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 Groups and their associated 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.

2.0 Definitions

Client: Any person or entity for whom a Business Unit provides goods or services.
Joint Venture: Any relationship between one or more Business Unit(s) 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.

Teaming Agreement: Any legally binding commitment to jointly respond to a Client's request for proposal or to jointly pursue future business opportunities where the Company would be:

1. A prime contractor with a teaming partner or partners as subcontractors;
2. A subcontractor with a teaming partner as a prime contractor; or
3. Part of a Joint Venture.

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	>$250,000	CEO
> $10M	or	>$150,000 but <= $250,000	CFO and Group President
> $5M but <= $10M	or	>$50,000 but <= $150,000	Group President
<= $5M	and	<=$50,000	Business Unit Head

5.0 Approval Considerations

Before the approval of a Joint Venture, the Business Unit must obtain input from at least the Law Department, HR Department, and Finance Department. The Business Unit shall consider whether the IT Department, Supply Chain, or other groups should also provide input when considering the creation of a new Joint Venture. The Business Unit must obtain approval from the Law, HR, and Finance departments 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 or equivalent resource, 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, but see * note below.
- 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). Seek the input of the Law Department.

6.0 Establishment of Joint Venture

Once a Business Unit obtains the required approvals to enter into a Joint Venture, the Business Unit must appoint at least a lead person who is tasked with the responsibility of setting up the Joint Venture and managing the Company personnel involved in this process, however, 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 the Group President of the Business Group while serving in this capacity. The lead must form a task forceincluding members from the Law, Finance, Human Resources, Supply Chain, 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 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 (Supply Chain and 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)
- Selecting management and administration personnel*

* Business Unit should seek Law Department advice on whether legal representatives of the Company should provide legal advice on behalf of the Joint Venture or be used as legal counsel for the Joint Venture, including for any conflict of interest.

7.0 Joint Venture Agreement Requirements

If a potential Joint Venture agreement contains any provision indicated in the matrix below, the Business Unit must first obtain written deviation approval as indicated before executing the agreement.

Provisions	**Approvers**			
	BU Head (BU H)	**Group President (GP)**	**CFO or Group Controller (GC)**	**CEO**
Agreement contains exclusivity provision restricting Company's ability to provide goods or services outside the Joint Venture	BU H	GP		CEO
Agreement transfers or licenses Company intellectual property (patent, trademark, copyright) to Joint Venture	BU H	GP		CEO
Agreement restricts Company's ability to hire Joint Venture employees for greater than 1 year	BU H	GP		
Agreement restricts Company's ability to hire Joint Venture employees for greater than 2 years	BU H	GP		CEO
Company's voting rights or profit distributions are not commensurate with its ownership interest	BU H	GP		CEO
Agreement permits Joint Venture to commence litigation greater than $100,000 without Company's (in its role as a JV Partner) approval	BU H	GP		
Agreement permits Joint Venture to commence litigation greater than $250,000 without Company's (in its role as a JV Partner) approval	BU H	GP		CEO
Agreement permits Joint Venture to incur indebtedness without Company's (in its role as a JV Partner) approval	BU H	GP	CFO	
Agreement permits Joint Venture to sell or grant a mortgage or lien interest in substantial portion of its property without Company's (in its role as a JV Partner) approval	BU H	GP	CFO	CEO

Agreement requires additional capital contributions without Company's (in its role as a JV Partner) approval	BU H	GP	CFO	CEO
Agreement permits Joint Venture to add new Joint Venture members without Company's (in its role as a JV Partner) approval	BU H	GP		CEO
Agreement permits Joint Venture to terminate without Company's (in its role as a JV Partner) approval	BU H	GP		CEO
Agreement permits Joint Venture to merge or consolidate with another entity without Company's (in its role as a JV Partner) approval	BU H	GP		CEO
Agreement permits Joint Venture to appoint the Joint Venture's highest management position without Company's (in its role as a JV Partner) approval	BU H	GP		CEO
Agreement permits Joint Venture to enter into significant subcontract without Company's (in its role as a JV Partner) approval	BU H	GP		CEO
Agreement permits Joint Venture to enter into long-term leases or significant capital expenditures that are not budgeted without Company's (in its role as a JV Partner) approval	BU H	GP		CEO

8.0 Signing Authority

The Business Units must identify the corporate officers authorized to sign Joint Venture and Teaming Agreements on behalf of the Company.

9.0 Archiving of Agreements

The Business Units must provide the Law Department with all original executed Joint Venture and Teaming Agreement Documents.