceptable, unwelcome and offensive and must stop immediately. However, you also must report the harassment to your supervisor, Human Resources, the Company's Ethics Board, or the Legal Department immediately. Any supervisor or employee witnessing inappropriate behavior or harassment involving other employees also must report such conduct. For further information, consult the Company's Harassment Policy on **InsideTSI**.

### 3.4 Workplace Violence

Tactical Solutions International, Inc. prohibits workplace violence or behavior that creates or fosters an abusive working environment. Any employee who commits or threatens to commit a violent act such as fighting or striking another employee, or attempts to bring an unauthorized weapon to work shall be subject to disciplinary action up to and including termination. Violence or a threat of violence committed during non-work hours or off Company premises will be subject to disciplinary action if the violence or threat of violence is determined to be work-related. For further information, consult the Company's Violence in the Workplace Policy on **InsideTSI**.

### 3.5 Employee Privacy

Tactical Solutions International, Inc. respects the privacy of all employees. The Company will only use employee records as necessary for business needs, and will share employee information only for business reasons consistent with applicable laws. Some personal employee information is very sensitive and cannot be made public under many laws. This includes certain payroll records and medical history records. In particular, employees with access to medical data must follow the requirements of the Health Insurance Portability and Accountability Act (HIPAA). Employees should consult with the Human Resources Department if there are questions regarding the use or disclosure of employee personal or medical data.

### 3.6 Drug-Free Workplace and Health & Safety Measures

The Company is committed to providing a safe and healthy work environment free from illegal drugs and the influence of alcohol, as well as from the abuse of prescription drugs or other drugs or medications. Tactical Solutions International, Inc. prohibits the illegal use, sale, purchase, transfer, or possession of any controlled substances as well as the abuse of prescription drugs or other drugs or medications while on

Company premises or while conducting Company business or on assignment.

The Company also is committed to creating a safe working environment (recognizing the places we operate and the work we perform) where unsafe conditions are minimized. It is Company policy to adhere to all applicable environmental, health and safety laws and regulations and to encourage stewardship of the environment. Employees concerned about unsafe working conditions should report the matter to their supervisor or to the Ethics Board.

To further these objectives, the Company has implemented a Safety Policy (to include approved Safety Plans for U.S.-based facilities) and a Drug and Alcohol Free Workplace Policy. Both policies are available to all Company employees on **InsideTSI**. Importantly, additional prohibitions on the use of and possession of illegal and specific types of prescription drugs may be imposed by specific government contracts or the laws of a foreign government.

## **Part 4.0: CONDUCT INVOLVING OUR BUSINESS PARTNERS**

The Company's professional values and its principles of legal, ethical, and moral conduct do not stop with our actions, or at our doors. We expect the same conduct when dealing with our vendors, suppliers, customers, representatives, and others with whom we do business.

### **4.1 Fair Competition and Antitrust Requirements**

All of Tactical Solutions International, Inc.'s business activities are highly competitive, and it is the Company's policy to compete aggressively, but fairly. A major part of Tactical Solutions International, Inc.'s commitment to compete fairly is a commitment to comply with the antitrust laws. In general, these complex laws prohibit any form of agreement or understanding – whether formal or informal, written or oral, or express or implied – between or among competitors or others in the supply chain that unreasonably limits or restricts competition. Breaking these laws can bring very severe penalties to both the Company and the individuals involved. Tactical Solutions International, Inc.'s commitment to compliance with the antitrust laws includes the following guidelines:

- Tactical Solutions International, Inc. employees may not discuss, or enter into a formal or informal agreement with competitors about prices, or matters affecting price, production levels or inventory levels, bids, or dividing production, sales territories, products, or condition the sale of products or services on an agreement to buy other Tactical Solutions International, Inc. products or services.
- Agreements with customers or suppliers that establish the resale price of a product, limit a customer's right to sell products, or condition the sale of products, on an agreement to buy other Tactical Solutions International, Inc. products are prohibited.
- This commitment also prohibits any unfair or untrue disparagement of a Tactical Solutions International, Inc. competitor, and prohibits any "bid rigging," boycotts, or the allocation of markets.
- Absent compelling special circumstances, Tactical Solutions International, Inc. should select all vendors and contractors on the basis of written competitive bids.

### **4.2 Gathering and Using Competitive Information**

To compete in the marketplace, it is necessary and legal to gather competitive information. Tactical Solutions International, Inc. employees may only gather information through lawful means. Employees should maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. Tactical Solutions International, Inc. employees must never use any illegal or unethical means to obtain information about other companies.

Tactical Solutions International, Inc. employees should not share confidential information from suppliers or customers with anyone outside Tactical Solutions International, Inc. without written permission. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. If agreements are signed to protect information, be sure to follow the terms and conditions.

Do not solicit, obtain or misuse trade secret information, and do not suggest or ask others to disclose trade secrets, especially new employees hired from a competitor. New hires may not bring documents or computer records from prior employers, if those papers or records contain proprietary or confidential information belonging to their prior employer.

### **4.3 Dealing with Vendors and Suppliers**

The relationships we establish with our vendors and suppliers are important to us. The values of Tactical Solutions International, Inc. are applicable in all of our dealings with vendors and suppliers, including a commitment to achieving the right results in the right way. Tactical Solutions International, Inc.'s policy is to base all procurement decisions on the best value received by Tactical Solutions International, Inc.. Tactical Solutions International, Inc. will not knowingly use vendors or suppliers who participate in any of the following activities: supply unsafe products or services; violate laws or regulations; violate human rights laws; or use child labor or forced labor.

Good procurement conduct, which is required of any Tactical Solutions International, Inc. employee who has dealings with vendors or supplier, includes the following:

- Use established corporate-wide or regional supply (leveraged) agreements;
- Whenever possible, obtain competitive bids when leveraged agreements do not exist;
- Ensure the overall performance capability of the supplier, including delivery, quality and financial status;
- Make sure that purchase agreements clearly state the services or products to be provided, the basis for earning payment, and the applicable rate or fee;
- The fee or price paid for goods and services by Tactical Solutions International, Inc. must represent the value of the goods or services provided;
- Avoid reciprocal agreements;
- Encourage support for small, minority, veteran, or women-owned businesses; and
- Purchase in support of Tactical Solutions International, Inc.'s environmental, safety and health values and policies.
- Ensure that the vendor or supplier meets and will uphold the requirements of the Tactical Solutions International, Inc. Code of Ethics and Business Conduct.

### **4.4 Relationships and Conflicts of Interest**

#### **4.4.1 Fair Dealing**

Each Tactical Solutions International, Inc. employee should endeavor to deal fairly with the Company's customers, vendors, suppliers, competitors and employees. No Tactical Solutions International, Inc. director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

A “conflict of interest” occurs when an individual’s private interest interferes in any way – or even just appears to interfere – with the interests of the Company as a whole. A conflict of interest may occur if a Tactical Solutions International, Inc. employee’s outside activities, personal financial interests, or other personal interests influence or appear to influence his or her ability to make objective decisions in the course of his or her job responsibilities. Tactical Solutions International, Inc. employees are obligated to ensure that they remain free of conflicts of interest, as well as the appearance of conflicts of interest, in the performance of their workplace duties and responsibilities. If employees have any question about whether an outside activity or personal interest might constitute a conflict of interest, they should ask their supervisor or the Ethics Board before pursuing the activity or obtaining or retaining the interest. Employees can also refer to the Company’s Conflict of Interest Policy on **InsideTSI** for clarification on this issue.

#### 4.5 Gifts and Entertainment

As a general rule, business courtesies such as gifts, entertainment, services, or favors offered to commercial, non-governmental customers or other business associates should be infrequent and reasonable, legal, and offered in a way that does not create the appearance of impropriety. Tactical Solutions International’s position is clear: no gift, favor or entertainment should be accepted or provided if it will obligate or appear to create any obligation – either stated or implied – to a competitor, supplier or customer. Receiving or giving gifts of cash or cash equivalents is never permitted. Any questions regarding giving or receiving a gift should be directed to the Legal Department.

Similarly, Tactical Solutions International, Inc. employees may not offer any gift or favor to any employee – or a member of the immediate family of an employee – of a competitor, supplier or customer if the gift or favor might place the recipient under any obligation to either the employee making the gift or to TSI, Inc. Kickbacks, bribes, rebates or other forms of illegal consideration are never acceptable, and should never be given or accepted by anyone acting on behalf of Tactical Solutions International, Inc.. Tactical Solutions International, Inc. employees may accept or give gifts, favors, and entertainment only if they meet all of the following criteria:

- They are not unlawful or violate the policies of the other party’s company;
- They are consistent with customary business practices in the industry;
- They are reasonably related to business relationships;
- They are of nominal value, and are consistent with any existing business unit guidelines;
- They cannot be construed as a bribe, payoff, or improper influence;
- Public disclosure of the facts would not embarrass the Company or the employee; and
- They do not violate our business values or ethics in any other manner.

Tactical Solutions International, Inc. employees dealing with U.S. Government customers and foreign government customers should be particularly alert to the special, and stricter, rules that prohibit giving gifts, gratuities, entertainment or other favors to these types of Government employees. The constraints on Tactical Solutions International, Inc. ability to offer or accept business courtesies in connection with potential U.S. or foreign government customers or representatives are discussed separately in this Code.

#### 4.6 External Public Communications

To better serve our customers, and to protect the safety of our employees and operations, the Company requires that all Company employees refrain from making public statements about the Company or its operations, such as to the media or via blogs or social networking sites. In addition, certain customers specifically prohibit such communications under their agreements with the Company, and the Company includes restrictions on public disclosure in its agreements with employees. Therefore,

employees should refer any media inquiries or other similar requests for information about the Company or its operations to the Company's media relations contact, and should not disclose such information via any other means (a blog, social networking site, published book or article, etc.). More information about this requirement is contained in the Company's Media Relations Policy available on **InsideTSI**.

## **Part 5.0: DOING BUSINESS WITH THE U.S. GOVERNMENT**

While integrity is the foundation for our dealing with all customers, additional special rules apply when the U.S. Government is our customer. The rules imposed on the Company when it does business with the U.S. Government are different from, and more restrictive than, the rules that apply to purely commercial transactions. As a Government contractor, Tactical Solutions International, Inc. is committed to complying with all of these special requirements.

Violations of Government contracting laws and regulations can result in criminal and civil penalties, loss of contracts and ineligibility from doing further business with the U.S. Government, either as a prime contractor or as a subcontractor. Collateral consequences also can include debarment from bidding on state and local government contracts. *These penalties and sanctions apply with equal force to Tactical Solutions International, Inc. and to those employees and agents involved in the improper activity.*

### **5.1 How to Recognize When These Special Rules Apply**

Under the civil False Claims Act, in particular, the Government can impose liability on a contractor for the submission of false claims to the Government, or a false statement in support of a claim, including the costs of the lawsuit, triple the amount of its actual damages, and a civil penalty for each false claim. A "claim" is a request or demand for money or property submitted by a contractor to the Government, such as an invoice or contract billing. For this reason, it is important that all invoices or billings submitted by Tactical Solutions International, Inc. to a Government prime contractor or to the Government be accurate and complete.

While Tactical Solutions International, Inc. typically does business directly with the U.S. Government, the special rules for doing business with the U.S. Government also apply when Tactical Solutions International, Inc. does business indirectly with the Government as a subcontractor. In those cases, even though the Company does not hold a contract directly with the Government, many of the special rules still apply to Tactical Solutions International, Inc. because the U.S. Government pays for Tactical Solutions International, Inc.'s services. In addition, there are rules that apply to the Company's relationships with third parties, such as teaming partners, vendors, and suppliers, who are working with it to meet the U.S. Government's needs and requirements.

### **5.2 Special Rules Applicable To U.S. Government Contracts**

Company employees involved in bidding or providing products or services to the Government need to know the special rules that apply to U.S. Government contracts and subcontracts awarded to Tactical Solutions International, Inc.. This section of the Code highlights some of the key legal requirements that apply when Tactical Solutions International, Inc. performs a Government contract or subcontract. These requirements are set forth in greater detail in Tactical Solutions International, Inc.'s government contracting policies, which are available to all employees in the "Policies" section of **InsideTSI**.

The special rules applicable to Government contracts include, but are not limited to, the following:

#### **5.2.1 Representations and Certifications to the Government**

The Government includes representations and certifications in solicitations (also referred to as Requests for Proposals, or RFPs) and contracts, in order to obtain relevant information or to verify an offeror's or

contractor's compliance with various legal requirements. This includes data relating to any applicable criminal or civil proceedings, settlements, or administrative proceedings. It is Company policy that all representations and certifications made to Government agencies be truthful, accurate, current and complete.

### ***5.2.2 Contract Pricing, Including "Most Favored Customer" Pricing***

In addition, charging and allocation of costs, including employee time and overhead costs, and provision of any cost or pricing data and billings to the government must always be accurate, chargeable, complete and in full compliance with applicable laws and regulations.

There are detailed rules governing pricing and disclosure requirements under the Company's Government contracts, with which the Company must comply. In particular, the GSA Schedule contract awarded to the Company is based on "most favored customer" pricing, which imposes compliance obligations on the Company relating to disclosure, and prices and discounts that can be offered by the Company under its other contracts.

### ***5.2.3 Prohibition on Accepting Kickbacks***

Two basic rules govern gifts and favors offered to Tactical Solutions International, Inc. personnel by vendors, suppliers, consultant, agents and subcontractors who seek to do business with the Company under U.S. Government contracts:

- (1) never solicit anything of value; and
- (2) never accept cash. An occasional meal or gifts of nominal value, such as advertising items of nominal value offered during the course of a business meeting and approved by management, is permitted.

### ***5.2.4 Offering Gifts and Gratuities***

Tactical Solutions International, Inc. does not permit its employees to offer to U.S. Government employees any gifts or business courtesies, except for Company-approved advertising items of nominal value (such as pens and caps), plaques and certificates of recognition, and coffee and other non-alcoholic beverages offered during a business meeting. In no event should the value of these courtesies exceed \$20 per person per occasion or \$50 per person annually. Employees also should be aware that Government employees often prefer or are instructed to refuse any gift or business courtesy, even when they have nominal value or are permitted under federal law. Rules for gifts to members of Congress or their staff are even more complex and restrictive, and any such gifts must be approved in advance by the Legal Department.

### ***5.2.5 Recruiting and Hiring of Current or Former U.S. Government Employees***

Government laws and regulations restrict the Company's conduct of employment discussions with, and offers of employment to, current and former U.S. Government employees. There also are post-employment, or "revolving door," restrictions that can limit the types of activities in which former Government employees can participate as private sector employees. It is Company policy that approval must be obtained from the Legal Department before any employee may initiate employment discussions with any current or former U.S. Government employees. For additional information, please refer to the Company policy Hiring Current or Former Government Employees located on **InsideTSI**.

### ***5.2.6 Procurement Integrity***

In addition, other types of "contractor bid or proposal information" submitted by the Company's competitors to a federal agency as part of, or in connection with, a bid or proposal to enter into a Government contract is Procurement integrity laws and regulations make it illegal for the Company directly or indirectly attempt to obtain, use or have in its possession certain types of

procurement-related information. During the competitive procurement process, certain types of Government agency information, designated or marked as “source selection information,” may not be requested or obtained by the Company unless the information is released to all competitors. Under the procurement integrity rules, source selection information includes the Government’s source selection plans; technical, cost or price evaluations of proposals; competitive range determinations; rankings of bids, proposals or competitors; source selection reports or evaluations; and any other information marked as “Source Selection Information” in accordance with FAR 3.104. strictly off limits irrespective of any legends or other markings. This prohibition includes information such as

- (1) cost or pricing data;
- (2) indirect costs and labor rates;
- (3) proprietary information about a competitor’s manufacturing processes, operations or techniques, or trade secrets; and
- (4) information marked by an offeror or contractor as “contractor bid or proposal information.”

Company employees may not seek or accept from any federal agency, or from any other source, a competitor’s confidential bid or proposal information. Access to publicly available information about competitors, such as information on a competitor’s website, is permitted. ***If you receive information that you are not sure the Company should have pertaining to a federal agency procurement or to a competitor, you should immediately contact the Legal Department before reviewing or sharing the information with anyone inside or outside the Company.***

#### **5.2.7 Retention of Consultants:**

Tactical Solutions International, Inc. employees must comply with the various rules and restrictions governing arrangements and agreements for consulting services. In addition, the Company can be held accountable for the acts of its agents and, therefore, has exposure to penalties and sanctions for illegal acts of consultants providing services to, or on behalf of, the Company. Any consulting agreement or arrangement must be approved in advance by the Legal Department.

#### **5.2.8 Lobbying**

Tactical Solutions International, Inc. employees must recognize what constitutes lobbying activities under Government procurement laws and regulations, and comply with requirements governing such activities, including registration of lobbyists, reporting, and disclosure requirements. Any lobbying activity conducted on behalf of the Company must be approved in advance by the Company’s General Counsel.

#### **5.2.9 Purchasing and Subcontracting**

Because the value of subcontracts and purchase orders awarded by a Government contractor can be substantial, the Government has an interest in a contractor’s subcontracting process. Among other things, Government requirements can affect the types of subcontract used, the amount and type of competition used, and the terms and conditions that are required to be flowed down to the Company’s subcontractors. All purchasing and subcontracting must be in accordance with Government requirements and Company policies.

#### **5.2.10 Government Property**

The Company is required to establish and maintain a system in accordance with regulations governing control, protection, preservation, and maintenance of Government property. Because the Company is responsible and accountable for all Government-furnished property, Tactical Solutions International, Inc. employees must be able to identify such property and track it through the Company’s property records.

### **5.2.11 Record Retention**

Certain documents and other records pertaining to our business must be maintained for specific periods of time for possible review by regulatory authorities. When a Government prime contract or subcontract is involved, records generally must be retained for three years after final payment. In addition, there may be other retention requirements imposed by contract or by law. The Company has a Document Retention Policy that specifies the retention practices for Company records and documents. The Company will comply fully with all record retention requirements imposed by the Government.

### **5.2.12 Performance Obligations**

The Company must conform strictly to the contract terms and conditions, specifications, and all quality, quantity, delivery and testing requirements imposed under a Government contract. When the Company submits an invoice for payment to the Government, it is certifying that it has met all contract obligations, no matter how minor or material. Any employee with knowledge of any suspected or actual failure to meet contractual obligations to the Government must provide immediate notice to their supervisor or to the Company's senior management.

### **5.2.13 Reporting Obligations**

The Company has certain self-disclosure requirements to the U.S. Federal Government when there is credible evidence of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity, or a violation of the Civil False Claims Act in connection with Government contracts. These disclosure requirements for individual contracts continue until at least three years after final payment on the contract. Any employee with knowledge of any suspected or actual failure to meet this disclosure requirement must provide immediate notice to the Legal Department.

### **5.2.14 Cooperation with Government Agencies**

As a Government contractor, the Company is subject to audits, investigations, or other inquiries or requests by various government agencies and authorities. The Company will cooperate with the Government entities conducting these inquiries in compliance with all applicable legal requirements.

### **5.2.15 Communication with Government Agencies**

As part of the Company's reporting obligations and cooperation with government agencies, various members of the Company may be asked to communicate directly with government officials conducting inquiries, audits or investigations. This request may be from the Company, or it may be from the government agency itself. Any and all communications with government officials must be truthful and accurate. Care also must be taken not to speculate or to guess or assume facts that are beyond the employee's knowledge, because these can lead to miscommunications or misstatements that can complicate the Company's effort to cooperate. If an employee is not able to accurately provide information, the question should be directed to their supervisor or to Company management for response. Employees also should inform their supervisor or Company management of discussions with government officials conducting such inquiries so that the Company is prepared to support and/or respond to such inquiries.

### **5.2.16 Security Requirements**

If you are involved with any aspect of a Government contract, you must not take any action that would violate any of these requirements. All employees and applicable third parties must handle all U.S. and non-U.S. government classified data and material in a manner compliant with national security and in accordance with applicable laws and regulations and governmental obligations related to treatment of classified material. For additional information, employees may consult the Access Control Policy, the Industrial Security Standard Practice, and the Technology Control Plan posted on the Policies page of **InsideTSI**.

## Part 6.0: CONDUCT INVOLVING OUR BUSINESS RESOURCES

### 6.1 Accuracy of Books, Records and Financial Reporting

A company's credibility is judged in many ways, and one fundamental way is the integrity of its books, records and accounting. All Tactical Solutions International, Inc. officers and employees must properly record many kinds of business information. All financial books, records and reports, whether computerized or on paper, must correctly reflect transactions and events. This includes accurate recording of cost, sales, shipments, time sheets, vouchers, bills, payroll and benefits records, and regulatory data, among other business information. The following are examples of activities that are not allowed:

- Not recording or disclosing funds or assets that should be recorded;
- Making false claims on an expense report, time sheet or any other report;
- Making false, misleading or artificial entries in the Company's books or records;
- Giving false quality or safety results or reports;
- Understating or overstating known liabilities or assets;
- Delaying the entry of items that should be current expenses;
- Hiding the true nature of any transaction
- Not maintaining effective internal controls; or
- Providing inaccurate or misleading information for Company benefit programs.

Tactical Solutions International, Inc. directors, officers and employees must be sure that any document they prepare or sign is current, accurate and complete. Employees must not improperly destroy, improperly alter, make false entries on, or willfully fail to make correct entries on any Company documents or records. Employees are also expected to ensure that any information provided to outside parties is accurate and truthful. When Tactical Solutions International, Inc. is asked to provide information to the U.S. Government or to state or foreign government officials, inaccuracies or falsehoods could result in severe legal and financial consequences for the Company; therefore, extra care must be given to any statements, certifications, representations, and submissions made to government customers.

### 6.2. Time and Charging Cost

All documents or records, electronic or written, relating to time cards, entries, expense reports, general accounting records, purchasing records, or operations must be accurate and auditable. All employees and applicable third parties are expected to accurately and completely record in a timely manner the number of hours they have worked. The accuracy of these records begins with each individual employee.

### 6.3 Intellectual Property

Tactical Solutions International, Inc.'s intellectual property – patents, trade secrets, trademarks, copyrights and other proprietary information – is considered a valuable Company asset. It is Tactical Solutions International, Inc.'s policy to establish, protect, maintain and defend its rights in all commercially significant intellectual property and to use those rights in responsible ways. Tactical Solutions International, Inc.'s intellectual property must be used for authorized Company business purposes only. Employees must protect Tactical Solutions International, Inc. proprietary or private information, which may include technical designs or strategy, software, employee records, or information learned in a partnership or teaming arrangement. Tactical Solutions International, Inc.'s intellectual property, including data and information systems, customer lists, and other trade secrets, must remain

with the Company when an employee leaves the Company. Use by a former employee of Tactical Solutions International, Inc.'s intellectual property is a violation of law and Company policies. By signing Tactical Solutions International, Inc.'s Confidentiality & Intellectual Property Agreement upon employment with the Company, employees agree to protect and properly use Tactical Solutions International, Inc. proprietary and confidential information.

In addition to protecting Tactical Solutions International, Inc.'s intellectual property rights, Tactical Solutions International, Inc. respects the valid intellectual property rights of others. Unauthorized use or infringement of the intellectual property rights of others may expose Tactical Solutions International, Inc. to civil lawsuits and damages. Theft and misappropriation of trade secrets, copyrights, proprietary information or other intellectual property may result in significant fines and criminal penalties to both Tactical Solutions International, Inc. and to the individual. New Tactical Solutions International, Inc. services, products, processes and software, and any proposed use of the intellectual property of others, should be timely and reasonably reviewed for infringement.

#### **6.4 Responsible Use of Company Resources and Assets**

Tactical Solutions International, Inc. resources, including material, facilities, equipment, information and services, are made available to assist each employee in the performance of his or her job. These resources should only be used for authorized business purposes. Tactical Solutions International, Inc. employees should respect Company property and use Company assets, including computers and related information technology assets, only in accordance with established Company policies. Theft, carelessness, misuse and waste of Company property have a direct impact on the Company's profitability. Company assets and resources should be used only to conduct Company business, and not for personal gain or any non-business purpose.

E-mail and the Internet are powerful communication tools and valuable business assets. However, improper use of e-mail, internet and Company intranet services can waste time and resources, and create legal liabilities and embarrassment for our employees and our Company. Accordingly, Tactical Solutions International, Inc. has specific policies concerning employee use of Company e-mail, the internet and Company intranet, and other electronic information sources while on Company time or using Company computers. While limited personal use of Tactical Solutions International, Inc. communications systems is permitted, users should be aware that these communications are not private and the Company retains the right to access, audit and use all such communications in its sole discretion. Employees may not access, store, or transmit offensive, derogatory, defamatory, pornographic or other improper or illegal content on any Company information technology service or device. And employees may not use Tactical Solutions International, Inc. communication channels or access to the internet at work to post, store, transmit, download, or distribute any threatening materials; or to knowingly, recklessly, or maliciously transmit false materials, obscene materials, or anything constituting or encouraging the violation of any laws.

The unauthorized removal of Company or customer-owned property may be considered theft. The Company also reserves the right to revoke the personal use of Company property in the event of abuse.

#### **6.5 Document and Records Management**

Tactical Solutions International, Inc.'s records and information are Company assets. Records and information can exist in many ways, such as documents, files, financial information, graphs, and databases, and may be kept in hard copy, electronically or on film. Employees should properly label and carefully handle company confidential and proprietary information. Certain documents and other records pertaining to our business must be maintained for specific periods of time for possible review by regulatory authorities. As previously noted, when a Government contract or a subcontract to a prime

Government contractor is involved, records generally must be retained for three years after final payment under the prime contract or subcontract. Employees should consult the Company's Document Retention Policy for guidance.

In addition, from time to time, we may receive requests or demands from Government agencies or other third parties for documents and records relating to our business. Once we have received such a request, we are prohibited by law from destroying or altering any document or record that would be responsive to that request. If you are advised that the Company has received any such document request, you must not destroy any requested or related documents or records until you have been advised by the Legal Department that you are permitted to do so.

## **6.6 Insider Trading**

In the course of your employment with Tactical Solutions International, Inc., you may become aware of information about Tactical Solutions International, Inc. or other companies that has not been made public. The use of non-public or "inside" information about Tactical Solutions International, Inc. or another company for your financial or other benefit (or the benefit of others who receive the information from you) is not only unethical, but also may be a violation of strict Federal laws against "insider trading" in securities (for example, stocks, bonds and options). Securities law and Tactical Solutions International, Inc. policy prohibit individuals from trading securities, providing inside information or influencing others to trade in securities on the basis of non-public, material information.

In addition, this means you must never give someone outside the Company a "tip" regarding nonpublic inside information – this includes discussions on Internet "chat rooms." If you have questions or concerns about your responsibilities under the insider trading laws, contact the Ethics Board or the Legal Department for further guidance.

## **6.7 Marketing and Advertising Materials**

In preparing and using Company marketing and advertising materials, we must ensure that:

- (1) no false or misleading statements are made;
- (2) all Company proprietary data are properly marked with the appropriate legends; and
- (3) when we use the trademarks of another company, these marks are used correctly and their owners are given proper attribution.

## **Part 7.0: CONDUCT INVOLVING OUR BUSINESS COMMUNITIES**

At Tactical Solutions International, Inc., we are committed to responsible corporate citizenship and to complying with requirements applicable in the communities in which we conduct business.

### **7.1. Environmental and Workplace Safety Policy**

Tactical Solutions International, Inc. often operates in difficult, austere or hostile environments. Recognizing that challenges may exist, it is Tactical Solutions International, Inc.'s policy to protect the environment, and the health and safety of its employees and the communities in which it serves. Daily decisions and actions at Tactical Solutions International, Inc. are guided by the following principles:

- Comply with applicable environmental laws and regulations;
- Encourage and take actions to foster a safe and healthy work environment, recognizing that the work we perform in difficult, austere or hostile environments will involve certain inherent dangers;
- Minimize waste and prevent pollution;
- Strive to eliminate releases that impact the environment;

Strive continually to improve environmental performance.

## **7.2. Political Contributions and Public Service Involvement**

Tactical Solutions International, Inc. works hard to earn and maintain the respect of the communities in which it operates. As a good neighbor and corporate citizen, we seek to support the efforts of our employee volunteers who contribute time and talent to local organizations. Tactical Solutions International, Inc. employees are encouraged to speak out on important community issues. Employees must be careful, however, not to give the impression that they are speaking on behalf of Tactical Solutions International, Inc. unless they are actually authorized to do so. Employees may not use Company funds or expense accounts to pay for any personal political contributions or seek any other form of Company reimbursement. These practices often are in violation of federal and state election laws. In addition, employees should not use Company facilities or resources for the benefit of any party or candidate, including an employee individually running for office. Employees are encouraged to contribute to properly established political action committees.

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

Many countries, including the United States and the United Kingdom, have passed legislation criminalizing bribery of foreign government officials. A bribe or kick-back is giving or offering to give anything of value to a foreign government official (including but not limited to employees of government owned or controlled businesses, employees of public international organizations such as the World Health Organization, and candidates for political office) in order to obtain or retain business, or secure an improper business advantage.

Various other countries in which Tactical Solutions International, Inc. does business have laws that it make it illegal to bribe anyone regardless of their status as a public or a private individual and also make it an offense to receive or solicit, as well as to give, a bribe. The term “anything of value” includes monetary bribes as well as things of value, including but not limited to improper or lavish entertainment, personal favors, loans, and offers of employment to the official or his or her family member.

Moreover, the Company and its employees can be held liable for bribes paid by a third-party or agent or consultant acting on behalf of the Company. A company or individual can also violate certain anti-corruption laws if improper payments are made by an agent or other third party if you have a “firm belief” that the payment will be passed on to the official, or you have “knowledge” of misconduct. Sticking one’s head in the sand, or looking the other way will not protect the Company or individuals from violating the law. Accordingly, the Company is required to conduct standard due diligence and document in writing detailed information about a potential third party before entering into a contractual or any other relationship with that third party. Employees are otherwise required to be diligent and proactive in ensuring that the Company interacts only with third parties who are willing to abide by and work ethically and according to the Company’s core values.

The sanctions for violation of these laws can be severe, including significant individual and corporate fines, and even imprisonment. It is Company policy to ensure that nothing of value, including extravagant entertainment or gifts, is provided, directly or indirectly through a third party, to any person or is requested or solicited from another person for the purpose of obtaining or retaining business or otherwise gaining an improper business advantage. In short, we as a Company should always conduct our business with the utmost integrity.

In certain countries, a very limited category of small payments to facilitate or expedite routine nondiscretionary governmental actions may be permitted as exceptions to anti-bribery laws, including the

U.S. Foreign Corrupt Practices Act ("FCPA"). Facilitating payments are payments made to expedite nondiscretionary actions, including, for example: obtaining permits, licenses, or other official documents; processing governmental papers, such as visas and work orders; providing police protection, mail pick-up and delivery or scheduling inspections associated with contract performance or transit of goods across country; providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products; actions of similar nature. The exception never covers a decision to award or continue business with the Company or involve any exercise of official discretion. The requirements pertaining to facilitating payments are complex. In practice, it may be difficult to distinguish a legal facilitating payment from an illegal bribe, kick-back or pay-off and certain local laws also may prohibit such payments. Accordingly, it is Tactical Solutions International, Inc.'s policy that facilitating payments must be strictly controlled and that every effort be made to eliminate or minimize such payments.

Certain anti-corruption laws also allows for payments, gifts, and additional bona fide expenditures, such as travel and lodging expenses incurred by or on behalf of a foreign official that are directly related to the promotion, demonstration, or explanation of products or services provided by the Company or the execution of a contracts. These exceptions are narrow, complicated in practice, pose substantial risk and may not be available under local laws. Tactical Solutions International, Inc.'s practice, as set out in our Anti-Corruption Policy is to require employees to obtain approval from the Legal Department prior to making any such payment.

Laws that govern the Company's international business activities require that the Company's book and record be complete and accurate. Employees must comply with requirements elsewhere in this Policy concerning record-keeping obligations.

Refer to the Company's **Anti-Corruption Policy** for specific guidance about payments to government officials, exceptions to relevant anti-corruption laws, and engaging third parties.

#### **7.4. Export and Import Controls Requirements**

Tactical Solutions International, Inc.'s business activities principally involve the export of defense services and certain defense-related hardware and/or technical data, all of which are subject to export restrictions under the International Traffic in Arms Regulations ("ITAR") administered by the U.S. State Department, Directorate of Defense Trade Controls ("DDTC"). As an exporter of defense articles, services and technical data, Tactical Solutions International, Inc. is registered with DDTC and is required to seek authorization under the ITAR for any export of covered defense articles, services or technical data. In most cases, specific authorization from DDTC, in the form of an export license or approved agreement, is required, although in some cases, a license exception under the ITAR may be available. Tactical Solutions International, Inc.'s policy is to ensure that the appropriate form of authorization is received prior to any export of a defense article, service or technical data.

In addition, Tactical Solutions International, Inc.'s activities may involve the export of commercial hardware, software and technology that are considered "dual use," and thus subject to the Export Administration Regulations ("EAR"), which are administrated by the U.S. Commerce Department's Bureau of Industry and Security. The EAR governs the export of civil goods, software and technology, as well as dual-use items that have both civil and military applications.

These export and import regulations are complex and require the Company to review whether a proposed export is subject to the ITAR or EAR, determine the specific export licensing controls applicable to a proposed export, and review and document end uses and potential end users. All Company employees who participate in export or importing activities are required to be familiar with and follow the Company's policies for complying with the export and import laws and regulations.

Violations can result in criminal and civil penalties for the Company and individuals involved, as well as the Company's loss of export privileges. Questions about export issues should be directed to the Legal Department or to the Company's Empowered Official (currently the Director of the Logistics Department).

### 7.5. International Business

Tactical Solutions International, Inc. policy is to fully comply with the specific laws and regulations of all countries where we do business, and with all U.S. laws and regulations affecting international trade, such as antiboycott, trade sanctions, export control and foreign corrupt practices laws. Violations of these laws carry stiff civil and criminal penalties for individuals and the Company, and could cause serious damage not only to our corporate reputation, but also to the public at large. Employees involved in foreign operations should be aware of these laws, and should always ensure that Tactical Solutions International, Inc. does not violate any applicable laws. Any questions should be directed to the Legal Department.

### 7.6 Commitment to Human Rights and Observing the Law of War

Tactical Solutions International, Inc. delivers its services to government agencies, private corporations and nongovernmental organizations worldwide. In this role, the Company not only ensures that it protects the physical well-being of its clients and employees, but also conducts its business with the proper respect for basic human rights principles and the Law of War.

As a part of Tactical Solutions International, Inc.'s commitment to conducting its operations in a legal, moral, and ethical manner, the Company has adopted an organization-wide human rights policy to further inform and educate our employees. The policy states that Tactical Solutions International, Inc.'s business conduct should be guided by the United Nations Universal Declaration of Human Rights and other applicable human rights documents and principles. These include the Chemical Weapons Convention, Convention Against Torture, Geneva Conventions (including Protocols Additional to the Geneva Conventions), and the Voluntary Principles on Security and Human Rights. Tactical Solutions International, Inc. is also committed to supporting international and local efforts to combat and eliminate corruption and financial crimes.

In addition, as a private company employing private citizens to work in hostile areas that often have a large military presence, the Company and its personnel are considered Non-Combatants under the Law of War. Company personnel must never take actions that would result in their being considered Unlawful Combatants by virtue of direct participation in an armed conflict or armed hostilities. Such participation may result in an individual being charged with criminal acts or war crimes.

All Tactical Solutions International, Inc. employees should perform their duties in a manner consistent with Tactical Solutions International, Inc. human rights policy, available on **InsideTSI**, and in accordance with the Law War. Additional training on these topics is provided to relevant personnel. Any concerns or suspected or actual violations of these requirements should be reported via the Ethics Hotline or other established reporting mechanisms.

### 7.7 Human Trafficking

Both the U.S. Government and Tactical Solutions International, Inc. have a “**zero tolerance**” policy for human trafficking. Employees shall not do any of the following while employed by the Company:

- Engage in “severe” forms of trafficking in persons during the period of performance of the contract. Severe forms include sex trafficking that involves force, fraud or coercion or someone under the age of 18, or obtaining or using persons for labor or services through use of force, fraud or coercion (involuntary servitude, slavery, etc.)
- Procure commercial sex acts (e.g., solicit or offer sex acts for money)
- Use forced or compulsory labor (e.g. use of local national labor against their will) Any personnel found to have violated this requirement may be subject to immediate termination,

as well as potential criminal prosecution. Violations or suspected violations of this requirement must be reported to your supervisor, the Ethics Board, or the Legal Department immediately. Any questions about these requirements should be directed to the Legal Department.

### **7.8 International Code of Conduct for Private Security Providers**

On June 1st, 2012, Tactical Solutions International, Inc. became a signatory to the *International Code of Conduct for Private Security Providers* (“ICoC”), a unique, industry-specific code of conduct that resulted from an international initiative led by the International Committee of the Red Cross and the Government of Switzerland. The ICoC followed the successful signature of the *Montreux Document* on September 18, 2008, which to date has been signed by over 30 different nations. The *Montreux Document* set forth the obligations of nations in regards to the use of private security providers, and the ICoC added to it by establishing a set of operational standards and human rights principles that private security companies agree to adhere to when operating in areas of conflict or disaster where governments and traditional government authorities may be unable to operate effectively.

As a signatory to the ICoC, Tactical Solutions International, Inc. must follow the ICoC’s guidance, and the Company must ensure that it operates in accordance with the standards and principles it contains. As a continual leader in the industry, most of these standards and principles were reflected in the Company’s operations, as well as this Code and Company Policies, long before the signature of the ICoC. However, any employee that becomes aware of an actual or suspected violation of the ICoC should report the matter immediately in accordance with Section 4.2

For more information on the ICoC, employees may refer to the official website: [www.icocpsp.org](http://www.icocpsp.org).

## **Part 8.0: DISTRIBUTION OF THE CODE OF ETHICS AND BUSINESS CONDUCT AND THE EMPLOYEE ACKNOWLEDGEMENT FORM**

Tactical Solutions International, Inc. is distributing this Code of Ethics and Business Conduct to the Company’s Board of Directors and all officers and employees of the Company, including all programs and business units involved in Government contracting. It also applies to certain agents, representatives and consultants working for or on behalf of the Company. This distribution will be supplemented by appropriate training and presentation on legal compliance, including where available web-based training. New employees will receive a copy of the Code in the course of their orientation and will be required to familiarize themselves with it. Employees also will be required to participate in periodic “refresher” training sessions. Updates to the Code or to Company policies will be posted and reported on **InsideTSI**.

Each individual or company receiving this Code of Ethics and Business Conduct is responsible for reading and understanding its requirements. Each individual will be asked to acknowledge that they read and understood, and agree to adhere to the standards of conduct contained in the Code of Ethics and Business Conduct. It is the employee’s responsibility to complete and sign the Acknowledgment Form. In addition, as this Code is updated, new versions will be posted on **InsideTSI** and the Company’s website, and will be accessible by employees subject to the Code. Therefore, each individual also will be responsible for understanding and adhering to any changes to this Code during the course of his or her employment or other business relationship with Tactical Solutions International, Inc.. A copy of the required Acknowledgement form is attached as Exhibit A.

## EXHIBIT A

### TACTICAL SOLUTIONS INTERNATIONAL, INC., INC. CODE OF ETHICS AND BUSINESS CONDUCT EMPLOYEE ACKNOWLEDGEMENT FORM

**I hereby acknowledge that:**

- I have received a copy of the Tactical Solutions International, Inc., Inc. Code of Ethics and Business Conduct;
- I have read, understood and agree to adhere to the standards of conduct contained in the Code of Ethics and Business Conduct;
- I understand that I will receive training on the Code of Ethics and Business Conduct, and that it is my responsibility to use the training to supplement my reading of the Code of Ethics and Business Conduct, and such training does not eliminate the requirement for me to read this document;
- I understand that periodic updates to the Code of Ethics and Business Conduct may occur, that up-to-date versions of the document will be available to me on **InsideTSI**, and that I am responsible for staying informed as to the contents of the Code of Ethics and Business Conduct; and
- I will report any violation, action or omission that appears inconsistent with the standards established by the Code of Ethics and Business Conduct. I understand that this obligation includes a requirement to report any actual or suspected violations of the Code of Ethics and Business Conduct known to me at the time that I end my employment or other business relationship with Tactical Solutions International, Inc.
- I understand that the Company and the U.S. Government have a “**zero tolerance**” policy in human trafficking, and I have read Section 7.7 of the Code addressing this policy.

**Signature:** \_\_\_\_\_

**Name Printed or Typed:** \_\_\_\_\_

**Position or Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_