Policy: Joint Venture Review and Approval Process

Policy No.: 1209-03

Responsible Officer: Senior VP, General Counsel and Secretary

1.0 Purpose

Joint Ventures between the Company and other businesses can be important mechanisms to achieve growth and profit for the Company, to develop new and expand existing markets, and to satisfy the increasingly complex needs of our Clients. However, there can be significant risks associated with these types of arrangements, depending on the assessment of the potential partner, the structure of the relationship, and the up-front planning and systems put into place. The purpose of this policy is to provide Business Units with the strategic assessment tools necessary to identify and mitigate these risks and to establish the Joint Venture approval process for the Company.

2.1 Definitions

Client – Any person or entity for whom a Business Unit provides goods or services.

Joint Venture – Any relationship between a Business Unit and another business (or multiple other businesses) outside the Company where they agree to jointly provide goods or services to a Client (or multiple Clients).

A Joint Venture may include:

- The creation of a new legal entity (such as a limited liability company) that is partially owned by a Business Unit and partially owned by another business;
- A partnership between a Business Unit and another business where they agree to jointly share work obligations and profits; or
- Any legally binding commitment to jointly pursue future opportunities and to enter into a Joint Venture at a future point in time upon the occurrence of specified events (e.g., the award of work based on a joint proposal), commonly called a teaming or partnering agreement.

For the purpose of this policy, a relationship is not considered a Joint Venture when a Business Unit may unilaterally decide not to enter into a Joint Venture or does not have a "good faith" or "best efforts" obligation to negotiate a Joint Venture agreement.

3.0 Entering Into a Joint Venture Without a Written Agreement

A Business Unit may not enter into a Joint Venture without first entering into a signed written agreement that has been approved under the process established by this policy.

4.0 Approvals of Joint Ventures

The decision to enter into a Joint Venture must be approved in writing, in advance, as follows:

Total projected value of goods or services	Initial capital contribution and support costs	Approver

> $10M	or	>$100,000	CEO
> $10M	or	>$50,000 but <= $100,000	CFO and Group President
> $5M but <= $10M	or	>$25,000 but <= $50,000	Group President
<= $5M	and	<=$25,000	Business Unit Head

5.1 Approval Considerations

Before the approval of a Joint Venture, the Business Unit must receive input from the Law Department, HR Department, and Finance Department. Approval must be based upon a written assessment of the following considerations, addressing strengths, weaknesses, opportunities, and threats:

- Does the Joint Venture make sense? Demonstrate that the decision to pursue a Joint Venture is based upon one or more of the following factors as set forth in the Business Unit's Growth and Profit Plan:
    - Increase size of business for leveraging economies of scale;
    - Add core competencies;
    - Increase geographic reach;
    - Acquire individuals and talent; and
    - Benefit from unique relationships or status.
- Is the Joint Venture partner the best available? Assess several potential partners in order to demonstrate that the partner chosen is the best available fit for the opportunity.
- Is the Joint Venture partner compatible with the Company? Address the Joint Venture partner's background, culture, benefits and practices, and how they compare with the Company's.
- Are the strategies aligned? Address how the short and long-term strategic goals of the Company and the partner are aligned regarding profitability, risks, markets, growth rate, and infrastructure.
- Is the Company internally aligned? Address any possible conflict or overlap with strategy of other Business Units and how this conflict or overlap can be resolved.
- What are the competitive risks? Address any risks to Company intellectual property, customers, or key personnel and how these risks can be mitigated.
- What is the Joint Venture partner's background? Provide data from outside sources such as Dun & Bradstreet, industry information, and public sources (e.g., the Internet) regarding the integrity, reputation and financial stability of the Joint Venture partner. CVs and personal references of key management should be included as well.
- What are the financial projections? Provide projected financial statements for the Joint Venture taking into account potential client and contract opportunities. The data should include profit and loss forecasts and balance sheets indicating fixed assets and receivables over time.
- What Company resources are necessary? Identify any significant investment required by the Company, including:
    - Capital contribution;
    - Bid and proposal support (both in terms of cost and personnel); and
    - Transfer of key management or personnel.
- Are there any significant or unique legal issues? Address potential legal issues, such as antitrust concerns and federal regulations. If the Joint Venture partner is an 8(a) firm as defined by the Small Business Administration, address specifics of proposed relationship such as ownership interests, work performance breakdown, and participation in Mentor-Protégé or similar federal program.
- Are there any potential conflicts with existing Company commitments? Identify and address any exclusivity and non-competition commitments by the Company (including those with other Business Units) that may be implicated by the Joint Venture. Seek the input of the Law Department and other Business Units to ensure proper alignment.

- If the Joint Venture is hired to engage in international business, the Joint Venture partners must be vetted to ensure compliance with the FCPA and other related laws (e.g. UK Bribery Act).

6.1 Establishment of Joint Venture

Once a Business Unit obtains the required approval to enter into a Joint Venture, the Unit must appoint a lead person who is tasked with the responsibility of setting up the Joint Venture and managing the Company personnel involved in this process. This individual does not necessarily need to be involved in the Joint Venture after it has been established. The lead will report to either a Business Unit Head or Group President while serving in this capacity. The lead must form a task force that includes members from the Law, Finance, Human Resources, and IT Departments, and may include other members as necessary. The lead is responsible for determining the deliverables necessary to establish the Joint Venture and for setting the deadlines for each of these tasks. As appropriate, the lead is responsible for addressing the following issues with the guidance and support of task force members (indicated in parenthesis):

- Negotiation of Joint Venture agreement (Law Department)
- Ensuring compliance with applicable federal laws and regulations (Law Department)
- Negotiation of client contracts (Law Department)
- Negotiation of administrative services agreements (Law Department)
- Determining tax issues and strategies (Finance Department)
- Establishing payroll system (Finance and IT Departments)
- Establishing invoicing system (Finance and IT Departments)
- Procuring insurance (Finance and Law Departments)
- Determining how expenses will be allocated (Finance Department)
- Hiring new personnel (HR)
- Determining employee benefits, such as medical, disability and retirement (HR)
- Establishing ongoing benefits administration, plan designs, cost structures, vendor selection, effective dates and cost sharing components (HR)
- Establishing employee policies and procedures (HR)
- Addressing labor and union issues (HR Business Partner and Law Departments)
- Addressing federal wage laws (HR and Law Departments)
- Selecting and implementing IT infrastructure (IT Department)

7.0 Signing Authority

The Business Units must identify the corporate officers who are authorized to sign Joint Venture and Teaming Agreements on behalf of the Company and provide the Law Department with an updated list of those individuals, as needed, from time to time.

8.0 Archiving of Agreements

The Business Units must provide the Law Department with all original executed Joint Venture and Teaming Agreement Documents. Unless the Group President and the General Counsel otherwise agree, the Law Department will index and archive all such documentation with the assistance of the Business Unit.

9.0 Related Policies

- International Transactions, Relationships, Sales and Services - Section 1501
- International Business Relationships - Section 1502
- International Business Travel - Section 1503
- Anti-Corruption/Foreign Corrupt Practices Act Compliance - Section 1504
- Compliance with Laws/Regulations Governing Imports/Exports - Section 1505
- Anti-Boycott Laws and Reports Required Thereunder - Section 1506
- Certificates of Foreign Ownership, Control of Influence - Section 1507
- International Acquisitions, Joint Ventures And Distributorships - Section 1508
- CFO/Corporate Tax Department Coordination For Certain International Sales - Section 1509