MTSI CODE OF BUSINESS ETHICS AND CONDUCT

Introduction

MTSI was founded on entrepreneurial zeal and a single contract award. The zeal has continued as we've grown from a very small company to an expanding and noteworthy aerospace engineering company within the government contracting and commercial marketplace. Our Core Values however, have not changed:

- Employees Come First
- Leadership, Quality, Responsiveness in Service Delivery
- Own & Solve Customer's Problems
- Ethics, Integrity, & Trust
- Organizational Teamwork & Collaboration
- Open, Honest, & Respectful
- Communication
- Entrepreneurial Environment
- Opportunity Based on Merit
- Social Responsibilities

I remain committed to the value we have always placed on working hard and having a good time doing it. Today's environment is fraught with a variety of situations that can create problems for our employees or our company. Each of us makes complex decisions regarding the right thing to do in business situations that are far from simple.

This MTSI Code of Conduct is a policy statement intended to provide guidelines to help you in many situations that you may face. The Company relies on your good judgment to take the appropriate action in all situations. The key is to understand the environment, be able to identify the issues, and apply a combination of common sense and the desire to do the right thing. Please carefully read this policy. Use your chain of command for reporting, clarification, or resolution. Additionally, you can contact the MTSI Compliance Officer or the General Counsel for assistance. I am also a point of contact for “open door” discussion of any unique situation that presents itself.

Kevin Robinson
President and CEO
All requested changes to the MTSI Code of Business Ethics and Conduct requires concurrence and approval by both the Compliance Officer and the General Counsel. This document is reviewed annually by the Compliance Committee.

Change Log

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COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which MTSI’s ethical standards are built. All employees and officers must respect and obey the laws, rules, and regulations of the cities, states, and countries in which we operate. Although employees and officers are not expected to know the details of each of these laws, rules, and regulations, it is important to know enough to determine when to seek advice from supervisors, managers, or other appropriate personnel.

If a law conflicts with a policy in this Code, employees must comply with the law. If however, a local custom or policy conflicts with this Code, employees must comply with this Code. Any questions about how to handle these conflicts should be referred to your supervisor. Employees and officers are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law, this Code, or Company policy. Those who violate the standards in this Code will be subject to disciplinary action, including possible termination of employment. Furthermore, violations of this Code may also be violations of the law and may result in civil or criminal penalties for you, your supervisors, and/or the Company. If a situation arises which may violate or lead to a violation of this Code, report it immediately to the Compliance Officer, the Director of Human Resources, the MTSI Hotline (hosted by a third party hotline provider, EthicsPoint) or supervisor and follow the procedures set out in the MTSI Compliance Plan.

Equal Opportunity

MTSI recognizes that its continued success depends on the development and utilization of the full range of our human resources. At the foundation of this precept is equal employment opportunity.

It is the continuing policy of this company to afford equal employment opportunity to qualified individuals without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, or status as a covered veteran in accordance with applicable federal, state, and local laws. This policy of equal opportunity pertains to all aspects of the employment relationship, including application and initial employment, promotion and transfer, selection for training opportunity, wage and salary administration, and the application of service, retirement, seniority, and employee benefit plan policies.

It is also the policy of this company to provide employees a workplace free from any form of harassment or retaliation. Sexual harassment in any manner or form is expressly prohibited.
Hiring of Federal Employees
Complex rules govern the recruitment and employment of U.S. Government employees in private industry. Prior clearance to discuss possible employment with, make offers to, or hire (as an employee or consultant) any current or former Government employee (military or civilian) must be obtained from the Director of Human Resources.

General Employee Conduct
MTSI expects its employees to conduct themselves in a businesslike and professional manner while treating all fellow employees and our customers with respect. Employees must not engage in sexual harassment, or conduct themselves in a way that could be construed as such. Always take special care to maintain favorable comportment with regard to language, personal appearance, and similar considerations. Also, many MTSI contracts and customer environments fall under the auspices of drug-free workplace mandates. Because the majority of employees are involved with work requiring sensitive government clearances and accesses, it is imperative that each employee understands and remembers that adverse conduct of any kind can affect these clearances and MTSI’s ability to perform its mission. Finally, be aware that even the appearance of impropriety can cause problems and potentially become violations of this Code.

CONFLICTS OF INTEREST

MTSI expects that employees will perform their duties conscientiously, honestly, and in accordance with the best interests of the Company. Employees must not use their positions, or the knowledge gained as a result of their positions, for private or personal advantage. Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a personal conflict of interest with their work at MTSI, they should immediately communicate all the facts to their supervisor.

Similarly, as a government contractor, we must constantly be aware of the distinction between developing requirements for customers under contract, versus performing on separate contracts emanating from those requirements specifications. It is usually a conflict to serve in both capacities, so we must pay special attention to these situations to avoid corporate conflicts of interest. Consult the MTSI Compliance Plan, Organizational Conflict of Interest Policy, the General Counsel, or the MTSI Compliance Officer if there are any questions or concerns regarding a specific situation.

Outside Activities, Employment, and Directorships
All employees share a serious responsibility for maintaining MTSI’s good public relations, especially at the community level where we are very active and proud of our tradition of “giving back.” Our readiness to help with religious, charitable, educational, and civic
activities brings credit to MTSI and will continue to be encouraged. Employees must, however, avoid acquiring any business interest or participating in any other activity outside the Company that would, or would appear to:

- Create an excessive demand upon their time and attention, thus depriving MTSI their best efforts on the job.
- Create a conflict of interest - an obligation, interest, or distraction - that may interfere with the independent exercise of judgment in MTSI’s best interest.

**Competition and Fair Dealing**

MTSI seeks to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Misappropriating proprietary information, possessing trade secret information that was obtained without the owner’s consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee and officer should endeavor to respect the rights of and deal fairly with MTSI’s customers, suppliers, competitors and employees. No employee or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal or unethical practice. No employee or officer is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

To maintain MTSI's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

**Relationships with Clients and Suppliers**

MTSI employees may not have any employment, consulting, or other business relationship with a competitor, customer, or supplier of MTSI, or invest in any competitor, customer, or supplier (except for moderate holding of publically traded securities) unless they have obtained advance written permission of the corporate officer responsible for their group, after consultation with the General Counsel. Additionally, MTSI requires ethical behavior from outside consultants, teaming partners, and subcontractors. MTSI is responsible for ensuring that any external entity we collaborate with is held to the same standards of integrity that MTSI requires of employees. That includes obeying all the laws and government regulations that apply, to include FAR-related guidance, travel regulations, and billing procedures. If an outside collaborator violates MTSI’s ethical standards, it can be equivalent to MTSI violating those standards.
**Gifts, Entertainment, and Favors**

Employees must be sensitive in the acceptance and offering of entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which MTSI has, or is likely to have, business dealings. Employees should familiarize themselves with guidance contained in the Federal Register and Federal Agency and Department of Defense policies that provide guidance on nominal gift policy. (See DoD Directive 5500.7-R Standards of Conduct and 5 C.F.R. § 2635.203(b)). Employees must not accept any preferential treatment because their positions with MTSI might be inclined to, or be perceived to; place them under obligation to return the preferential treatment. Employees must not offer any preferential treatment because their positions with MTSI might be perceived to place them in a position to expect a return for the preferential treatment.

With regard to U.S. Government customers, employees may not provide or pay for any meal and refreshment*, entertainment, travel, or lodging expenses for a U.S. Government employee without advance written approval of the General Counsel. (*Coffee, donuts, and similar modest items of food and refreshments are acceptable when offered other than as part of a meal.) There may also be restrictions on providing business courtesies, including meals and refreshments, to state, local, or foreign customers which must be observed. Employees doing business with these authorities are expected to know and respect all such restrictions.

**Kickbacks and Secret Commissions**

MTSI strictly prohibits the acceptance of kickbacks and secret commissions from suppliers, teaming partners, or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

**PROTECTION AND PROPER USE OF COMPANY ASSETS**

All employees and officers should protect MTSI’s assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on MTSI’s profitability. All assets are to be used for legitimate company purposes. Any suspected incident of fraud or theft should be immediately reported to the MTSI Compliance Officer or the MTSI Hotline for investigation. MTSI assets should not be used for non-company business.

The obligation of employees and officers to protect MTSI’s assets includes MTSI’s proprietary information. Unauthorized use or distribution of this information is a violation of company policy. It could also be illegal and result in civil and/or criminal penalties.

Accordingly, do not disclose to any outside party- except as specifically authorized by management pursuant to established policy and procedures, any non-public business,
financial, personnel, or technical information, plans, or data acquired during employment at MTSI. On termination of employment, employees may not copy, take, or retain any documents containing proprietary or otherwise restricted information. The prohibition against disclosing restricted information extends indefinitely beyond the employee’s period of employment. This agreement to protect the confidentiality of such information in perpetuity is considered an important condition of your employment at MTSI.

**Organization Funds and Other Assets**
The Company imposes strict standards to prevent fraud and dishonesty. Employees who have access to MTSI funds and/or assets in any form must follow the procedures for recording, handling, and protecting money as detailed in the Company’s policies and procedures and other explanatory materials. If anyone becomes aware of any evidence of fraud and dishonesty, they should immediately advise their supervisor (or if necessary the MTSI Compliance Officer) so that we can promptly investigate further. When an employee’s position requires spending MTSI funds or incurring any reimbursable personal expenses, that individual must use good judgment on the Company’s behalf to ensure that good value is received for each expenditure. MTSI funds and all other assets of the Company are intended for the Company and not for personal benefit, including the personal use of organizational assets such as computers.

**Organization Records and Communications**
Accurate and reliable records of many kinds are necessary to meet our legal and financial obligations and to manage the affairs of the Company. Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements
- False advertising, deceptive marketing practices, or other misleading representations

**Financial Records**
The records of MTSI are maintained in a manner that provides for an accurate and auditable record of all financial transactions in conformity with generally accepted accounting principles. No false or deceptive entries may be made, and all entries must contain an appropriate description of the underlying transaction. All Company funds must be retained in corporate bank accounts and no undisclosed or unrecorded fund or asset shall be established for any purpose. All reports, vouchers, bills, invoices, payroll and service records, and other essential data must be prepared with professional care and honesty.
Charging of Costs/Timecard Reporting
All employees are required to fill out timecards and should take care to do so in a complete, accurate, and timely manner. Employees performing U.S. Government contracts must be particularly careful to ensure that hours worked and costs are applied to the account for which they were in fact incurred. No cost may be charged or allocated to a Government contract if the cost is unallowable by regulation or contract provision or is otherwise improper.

Prompt Communications
All employees must make every effort to achieve complete, accurate, and timely communications - responding promptly and courteously to all proper requests for information and to all complaints.

Privacy and Confidentiality
When handling financial and personal information about customers or others with whom MTSI has dealings, observe the following principles:

- Collect, use, and retain only the personal information necessary for MTSI's business. Whenever possible, obtain any relevant information directly from the person. Use only personal information for the purposes for which it was originally obtained. Use only reputable and reliable sources to supplement this information.
- Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
- Limit internal access to personal information to those with a legitimate business reason for seeking that information. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

Government Classified and Proprietary Information
Adhere to all of the special operational security requirements we have within MTSI in our collateral, SCI, and SAR environments. We have a special obligation to comply with laws and regulations that protect classified information. Employees with valid security clearances who have access to classified information must ensure that the information is handled in accordance with pertinent Federal procedures. The restrictions apply to any form of information, whether in written or electronic form.

MTSI does not solicit nor will it receive any sensitive proprietary internal Government information, including budgetary or program information, before it is available through normal processes.
Political Activities
MTSI believes strongly in the democratic political process and encourages employees to participate personally on their own time in that process. A corporation’s activities, however, are limited significantly by law. For this reason, no political contribution of corporate funds or use of corporate property, services, or other assets may be made without the written approval of the CEO. In this connection, indirect expenditures on behalf of a candidate or elected official, such as use of telephones, computers and other corporate equipment, may be considered as contributions. Any questions should be referred to the Compliance Officer. In no event may an employee be reimbursed in any manner for political activities.

HEALTH AND SAFETY
MTSI strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted.

Employees are expected to perform their MTSI-related work in a safe manner, free of the influences of alcohol, illegal drugs, or controlled substances.

TRAINING
This Code of Conduct is, by reference, a part of the MTSI Compliance Plan, and as such will be a part of the Compliance and Ethics Training conducted by the Company. Each employee is required to be familiar with the MTSI Compliance Plan, this Code of Business Ethics and Conduct, and will complete initial employment and annual refresher training.

REPORTING VIOLATIONS
MTSI is committed to an environment where open, honest communications are the expectation, not the exception. We want you to feel comfortable in approaching your supervisor or management in instances where you believe violations of policies or standards have occurred.

Employees are expected to report any suspected violations of this Code or other irregularities to your supervisor or the Compliance Officer. No adverse action or retribution of any kind will be taken against an employee because he or she reports a suspected violation of this Code or other irregularity. Such reports shall be treated confidentially to the maximum extent consistent with fair and rigorous enforcement of the Code.
In situations where you prefer to place an anonymous report in confidence, you are encouraged to use our hotline, hosted by a third party hotline provider, EthicsPoint. You are encouraged to submit reports relating to violations stated in our, as well as asking for guidance related to policies and procedure and providing positive suggestions and stories.

The information you provide will be sent to us by EthicsPoint on a totally confidential and anonymous basis if you should choose. You have our guarantee that your comments will be heard.

See the EthicsPoint FAQs for more information: www.mtsi-va.ethicspoint.com

Additional information concerning the reporting of violations can be found in the MTSI Compliance Plan.

CONCLUSION

Each MTSI employee has an obligation to behave at all times with honesty and propriety because such behavior is morally and legally right and because MTSI’s business success and reputation for integrity depends upon the actions of each employee. Be certain to read, understand, and adhere to this Code as you carry out your daily activities. For clarification or guidance on any point in the code, please contact the Compliance Officer.