



WARDEN SYSTEMS

SETTING INNOVATION FREE

Code of Ethics (The Standard)

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TITLE: GOVERNMENT CONTRACTING ETHICS MANUAL

I. PURPOSE

The purpose of this document is to set forth the policies and procedures of Warden Systems together with its direct and indirect subsidiaries and business units, with respect to the pursuit, negotiation and administration of contracts with the United States Federal Government, state governments, local governments, and the prime contractors and subcontractors thereof.

II. SCOPE

The provisions of this Manual are applicable to Warden Systems, including its subsidiaries and all business units, with respect to all corporate activities that are involved with the pursuit, negotiation, implementation, and administration of contracts with, and sales to, the U.S. Federal Government, state governments, local governments, and the prime contractors and subcontractors thereof.

III. DEFINITIONS

- 1.0 **Bona fide agency** - has the meaning set forth in section VI., subsection 7.3.1.2.
- 2.0 **Warden** – Warden Systems and its agents, subsidiaries and all business units.
- 3.0 **Contingent fee** - has the meaning set forth in section VI., subsection 7.3.
- 4.0 **DFARS** - the Defense Federal Acquisition Regulation Supplement.
- 5.0 **FAR** - the Federal Acquisition Regulation.
- 6.0 **Gift** - Any personal gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. This includes, for example, services, training, transportation, local travel, lodging and meals, and monetary reimbursement for any expense.
- 7.0 **Government, U.S. Government** - the Federal Government of the United States of America, including any department or agency.
- 8.0 **Government Contract** - a contract between the U.S. Government and a private party to provide supplies or services to the U.S. Government or any of its prime contractors or subcontractors, such as a Blanket Purchase Agreement, an open market purchase order that Warden has accepted, or any other contract to supply the U.S. Government.
- 9.0 **Government Employee, Government Personnel** - an employee of the U.S. Government, personnel of the U.S. Government.

- 10.0 **Government Official** - a Government Employee; a member of the United States Congress or any other elected or appointed official of the U.S. Government.
- 11.0 **Improper influence** - has the meaning set forth in section VI., subsection 7.1.
- 12.0 **Interested Government Employee** - (i) a Government Employee who is or was involved in a government procurement, where Warden is or was a bidder or otherwise involved in the procurement; (ii) a Government Employee who was or is involved in the administration of any Government Contract with Warden.
- 13.0 **Kickback** - has the meaning set forth in section VI., subsection 7.1.
- 14.0 **Organizational Conflicts of Interest** - may arise in situations where: (1) a contractor has taken conflicting roles in a procurement that may bias its judgment; or (2) a contractor is given an unfair competitive advantage because the contractor has access to proprietary information obtained from the Government or has source selection information which is not readily available to all potential offerors.
- 15.0 **Report; Reported** - a report made in the manner specified in section VI., subsection 1.0 (“Reporting Procedures”) of this Manual.

IV. RESPONSIBILITIES

- 1.0 **Responsibilities that Overlap Functions or Employees.**
- 1.1 Where a compliance responsibility under this Manual is shared by or overlaps a number of functions and/or individuals, the involved functions and individuals are all jointly accountable for compliance with the requirement.
- 2.0 **Ethics Program Director Responsibility.**
- 2.1 The Ethics Program Director shall maintain an up-to-date copy of the FAR, and be familiar with its provisions applicable to Warden’s government contracting activities. The Ethics Program Director shall consult with outside legal counsel as appropriate with respect to the application of laws and regulations pertinent to Warden’s government contracting activities including the application and interpretation of the FAR.
- 2.2 The Ethics Program Director, with the approval of his or her supervisor, shall designate an alternate person to cover for him or her during periods of the Ethics Program Director’s vacations or other absences.

V. POLICY

- 1.0 It is the policy of Warden to comply with all legal requirements for transacting business with the U.S. Government and its prime contractors and subcontractors, and to honor all of the terms and provisions of its Government Contracts.
- 2.0 This Manual does not prohibit Warden from seeking to lawfully negotiate modifications of any term or provision of a Government Contract. Pending agreement with the Government regarding any contract modification, however, the Government Contract will be complied with in accordance with its terms.
- 3.0 It is the policy of Warden to comply with all legal requirements with respect to dealing with Government Employees.

VI. PROCEDURE

1.0 Reporting Procedure.

- 1.1 Reports required by this Manual are to be made to the Ethics Program Director. Alternatively, the reporting employee may make the Report to his or her supervisor, who shall refer the Report to the Ethics Program Director.

In the event a report involves the individual that the report would be made to, or if an employee has reported an improper activity and is not satisfied with the corrective actions taken to address the concern, a report shall be sent to Warden's General Counsel (or if applicable, the General Counsel's delegate).

Alternatively, employees may identify non-compliance matters anonymously via the Warden Systems Ethics Hotline at +1 (703) 853-9146. Warden Systems Ethics Hotline Reports are provided directly to the General Counsel or the General Counsel's delegate and are investigated by the Legal Department or its delegate.

- 1.2 When the General Counsel receives a Non-compliance Report through any channel, he or she will take all necessary steps to determine, in conjunction with Warden Senior Management, whether Warden has an obligation to make a mandatory disclosure of a violation to any government body.
- 1.3 No adverse action may be taken by any supervisor or other employee against any employee due to such employee's reporting of any suspected non-compliance pursuant to this policy.
- 1.4 Such reports and these policies and procedures are designed to help Warden ensure that it maintains compliance with all applicable Government requirements.

2.0 **Pre-award Bid, Proposal or Source Selection Information; Independent Price Determination.**

2.1 Warden Systems personnel must not request nor receive information, prior to the award of a Government Contract, concerning source selection, or concerning bids or proposals of other vendors.

2.1.1 A Warden employee who receives an offer to provide such preaward information must decline the offer and must Report the matter immediately.

2.1.2 Any receipt of such pre-award information, even if it was unsolicited, must be Reported immediately. The information must be given confidential treatment, and shall be forwarded, without making any copies, to the person to whom it is Reported.

2.2 Warden personnel must not provide pre-award information to others about the bids or proposals of Warden System, and prices offered by Warden to the Government shall be arrived at independently.

2.2.1 Warden's offered prices shall be arrived at without any consultation, communication or agreement with any other bidder (offeror) or any competitor, for the purpose of restricting competition, relating to:

- Warden's offered prices;
- The intention to submit an offer;
- The methods or factors used to calculate Warden's offered prices.

2.2.2 The prices offered by Warden must not be disclosed indirectly or directly to any other offeror or any competitor before bid or contract award, unless otherwise required by law as determined in consultation with outside legal counsel.

2.2.3 No attempt shall be made to induce any other vendor to submit or to refrain from submitting an offer for the purpose of restricting competition.

3.0 **Organizational Conflicts of Interest.**

3.1 It is the policy of Warden to identify, evaluate and resolve or avoid organizational conflicts of interest with respect to its government contracting activities.

- 3.2 All Warden personnel should be aware of and take steps to ensure that potential organizational conflicts of interest are considered and managed. If an opportunity gives rise to a potential organizational conflict of interest, the Ethics Program Director must be consulted.

4.0 Dealing with Government Personnel.

- 4.1 It is the policy of Warden that personnel recruitment is conducted by the Human Resources function. In addition to this general policy, special rules apply to dealing with former or current Government Employees.
- 4.2 No Warden employee should discuss with an Interested Government Employee the possibility of the Interested Government Employee becoming employed by Warden or doing business with Warden as a consultant or contractor or otherwise.
- 4.3 Any contact received from an Interested Government Employee, even if unsolicited, concerning the possibility of that person becoming a Warden employee, or the possibility of that person engaging in business with Warden as a contractor, consultant or otherwise, must be Reported.

5.0 Truthful Dealing with the Government.

- 5.1 Information submitted to the Government in connection with bids or proposals, pursuit to Government Contracts, and administration of Government Contracts shall be current, complete and accurate at the time of submission or at the time specified in a solicitation document. Warden personnel responsible for preparing or furnishing such information shall have a documented basis for demonstrating the currency, completeness, and accuracy of such information.
- 5.2 Billing of products supplied to the Government shall be done in accordance with the applicable Government Contract and shall be for the products (including product codes and quantities) actually provided, and in all other respects accurate and honest.
- 5.3 Products delivered under a Government Contract shall be those specified in the Government Contract. If a different product is to be delivered, the Government Contract must be modified accordingly prior to delivery.

6.0 Restrictions on Gifts and Gratuities to Government Employees.

- 6.1 Warden employees may not offer or give anything to a Government Employee in exchange for an official act, nor discuss doing so with a Government Employee.

- 6.2 Government Employees generally are prohibited from accepting or soliciting Gifts or business courtesies. Any request from a Government Employee for a Gift or courtesy must be Reported.
- 6.3 Warden employees are prohibited from giving or offering to give Gifts or other business courtesies to Government Employees, with the following limited exceptions:
 - 6.3.1 Modest refreshments (such as coffee, soft drinks or donuts) offered other than as part of a meal.
 - 6.3.2 Working meals are allowed only if the Government Personnel pay their fair share of the meal and if, whenever possible, the meal takes place on Warden's premises (for example, not in a restaurant or coffee shop).
 - 6.3.3 Advertising or promotional items with a market value of \$20 or less, such as coffee mugs, pens or pencils, greeting cards, plaques, certificates and other things of little intrinsic value.
 - 6.3.4 Exchange of gifts between friends or family members when the exchange is exclusively the result of a personal and not a business relationship.
 - 6.3.5 Gifts based exclusively on an outside (non-Warden) business or employment relationship¹.
 - 6.3.6 Training provided under a Government Contract, including training intended to facilitate the use of products or services provided under the Government Contract.
 - 6.3.6.1 General promotional training is not permitted.
 - 6.3.7 Free attendance at widely-attended, bona fide educational events.

7.0 Improper Influence; Kickbacks, Bribes, Payments to Third Parties; and Contingent Fees.

- 7.1 Warden shall not use improper influence to obtain a Government Contract. Payments, bribes, commissions, fees, compensation or gifts to or from any third party in order to influence sourcing decisions or otherwise influence Government transactions (“Kickbacks”) are prohibited. No Kickback shall be included in the costs of a Government Contract.

¹ Note: There shall be no outside business or employment relationship with a Government Employee who is an Interested Government Employee with respect to a current procurement or solicitation of bids or a current Government Contract with Warden. See Section VI., subsection 4.0 of this Manual.

7.1.1 *Improper influence* means any influence that induces or tends to induce a Government Employee or Government Official to give consideration to or to act regarding a Government Contract on any other basis than the merits of a matter.

7.2 This prohibition includes Kickbacks to Government prime contractors (for example, to induce them to influence a procurement decision in favor of Warden), and Kickbacks from subcontractors (for example, to induce Warden to subcontract with them under a contract awarded to the Warden as a prime contractor).

7.2.1 Kickbacks must not be offered, solicited or accepted to or from third parties.

7.2.2 Any offer of or request for a Kickback by a third party must be Reported.

7.3 Contingent Fees -- Arrangements to pay a contingent fee for soliciting or obtaining specific Government business are improper.

7.3.1 Contingent fees to bona fide employees of Warden or a bona fide agency to obtain Government business are generally permitted, provided the fee is not to obtain a particular Government opportunity.

7.3.1.1 A *contingent fee* means any commission, percentage, brokerage or other fee that would be contingent upon the success that Warden has in securing a Government Contract.

7.3.1.2 A *bona fide agency* means an established commercial or selling agency maintained by Warden for the purpose of securing business.

7.3.1.3 The bona fide employee and bona fide agency exceptions only apply where the person or agency neither exerts nor proposes to exert improper influence to solicit or obtain Government Contracts nor holds himself/herself or itself out as being able to obtain any Government Contracts through improper influence.

7.3.2 Contingent fee arrangements relating to Government business should be coordinated with the Ethics Program Director in advance.

8.0 **Contract Negotiations and Pricing.**

- 8.1 The provisions of this section ensure that: (1) in bidding for Government Contracts and in the negotiations of the terms of those contracts, Warden provides accurate and complete pre-award pricing and any other required information; (2) during the term of a Government Contract, the Warden timely provides full and accurate disclosure to the Government of any required information about pricing; and (3) during the term of a Government Contract, Warden timely provides the Government with any required pricing adjustments.
- 8.2 Contract Negotiation. The designated Warden representative (“Contract Negotiator”) shall represent Warden before the Government or prime contractor or subcontractor of the Government, in the negotiation of Government Contracts.
- 8.3 The Contract Negotiator is responsible for providing timely, complete and accurate pricing information and for making any required adjustments to the prices charged to the Government under a Government Contract.

9.0 Service Contract Act.

- 9.1 It is the policy of Warden to comply with all applicable requirements of the Service Contract Act of 1965, as amended, and all applicable implementing regulations promulgated by the Secretary of Labor.
- 9.2 Warden personnel who have questions regarding the requirements of the Service Contract Act, including, but not limited to, wage determinations, safe and sanitary working conditions, and record retention, should immediately consult with the Ethics and Compliance Officer.

10.0 Government Audit; Record Retention.

- 10.1 Records relating to Warden’s government contracting activities are subject to audit by the pertinent Government agency or the U.S. Comptroller General. Such records shall be retained in accordance with this Manual and with Warden’s Record Retention Policy. See Warden Record Retention Guidelines.

11.0 Subcontracting.

- 11.1 The Ethics Program Director is responsible for ascertaining Warden’s subcontracting and purchasing obligations arising under its Government Contracts and Subcontracts.
- 11.2 Restrictions on Subcontractor Sales to the Government. It is generally impermissible to impede, or attempt to impede, competition in the

government marketplace by restricting subcontractors from competing or attempting to capture Government Contracts.

- 11.3 Subcontract terms and conditions. Warden may enter into Government Contracts that require Warden to “flow down” terms and conditions to its suppliers. The Ethics Program Director, in consultation with outside legal counsel (where appropriate), is responsible for identifying “flow down” requirements at the time any such contract is entered.
- 11.4 Subcontracting Plans. Warden may enter into Government Contracts that require Warden to meet certain, specified socio-economic goals in its purchasing and subcontracting activities. Generally, such requirements entail the placement of a certain percentage of its purchasing expenditures with disadvantaged, women-owned, other small businesses, and small businesses located in certain regions of the country. It is the responsibility of the Ethics Program Director, in consultation with outside legal counsel (where appropriate), to negotiate, establish, and report on Warden’s subcontracting plans.