



*Advocates for Human Potential, Inc.*

---

**STANDARDS OF ETHICS AND BUSINESS CONDUCT  
FOR CONSULTANTS  
AND INDEPENDENT CONTRACTORS**

**November 2011**

Advocates for Human Potential, Inc., (“AHP”) is dedicating to complying with all laws and regulations governing its business operations. AHP expects its Consultants/Independent Contractors to guide themselves in the conduct the Company’s business pursuant to the highest standards of business ethics and integrity.

The successful business operations and reputation of AHP are built upon the principles of fair dealing and ethical conduct. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of AHP is dependent upon our clients' trust and we are dedicated to preserving that trust. Our Consultants/Independent Contractors owe a duty to AHP, its clients, and shareholders to act in a way that will merit the continued trust and confidence of the public.

This document contains AHP’s Standards of Ethics and Business Conduct “Code of Conduct” for our Consultants/Independent Contractors (“Vendors”).

AHP Vendors shall be required by contract to comply with all laws and regulations to U.S. Government contracting.

AHP Vendors have an obligation to become familiar with this Code of Conduct and to certify that they have read and understand it. Any Vendor who does not understand any provision shall seek clarification from the AHP Compliance Officer.

This Code of Conduct may be reviewed, updated and distributed periodically.

November, 2011

# Table of Contents

<b>SECTION 1: ABOUT THESE STANDARDS</b> .....	2
Responsibility/Accountability .....	2
The Company’s Obligation to Report Violations under the Federal Acquisition Regulation’s Mandatory Disclosure Rules.....	2
How to Report Violations/ Non-Retaliation/ Investigation of Misconduct.....	2
<b>SECTION 2: CONSULTANT/INDEPENDENT CONTRACTOR CONDUCT</b> .....	2
Drug and Alcohol Use .....	3
Sexual and Other Unlawful Harassment .....	3
Workplace Violence Prevention .....	4
Avoiding Conflicts of Interest .....	4
Intellectual Property.....	5
False Information and Engagement .....	5
Conducting International Business.....	5
Accepting Gifts, Gratuities, and Entertainment .....	5
Providing Gifts, Gratuities, and Entertainment.....	6
Dealings with Suppliers, Vendors, Business Partners, and Competitors .....	6
<b>SECTION 3: POLICIES RELATING TO U.S. GOVERNMENT FUNDED CONTRACTS AND GRANTS</b> .....	6
False Claims/False Statements .....	6
Gifts and Gratuities to U.S. Government Officials.....	7
Lobbying Activities.....	8
Classified Information .....	8
Prohibited Use of Source Selection Information/Competing Contractor Cost and Pricing Information .....	8
Hiring of Government and Former Government Employees .....	8
Prohibited Contractual Relationships.....	9
Avoidance of Restrictions on Trade.....	9

## **SECTION 1: ABOUT THESE STANDARDS**

### **Responsibility/Accountability**

We are all responsible for upholding our own reputation and that of AHP. You are responsible for ensuring that your own conduct complies with these Standards. Disregarding or failing to comply with these Standards could lead to termination of your contract with AHP. It is your personal responsibility to read, understand, and comply with these Standards. If you have any questions regarding specific policies, you may discuss them promptly with the AHP Compliance Officer or an AHP executive for clarification.

### **The Company's Obligation to Report Violations under the Federal Acquisition Regulation's Mandatory Disclosure Rules**

Federal contracting requirements require, among other things, government contractors and subcontractors to monitor, identify, investigate and disclose, when detected, certain kinds of improper conduct relating to contract award, performance and closeout ("Mandatory Disclosure"). Specifically, the rules require AHP to provide written notice to the applicable agency's Inspector General with a copy to the relevant contracting officer if it has "credible evidence" of a violation of criminal laws relating to fraud, bribery, gratuities and conflicts of interest.

It is long-standing policy for all AHP Consultants/Independent Contractors to conduct business with honesty and integrity, in compliance with applicable federal, state, and local laws and regulations.

### **How to Report Violations/ Non-Retaliation/ Investigation of Misconduct**

It is the responsibility of any person subject to these Standards who has knowledge of any activity that is or may be in violation of these Standards, any law, rule, or regulation applicable to AHP's business, or any Affirmative Action Policy, to promptly disclose such activity to AHP.

Any complaint or report received will be taken seriously and handled as confidentially as possible consistent with investigating and resolving the matter. In conducting an investigation, AHP will make findings and take appropriate action to address any improper conduct.

No Vendor shall retaliate in any way against anyone who makes a report of any suspected violation by another of the Code of Conduct.

AHP may use any lawful method of investigation which it deems necessary to determine whether any person has engaged in conduct which in its view is inappropriate or interferes with or adversely affects its business. Every person subject to these Standards is expected to cooperate fully with any investigation of any violation of law, AHP's policies, or these Standards.

## **SECTION 2: CONSULTANT/INDEPENDENT CONTRACTOR CONDUCT**

It is not possible to list all the forms of behavior that are considered unacceptable conduct. The following are examples of infractions of rules of conduct that may result in action, up to and including termination of contract:

- Theft or inappropriate removal or possession of property
- Falsification of records

- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, or while operating vehicles or equipment in connection with services under contract with AHP
- Fighting or threatening violence while performing services under contract with AHP, or at an AHP or client place of business
- Boisterous or disruptive activity while performing services under contract with AHP, or at an AHP or client place of business
- Negligence or improper conduct leading to damage of AHP-owned or client-owned property
- Disrespectful conduct
- Violation of safety or health rules
- Smoking in prohibited areas
- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous materials, such as explosives or firearms, while performing services under contract with AHP, or at an AHP or client place of business
- Unauthorized use of telephones, mail system, computer system, or other AHP-owned, or client-owned equipment
- Unauthorized disclosure of business "secrets" or confidential information
- Use of AHP or client equipment or technology in violation of company policy
- Unsatisfactory performance or conduct
- Any other dishonest, dangerous or malicious conduct or conduct that threatens the Company's or Client's business or reputation.

#### Drug and Alcohol Use

It is AHP's desire to provide a drug-free, healthful, and safe work environment. To promote this goal, AHP has established a Drug-Free Workplace Policy. Consultants/Independent Contractors of AHP are prohibited from engaging in the following conduct (a) manufacturing, distributing, dispensing, transferring, purchasing, selling, possessing or using an illegal drug while performing services under contract with AHP, or at an AHP or client place of business. The presence in your system of any illegal drug in any detectable amount while performing company business or while on company or client property is prohibited; (b) manufacturing, distributing, dispensing, transferring, purchasing, selling, possessing or using an illegal drug while not performing services for AHP, if such is adverse to the performance of your services, or poses a threat to the safety of AHP employees or clients; (c) manufacturing, distributing, dispensing, transferring, purchasing, selling, possessing, or using alcohol while performing services under contract with AHP, or at an AHP or client place of business, except in connection with authorized activities; and (d) being under the influence of an illegal drug or alcohol while performing company business or while on company property.

#### Sexual and Other Unlawful Harassment

It is the policy of AHP to maintain a working environment which encourages mutual respect, promotes respectful and congenial relationships between employees, clients and Consultants/ Independent Contractors, and is free from all forms of harassment by anyone, including employees, vendors or clients. Harassment in any manner or form is expressly prohibited and will not be tolerated by AHP. Accordingly, AHP management is committed to vigorously enforcing this policy against harassment, including but not limited to sexual harassment, at all levels within AHP.

Reported or suspected occurrences of harassment will be promptly and thoroughly investigated. Where harassment is determined to have occurred, AHP will immediately take appropriate action against the person(s), which may include written warnings, possible suspension, transfer and/or termination of employment or contract.

#### Workplace Violence Prevention

AHP is committed to preventing workplace violence and to maintaining a safe work environment. AHP has adopted the following no tolerance guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

- All persons should be treated with courtesy and respect at all times. While performing services under contract with AHP, or at an AHP or client's place of business, Consultants/Independent Contractors are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of AHP, a client, or other meeting place, without proper authorization.
- Conduct that threatens, intimidates, or coerces an employee, a client, or a member of the public at any time, including periods while not performing services for AHP, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.
- All threats of (or actual) violence, both direct and indirect, should be reported as soon as safely possible to AHP. This includes threats by employees, as well as threats by clients, other vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities, or if you see or hear a commotion or disturbance, you should report it as soon as safely possible. Do not place yourself in peril, or try to intercede or see what is happening.

AHP will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain safety and the integrity of its investigation, AHP may suspend the services of Consultants/Independent Contractors, pending investigation. Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt appropriate action up to and including termination of contract.

#### Avoiding Conflicts of Interest

AHP Consultants/Independent Contractors have certain fiduciary responsibilities to the Company, including, for example, the duty to place the interest of AHP above their personal interests in any situation where they might conflict, or to withdraw from engagement.

Consultants/Independent Contractors have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest may occur when you are in a position to influence a decision that may result in a personal gain for you or for a relative as a result of AHP's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with you is similar to that of persons who are related by blood or marriage.

Personal gain may also result when you or a relative receives any inappropriate monetary gain, substantial gift, or special consideration as a result of any transaction or business dealings involving AHP.

### Intellectual Property

Just as AHP endeavors to protect its company property, it is also committed to protecting the intellectual and copyrighted property of others. No Consultants/Independent Contractors should be utilizing the property of others in violation of those rights or without express written permission to use such material.

### False Information and Engagement

Consultants/Independent Contractors shall not intentionally provide false or misleading information, or intentionally omit pertinent information regarding essential background, employment history, educational credentials, or other qualifications for performing services for AHP. For example, AHP considers degrees obtained from institutions that are not properly accredited to be fraudulent. The use of any such credential will expose you to appropriate action, up to and including termination of contract.

### Conducting International Business

To the extent that you are involved in any business activities outside the United States in performance of services for AHP, it is critical that you be mindful of complying with both U.S. laws and the foreign laws governing the place where AHP is conducting its international business activities, as well as import and export regulations relating to shipment of items and/or information. The broad principles expressed in these Standards apply to AHP's international business as well as domestic business that require performance abroad. In addition to other areas of potential concern, the following U.S. laws apply and must be strictly observed:

The Foreign Corrupt Practices Act (FCPA) prohibits directly, or through an agent or intermediary, giving, offering, or promising anything of value to foreign government official to influence them to misuse their authority or exert an unfair business advantage. The FCPA also imposes civil liability on a company which does not keep accurate accounting records or knowingly fails to implement adequate accounting controls. Please contact AHP's CFO if you have any questions regarding the payment to a foreign person or entity.

Numerous Export Control laws and regulations apply to the export of materials, equipment, weapons, technology, data, software, information, and services ("items") to foreign governments, businesses, and individuals. Export controls may also restrict the sale of items to U.S. companies abroad and foreign corporations in the U.S. A sampling of relevant laws includes: Foreign Asset Control legislation, the U.S. Department of Defense's International Traffic in Arms Regulations, and the U.S. Department of Commerce's Export Administration Regulations. Prior to transfer of any item outside of the United States or to a foreign company within the United States, consult AHP's CFO for a full review of the matter in accordance with applicable export laws and requirements.

The restrictions on exports can also apply to what is called a "deemed export." A deemed export occurs where export controlled data or items are disclosed to foreign national employees who may work for AHP, an AHP teammate or client. (A foreign national employee is an employee who is not a U.S. citizen.) If you have foreign nationals working on your project or with the customer, please take care to ensure that they are not exposed to restricted data or items.

### Accepting Gifts, Gratuities, and Entertainment

Acceptance of gifts and gratuities from actual or would-be AHP clients, suppliers, vendors, subcontractors, independent contractors, consultants, competitors or business partners, can result in

possible conflicts between your duty of loyalty to the Company and your personal interests. In order to ensure that such situations are considered thoughtfully, if you are offered a gift or gratuity with a value exceeding \$100, you must report such offer and seek approval to accept it through the AHP Compliance Officer.

In no event should you accept a gift where it would be prohibited by law or is known by you to be contrary to law or the corporate business practices of the company employing the person offering the gift.

#### Providing Gifts, Gratuities, and Entertainment

Due to the nature of AHP's business, the giving of gifts, gratuities or entertainment (considered "Business Courtesies") requires the use of good business judgment by employees and careful monitoring by managers. For commercial, non-government clients, Business Courtesies, including meals, entertainment, gifts, promotional items, services, and favors, may be extended, provided they are reasonable, not extravagant in value or number, infrequent enough not to become expected, and not offered in exchange for favorable consideration or treatment. A business courtesy is simply that—a courtesy—and should not be given if doing so would create even the appearance of an impropriety on AHP's part. For governmental clients, AHP's policies below should be followed.

#### Dealings with Suppliers, Vendors, Business Partners, and Competitors

Integrity and fair dealing are core components of our business practices. All vendors, suppliers, other business partners, and competitors should be treated fairly and uniformly. You must not engage in any activity prohibited under anti-trust laws, including boycotting, price-fixing, refusal to deal, price discrimination, or disparate treatment of suppliers. Paying bribes, accepting kickbacks, and obtaining and using third-party insider information in dealings with suppliers, vendors and business partners are completely inappropriate and will not be tolerated.

### **SECTION 3: POLICIES RELATING TO U.S. GOVERNMENT FUNDED CONTRACTS AND GRANTS**

As a government contractor, AHP has a special obligation to the U.S. Government, and to the general public, to ensure that we administer our contracts and grants and deliver our products and services in a manner that fully satisfies both our legal obligations and our own high standards of integrity and quality.

Contracting with the U.S. Government imposes requirements not traditionally associated with purely commercial business transactions. We are committed to compliance with the letter and spirit of the laws and regulations governing U.S. Government contracting. Summarized below are a number of key requirements affecting U.S. Government projects. Please contact the AHP Compliance Officer with any questions or concerns you may have regarding the following U.S. Government contracting policies and procedures.

#### False Claims/False Statements

It is a felony to knowingly make a false claim or false statement to the government. Violations of these and other statutes can subject AHP to damaging publicity, expensive and time-consuming investigations and litigation, reduction of negotiated contract rates, the revocation of contracts, and company and individual civil and criminal sanctions including fines, debarment or suspension, and prison sentences.



Although it is not possible to specify here all contract-related dealings with the Government that present the risk of false statements, false claims, or other violations, particular attention is called to the following:

- AHP is required to submit accounting and other records to the government as a basis for payment on existing contracts or as estimates on future work. All data must be accurate and all estimates must be made in good faith. It is our policy to charge all labor and material costs accurately, to the appropriate account, regardless of the status of the budget for that account. Improprieties, such as charging labor or material costs improperly or to the wrong account, charging direct contract effort to an overhead or direct account, and falsification of any records will be grounds for action, including termination of contract. AHP requires that the Books of Account of Consultants/Independent Contractors meet the highest standards of integrity.
- AHP is frequently required to submit cost or pricing data to the Government, and to certify that it is current, accurate, and complete. The definition of data that must be disclosed is very broad and includes facts as well as management decisions, estimates (based on verifiable data) and other information that a reasonable person would expect to affect the negotiations. Our policy is full disclosure of complete and accurate cost and pricing data that is current up to the date of agreement on price.
- AHP submits proposals for reimbursement of indirect costs to the Government. A company official may be required to certify his belief that the proposal does not contain expressly unallowable costs such as for advertising, donations, entertainment, fines and penalties, lobbying, defense of fraud proceedings, and goodwill. It is our policy to request reimbursement only for those indirect costs that are reasonable in amount and for which we have a good-faith belief that the costs are allowable.

#### Gifts and Gratuities to U.S. Government Officials

AHP Consultants/Independent Contractors must not offer, give, or promise to offer or give any money, gratuity or other thing of value to any government employee that such employee is prohibited from receiving by applicable law, including transportation, meals at business meetings, tickets to sporting or other events, or the like.

Even if applicable government regulations permit their acceptance, you must refrain from offering or giving or reimbursing expenses for any entertainment or offering any gratuity to any government employee who is personally and substantially involved in a procurement or administrative function relating to any contract for the direct or indirect purchase of products or services from the Company.

Federal government employees, as well as those of most state and local governments and many private companies, are subject to strict rules regarding the acceptance of gifts. AHP must respect these rules. In the government environment, the failure to do so may result in severe legal and financial consequences. In addition, there are significant legal prohibitions associated with providing gratuities in the context of international activities. When in doubt regarding the appropriateness of a gift or extension of business courtesy, consult the AHP Compliance Officer, and always err on the side of caution.

### Lobbying Activities

AHP is prohibited from using federal funds to pay persons such as lobbyists or consultants to influence or attempt to influence executive or legislative decision-making in connection with the award of any contract. We are also required to furnish a certification that no federal funds have been paid or will be paid in violation of this prohibition. In addition, AHP is required to report to the government any payments to any lobbyist or consultant paid with non-federal funds for such purposes.

### Classified Information

Government information that is national security-classified, procurement sensitive, or proprietary shall not be solicited or accepted from (or provided to) any source, either directly or indirectly, in circumstances where there is reason to believe that the release is not authorized.

All classified information in AHP's possession shall be treated in strict compliance with U.S. Government-mandated procedures for such classified information.

### Prohibited Use of Source Selection Information/Competing Contractor Cost and Pricing Information

AHP must be particularly concerned with obtaining sensitive procurement information from federal government agencies. During the conduct of any procurement action, AHP will not solicit or accept from any officer or employee of the agency, or any other source, any proprietary or source selection information regarding that procurement. This prohibition begins with the development, preparation, and issuance of a solicitation and concludes with award of a contract, a contract modification or extension. As used herein, proprietary data includes information contained in a bid or proposal, cost or pricing data, and any information submitted to the Government by a contractor and properly designated as proprietary. Source selection information includes information designated as government sensitive, such as listings of offerors and prices, listings of bidders prior to bid opening, source selection plans, technical evaluations of proposals, competitive range determinations, rankings (except for sealed bidding), source selection board reports and evaluations, source selection advisory board recommendations, and other information determined by the head of the agency or contracting officer to be information which would jeopardize the integrity or successful completion of the procurement if disclosed.

### Hiring of Government and Former Government Employees

Special concerns apply to hiring or retaining a government or former government employee as an employee or consultant of AHP. In addition, there are special constraints regarding any communication concerning possible employment of government employees who are designated as "procurement officials" during the conduct of any procurement action and otherwise. You shall not conduct any discussions regarding, or make any offer or promise of, future employment or business opportunity to any procurement official during the conduct of any procurement. In order to be sure that you do not run afoul of restrictions in this area, before discussing potential AHP employment with any government employee, contact AHP's Compliance Officer for advice.

There are no exceptions to this policy. Authorization from AHP's Compliance Officer must be obtained before even mentioning proposed employment to current government employees, and then only after they have publicly announced that they are leaving government service. In addition, any plans to employ retired military officers of general or flag rank, or civilian officials having the rank of Deputy Assistant Secretary or above, must be approved by the Chief Executive Officer of AHP, prior to an offer of AHP employment.

Prohibited Contractual Relationships

AHP shall not knowingly employ an individual nor contract with a company or individual, by any means, if the individual or company is on the General Services Administration's (GSA) Consolidated List of Debarred, Suspended, and Ineligible Contractors, and shall not knowingly employ an individual who has been convicted of an offense related to government contracting.

Nor will AHP knowingly contract with an individual or entity identified on the Office of Foreign Asset Control's (OFAC's) "Specially Designated" list of nationals or persons who are subject to trade restrictions.

AHP will immediately sever all business connection with any former employee or consultant of AHP whose conduct violates applicable laws, regulations, or basic tenets of business integrity and honesty, and such other individuals specifically identified by the Company.

Avoidance of Restrictions on Trade

AHP will not enter into a subcontract or teaming agreement that unreasonably restricts sales by the other company directly to the U.S. Government of items made or supplied by the other company and will not otherwise act to restrict unreasonably the ability of any other company to sell directly to the U.S. Government. Conversely, AHP will not enter into agreements where, as a subcontractor or teaming partner, it is subject to any unreasonable restriction to sell its products or services directly to the U.S. Government.

\*\*\*\*\*