

VC3.1 Code of Business Ethics and Conduct			Page: 1 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

I. PURPOSE

Versar will conduct its business activities with honesty, integrity, and open communication. The purpose of this Code of Business Ethics and Conduct (the “Code”) is to state the principles that Versar requires all team members to follow in dealings with the government, the public, Customers, suppliers, competitors, and fellow team members. All Versar team members, directors and business partners are expected to adhere to the spirit, as well as the letter, of the Code. All policies and procedures are expected to be carried out with the utmost attention to ensuring that the Code is enforced throughout the Company, by all team members.

II. PROCEDURE

A. Identification, Training, and Internal Controls

1. Versar has identified the Chief Financial Officer (“CFO”) as the Corporate Compliance Officer (“CCO”). The CCO will assess risk on a periodic basis and work with a matrixed team to address corporate risk reduction, in addition to government contracting compliance.
2. Versar team members will complete annual training that includes a review of and annual acknowledgement of the Code.
3. Internal control processes will be reviewed in detail during the annual compliance training, but also periodically in other communication outlets such as the newsletter and compliance blasts, so that improper conduct can be discovered and disclosed in a timely manner and corrective measures are instituted and carried out in a prompt manner.

B. Whistleblowing Disclosures

1. Versar will protect any team member who makes a good faith disclosure of suspected wrongful conduct. More specifically, Versar encourages an atmosphere that:
 - Allows team members to meet their obligations to report violations of law and breaches of conduct covered by Versar policies and procedures
 - Informs team members about how allegations of wrongful conduct may be disclosed
 - Protects team members from reprisal by adverse employment action taken because of having disclosed wrongful conduct
 - Provides team members who believe they have been subject to reprisal, a process to seek relief from retaliatory acts that fall within the authority of Versar
- a. Reporting Mechanisms/Disclosure Channels
 - 1) Confidential Ethics and Safety Hotline: From within the U.S., the Ethics and Safety Hotline number is 1-877-803-9070. This is a toll-free, 24-hours-a-day, 7-days-a-week resource. Callers to the Ethics and Safety Hotline may remain anonymous when making reports. All questions and incident reports are responded to promptly and confidentially.
 - 2) Team members may also contact the Chief Executive Officer (“CEO”), CFO or CCO directly, as well as any other manager and/or team member. Recipients of reports of suspected wrongful conduct are required to ensure the CCO or the hotline are contacted directly.
- b. Disclosure of Allegations of Wrongful Conduct
 - 1) Versar fosters open and free communication to ensure that all reported violations

VC3.1 Code of Business Ethics and Conduct				Page: 2 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team	
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance		

are promptly investigated in accordance with applicable Versar policies and procedures. Team members must not conduct their own preliminary investigations. Versar will fully investigate all reported incidents necessary and will take appropriate action to address the situation. Team members are expected to cooperate fully with such investigations and to provide all information that they possess regarding such violations. Failure to cooperate fully in a forthright manner with any such investigation is grounds for disciplinary action up to and including termination.

c. Protection of Team Members

- 1) Versar is committed to maintaining a workplace where team members are free and encouraged to raise good faith concerns regarding Versar's business practices, specifically:
 - reporting suspected violations of law or regulation on the part of Versar
 - providing truthful information in connection with an inquiry or investigation by a court, agency, law enforcement, other governmental bodies, or by a representative of Versar itself
 - identifying potential violations of Versar policies and procedures
- 2) Versar will not discharge, demote, suspend, threaten, harass, retaliate or in any manner discriminate against any person based upon the lawful action of any such team member with respect to good faith reporting of any matter.

d. Relief from Retaliatory Acts

- 1) Any retaliation or reprisal by a Versar team member or agent is forbidden. Allegations of retaliation will be investigated, and appropriate action will be taken.
- 2) If a team member perceives they are the victim of retaliation or reprisal, they are to contact the Ethics hotline or another trusted disclosure channel.
- 3) Reporting retaliation or reprisal does not require a specific form but does require specificity regarding the original whistleblowing and the actions that manifest retaliation/reprisal in the mind of the team member.

C. Conflicts of Interest

Versar strives to minimize the risk to the Company and its Customers of real, or apparent, conflicts of interest. Conflicts of interest can arise when team members, or the Company itself, has a motive (or appears to have a motive) to act in a way that is detrimental to the best interests of the Company or a Customer(s). Versar will conduct its business in a way that enhances its reputation for fairness, openness, and professional conduct.

1. Federal Acquisition Regulation ("FAR") Definitions

- a. FAR Part 2 defines *Organizational Conflict of Interest* ("OCI"): *Organizational conflict of interest* means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.
- b. FAR Subpart 9.5: Versar is committed to comply fully with the requirements set forth in Subpart 9.5 regarding OCI for all work Versar performs for the federal government and other Customers.

VC3.1 Code of Business Ethics and Conduct			Page: 3 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

2. Proposals and Contracts

Versar will not negotiate, or enter, any contract if the interests of a particular Customer may compromise or threaten Versar’s ability to maintain unbiased objectivity in serving its other Customers.

a. The identification of any potential OCI is reviewed and discussed at the beginning stages of the proposal process and again at each gate (Bid/No Bid decision point). Where an actual or potential OCI may occur, by entering into a contractual agreement or by accepting a task order under an awarded contract, such contractual instruments may be entered into only after all the following conditions have been satisfied:

- 1) Full and complete disclosure of the actual or potential conflict of interest has been made to Versar senior management and the appropriate Customer or governmental official(s) with a proposed means of avoiding, mitigating, or neutralizing all actual or perceived conflict(s)
- 2) Avoiding situations in which we provide services to parties on both sides of a dispute, unless specifically requested to do so by all parties
- 3) Avoiding investments or other compromising relationships with entities whose interests may be or appear to be counter to the interests of a Versar Customer or a potential Customer
- 4) Consent to the execution of the contractual arrangement has been obtained from the appropriate Customer or governmental official(s), along with any necessary government or other approvals of an appropriate conflict of interest avoidance and mitigation plan where required

b. Versar will add required OCI flow-down clauses to each subcontract document. If requested by the Customer, each subcontractor must prepare and follow an appropriate OCI plan. Versar will require that each subcontractor certify that it has prepared and is following its OCI plan.

3. Versar Team Members

a. Expectations

Versar team members are required to observe the highest standards of honesty and good faith in all transactions relating to their duties for Versar. This means that team members may not pursue private activities or interests which are in any manner harmful to Versar, and must subordinate all outside activities, whether for profit or not, which may conflict with the best interests of the Company. Each team member must be free from any conflicts of interest or influences of such nature and importance as to make it difficult for him/her to give to the Company his/her best efforts and undivided loyalty.

b. Reporting

All team members must provide the Company with current and complete information with respect to any potential or actual conflicts of interest. In all matters relating to this conflict-of-interest policy, both the actual and apparent conflicts-of-interest are covered. In other words, it is not necessary that the team member make judgments which are not in the Company's best interests, but only that the appearance exists that such judgments could result. Further, each team member must bring to the Company’s attention all business opportunities to which he or she is involved or will become aware that is within

VC3.1 Code of Business Ethics and Conduct			Page: 4 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

the scope of one of Versar’s several business areas and expertise. If a team member perceives there might be a conflict of interest, they are to contact the Ethics hotline or another disclosure channel.

D. Anti-Bribery

Bribery is the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised, or provided to gain any commercial, contractual, regulatory, or personal advantage.

1. Prohibitions

Versar team members shall not offer or give any gift and/or gratuity, bribe, or kickback to any Versar Customer, supplier, or government employee or official, nor shall team members accept or solicit any gift, gratuity, bribe, or kickback from any such person that would violate law, regulation, or the policies of the Company or the recipient’s Company, or cause embarrassment to or negatively reflect on the Company’s reputation. This applies to both Versar team members and any member of a Versar team member’s household or immediate family (any relative of the team member or the team member’s spouse).

- a. Gift and/or Gratuity: any gift, favor, entertainment, hospitality, transportation, loan, other tangible item, or any intangible benefits, including discounts, passes, promotional vendor training, etc. given or extended to anyone. An illegal gratuity occurs when someone directly or indirectly gives, offers, or promises anything of value to a government official for or because of any official act. For it to be illegal, a person giving or receiving an illegal gratuity does not need to have corrupt intent.
- b. Bribery: when someone directly or indirectly gives, offers, or promises anything of value to a government official with the intent to influence any official act. A bribe requires a corrupt intent to influence an official - seeking a “quid pro quo” - but the official need not take the requested action for the transaction to constitute a crime. A public official is defined as any officer or employee, or person acting for, or on behalf of, the United States, or any department, agency, or branch of government. Versar team members must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor), nor may team members bribe a foreign public official anywhere in the world.
- c. Kickback: any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, employee of a prime contractor subcontractor, subcontractor, or employee of a subcontractor for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contractor in connection with a subcontract relating to a prime contract.

2. Applicable Regulations

- a. Gift and/or Gratuity: Under the Federal Gratuity Statute, 18 U.S.C. § 201(c), it is a crime to directly or indirectly give, offer, or promise anything of value to any public official, former public official, or person selected to be a public official, for or because of any official act performed by that official. See FAR 52.203-3, “Gratuities.”
- b. Bribe: Under the Federal Bribery Statute, 18 U.S.C. § 201(b), it is a crime to directly or

VC3.1 Code of Business Ethics and Conduct			Page: 5 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

indirectly give, offer, or promise anything of value to a public official, or person selected to be a public official, with the intent to influence any official act.

- c. Kickback: Under the Federal Anti-Kickback Act 41 U.S.C. 51-58 (the “Act”), it is a crime for subcontractors to make and contractors to accept payments for the purpose of 2improperly obtaining or rewarding favorable treatments in connection with a prime contract or a subcontract relating to a prime contract. The Act prohibits the payment of any fee, commission, or compensation of any kind or the granting of any gift or gratuity by a contractor or subcontractor. See FAR 52.203-7, “Anti- Kickback Procedures.”.
 - d. Under the Procurement Integrity Act, 41 U.S.C. § 423, it is a crime to directly or indirectly give, offer, or promise anything of value to any procurement official, with the intent to influence any official act. See FAR 3.104, “Procurement Integrity.” See CP2.2 Procurement Integrity for further information.
3. Appropriate Gifts and/or Gratuities
- a. U.S. Government Customers, Employees and Officials: Federal, state, and local government agencies have rules governing the acceptance of gifts and gratuities by employees and officials from firms and persons with whom they do business. In all such cases, Versar team members may not offer or give prohibited business courtesies such as entertainment, meals, gifts, gratuities, and other things of value to any actual or potential Customers, employees and officials or their families. The following exceptions apply and are permissible:
 - 1) Modest items of food and refreshments such as soft drinks, coffee, and snacks on an occasional basis in connection with legitimate business activities.
 - 2) Unsolicited gifts (including meals, transportation, lodging, or entertainment) having an aggregate value of \$20 or less per government employee, per occasion, provided that such items do not in aggregate exceed \$50 per person in a calendar year. This is commonly referred to as the “20/50 Rule.”
 - 3) Marketing or promotional items such as a coffee mug, pen, or T-shirt intended solely for the purpose of presentation and displaying the company logo, are permissible so long as the item conforms to the “20/50 Rule”.

Further, there are a few additional circumstances in which the giving of gifts is appropriate. However, no expenditure for such gifts is reimbursable to the Versar team member and the Versar team member MUST contact the Director of Contracts and Procurement prior to procuring or providing any such gifts.

 - 1) Awards and honorary degrees
 - 2) Gifts based on outside business or employment relationships (e.g., flowers for illness or death)
 - 3) Social invitations from persons other than prohibited sources
 - 4) Gifts authorized by supplemental agency regulation
 - 5) Gifts accepted under specific statutory authority
 - 6) Gifts motivated by longstanding personal or family (non-business) relationships
 - 7) Discounts and similar benefits
 - b. Domestic Non-Government Customers: Versar team members may socially entertain non-U.S. Government business acquaintances. Meals, refreshments, entertainment, and

VC3.1 Code of Business Ethics and Conduct			Page: 6 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

reasonable gifts (having a market value of \$100 or less) may be provided to non-U.S. Government (domestic) Customers. Such efforts must be in support of business activities and permissible under the rules of the recipient’s company policy and approved by the Director of Contracts and Procurement.

- c. Foreign Customers: Meals, entertainment, and reasonable gifts may be provided to foreign Customers who are NOT foreign officials or officials of state-owned companies provided they are permissible under local law and in accordance with the above 20/50 Rule. All requests for payment or provision of business courtesies (meals, gifts, lodging, transportation, etc.) to a foreign official (including officials of state-owned companies), foreign political party or party official, or candidate for foreign political office must be submitted in advance to the Director of Contracts and Procurement.
- d. best In all cases, gifts or gratuities may be accepted only if:
 - 1) The Director of Contracts and Procurement approved
 - 2) They are unsolicited and reasonable in amount
 - 3) Acceptance will foster goodwill and successful business relations
 - 4) They are not lavish or extravagant under the circumstances
 - 5) They are not frequent and do not reflect a pattern or the appearance of a pattern of frequent acceptance
 - 6) The team member accepting the gift or gratuity would feel comfortable discussing it with his or her manager or coworker, or having the courtesies known by the public

Each team member must ensure that his or her acceptance of gifts and gratuities is proper and could not be construed in any way as an attempt by the offering party to secure favorable treatment.

E. Communications

Team members must always deal honestly and fairly with all government Customers, as well as with other contractors, teaming partners, subcontractors, suppliers, and consultants supporting Versar’s government business.

F. Business Practices

- 1. Dealing with Suppliers: It is important that when we work with a chosen supplier, or negotiating competitive terms with a new supplier, we take account of the following:
 - a. When choosing a supplier or contractor, team members should coordinate with the Contracts and Procurement Division.
 - b. Versar awards orders, contracts, and commitments based on merit (including cost efficiency), business needs, and corporate strategy.
 - c. Terms of all orders, contracts and commitments should be specified to all parties in writing.
 - d. While bearing in mind the advantages to Versar of maintaining a relationship with a supplier, any arrangement, which might, in the long term, prevent the effective operation of fair competition, should be avoided.
- 2. Dealing with Competitors: Versar prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of its business affairs. In situations where Versar is considering the possibility of teaming with a company or organization to respond to a particular opportunity, the company or organization will, in most cases, not

VC3.1 Code of Business Ethics and Conduct			Page: 7 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

be considered a competitor with respect to that opportunity for purposes of this section. However, the same company or organization with which Versar is teaming on a specific opportunity may be competing against Versar on other opportunities. In those situations, that company would be considered a competitor to which the requirements of this section apply. Since teaming arrangements with competitors may raise antitrust issues, care must be taken to avoid such issues prior to entering a teaming arrangement with any of Versar’s competitors. In addition, team members are prohibited by law from entering into any agreement or understanding with a competitor regarding prices. This includes any agreement or understanding that affects prices or any other conditions of sale.

3. **Safeguarding Information:** Team members are responsible for ensuring the proper protection of Versar confidential and/or proprietary information and capital assets, including Versar’s trade secrets, pricing information, trademarks, and copyrights. This responsibility also extends to all confidential or proprietary information and produced by and/or communicated to team members because of employment at Versar. Versar utilizes non-disclosure agreements to protect information that could be categorized as a trade secret, pricing, confidential or proprietary belonging to Versar, its Customers, or other business partners. Team members are not allowed to share information that could fall into any of these categories to entities or individuals outside of Versar unless it falls into their area of responsibility and the appropriate non-disclosure agreement has been fully executed. See CP2.6 Non-Disclosure Agreement. In accordance with Versar’s Proprietary Information and Invention Assignment Agreement and other team member agreements, Versar retains all rights, title, and interest to all inventions, software, and other intellectual property that result from or are suggested by work performed by team members for Versar or use of Versar’s resources. Please see IM 1.7 for more detail regarding securing company information on Personally Owned Devices.
4. **Security of U.S. Government Classified and other Controlled or Sensitive Information:** team members must comply with government laws and regulations that protect our nation’s defense secrets and to prevent any unauthorized access to or dissemination of sensitive information. Team members who have a valid security clearance and require access to specific classified information must handle such information, in whatever form it exists, strictly in accordance with the procedures set forth by the appropriate governmental agency for safeguarding classified information. Such procedures normally encompass activities such as storage, reproduction, review, shipping, and destruction of classified information. Team members must not seek access to, accept, or retain any classified materials for which they have no need to know, or which they are not otherwise entitled to possess. Team members with questions relative to the security of U.S. Government classified information should contact the Company’s Facility Security Officer (“FSO”). In addition, information may be unclassified but sensitive in the form of documents labeled “For Official Use Only” or “For Internal Use Only” (or words to that effect) to identify information or material which, although unclassified, may not be appropriate for public release, or “NOFORN” meaning that the information is not to be conveyed in any manner to any foreign national except through a license or other valid

VC3.1 Code of Business Ethics and Conduct			Page: 8 of 8
Version Number: 1	Last Revision Date: October 15, 2022	Review Frequency: Annually	Reviewed By: Executive Management Team
Procedure Owner: Chris Phelps		Parent Policy: VC3.0 Ethics and Compliance	

approval from the appropriate U.S. Government agency or classifying authority. Team Members must take appropriate steps to protect such information from unauthorized disclosure consistent with the agency rules and policies under which such document is issued. See GS1.0 Classified Contracts and GS2.0 Facility Access for more information.

5. Information Systems: Versar limits the use by team members of all office automation and information systems, whether company-owned or customer-owned, to company business. In keeping with this limitation, all information stored or transmitted with the use of computer-based and voice-based information systems owned or otherwise used by Versar shall remain the sole property of Versar. Versar reserves the right to access and audit all such information systems at any time. Team Members must never use company and information systems to display, store, or transmit any information that others may construe as discrimination and/or harassment based on race, national origin, sex, sexual orientation, age, disability, or religious or political beliefs. Please see Versar Policy IM 1.0 and its associated procedures for more detail.

III. ASSOCIATED GUIDELINES/PRACTICES/TEMPLATES/FORMS
A. TBD