



# Day & Zimmermann

*We do what we say.<sup>®</sup>*

## **Policy: Compliance with FAR Disclosure Requirement**

**Policy No.: 1103-08**

**Responsible Officer: Senior VP, General Counsel and Secretary**

### **1.0 Scope**

The Day & Zimmermann Group, Inc. and its subsidiaries and affiliates

### **2.0 Policy**

It is the Company's policy to comply with all applicable federal, state, and local laws, regulations, and contract terms and conditions governing our business operations. One way the Company monitors compliance with such governing authorities is to review and investigate possible noncompliance with those authorities.

We rely on our managers, employees, and agents to raise concerns internally so that the Company can evaluate possible noncompliance and, where appropriate, adopt responsive corrective action.

Certain types of violations involving our federal government contracts and subcontracts must be reported by the Company to the federal government when they involve the award, performance, or closeout of a government contract or subcontract. The FAR Mandatory Disclosure Rule (effective December 12, 2008) requires the Company to disclose to the government when the Company determines it has "credible evidence" of a violation of federal criminal law involving fraud, conflict of interest, bribery, gratuity, or a violation of the civil False Claims Act. The Company must also disclose to the government when it becomes aware of significant overpayments made by the government on a contract. In addition, the Company may choose to report to the federal government even in the absence of an explicit requirement to do so.

While it is impossible to list each and every possible violation of governing authorities, the Company expects its managers, employees, and agents to disclose internally to the Company any actual or probable violations. The Company has endeavored to identify certain categories and specific examples

of the types of possible violations that may be encountered and thus are required to be disclosed internally.

### 3.0 Reporting Channels

All Company employees must comply with this internal reporting procedure and with the Company's Code of Ethics and Standards of Business Conduct.

Violations involving the Company, its principals, managers, employees, agents, vendors, subcontractors, teaming partners, and others with whom it does business must be reported internally through the Company channels set forth below.

- Any possible violation should be first reported to **your immediate supervisor** within 48 hours. The immediate supervisor must report the violation to the appropriate Leadership Council member within 48 hours. The Leadership Council member shall immediately report the possible violation to the Senior Vice President and General Counsel.
- Employees also have the option to report the violation directly to the Vice President of Internal Audit (215-299-8035) or anonymously using the Company's Helpline (1-877-319-0270) or visiting <https://dayzim.alertline.com>.

Reports will be handled in a confidential manner, consistent with any legal requirements and the need to investigate, report and correct any misconduct. The Company expects all employees to cooperate fully with the Company's internal investigation of any reported allegations.

No action will be taken against employees for making reports of a suspected violation in good faith. The Company prohibits retaliation or reprisals against any employee for reporting a suspected violation in good faith.

### 4.0 Types of Internally Reportable Events

#### 4.1 Contract Award

4.1.1 False statements – orally or in writing – made to the government directly or indirectly in a proposal or during an oral presentation to the government, which could include:

- Misstatements of Company or employee qualifications or performance results
- False price certification
- Concealment of a material fact

4.1.2 Bribery of or providing a prohibited payment or gratuity to a government official

4.1.3 Employment discussion between a government procurement official and a Company employee or agent that would cause a conflict of interest

4.1.4 Failure to disclose required information, such as cost, pricing, or other information requiring such disclosure, (e.g., cost or pricing data under the Truth in Negotiations Act)

4.1.5 Unlawfully obtaining government source selection information or contractor bid or proposal information prior to award of a contract.

Note: Award includes proposal and negotiation activities

## **4.2 Contract Performance**

4.2.1 Mischarging under a government contract (e.g., knowingly charging the wrong contract or task order, overcharging on a contract or task order)

4.2.2 Failure to perform required processes or tests required by the contract, or falsification of test results

4.2.3 Failure to deliver products or services that conform to contract requirements. For example:

- Billing for work not performed or not in accordance with the contract
- Failing to adhere to country of origin requirements
- Substitution of used parts where new parts are required
- Substandard parts

4.2.4 False statements about contract performance. For example:

- Misstatements of contract performance associated with award fee or milestone payments
- Concealment of a material fact

4.2.5 False or fraudulent claims (e.g., overstated invoices, billing for unallowable costs)

4.2.6 Falsification or unauthorized destruction of Company books and records

## **4.3 Contract Closeout**

4.3.1 False statements – orally or in writing – to the government, directly or indirectly, concerning contract entitlement or claims

4.3.2 False or fraudulent claims (e.g., overstated invoices, billing for unallowable costs)

4.3.3 Falsification or unauthorized destruction of Company books and records

## **4.4 Significant Overpayments**

4.4.1 Overpayments from duplicative invoices

4.4.2 Overpayments resulting from failure to pass along price reductions, discounts or rebates required under the contract

## **4.5 Other**

4.5.1 Performance of prohibited activities by a former government employee on behalf of the Company

4.5.2 Offer or acceptance of kickbacks in connection with government subcontracts at any tier

4.5.3 Retaliation against an employee who raises an issue involving Company noncompliance with any governing authority

4.5.4 Agreement or conspiracy to defraud the government with respect to any claim for payment or property

4.5.5 Obstruction of a federal audit

4.5.6 Falsification or unauthorized destruction of Company books and records

Again, this list is not exhaustive and, if in doubt, the Company encourages reporting of any compliance matter of concern in accordance with the Reporting Channel described in the Reporting Channels section of this Policy so that the Company's assigned subject matter experts can perform a thorough review, bringing to bear the full resources the Company has available for this purpose. The Senior Vice President and General Counsel or his designee will report the violation, if any, to the appropriate governing authorities.