



MTSI CODE OF BUSINESS ETHICS AND CONDUCT

Introduction

MTSI was founded on entrepreneurial zeal and a single contract award. The zeal has continued as we've grown from a micro-company to an expanding and noteworthy aerospace engineering company within the government contracting and commercial marketplace. Our core values however, have not changed. I am still committed to the value we have always placed on working hard and having a good time doing it. But today's environment is fraught with a variety of situations that can create problems for the individual or the company. Each of us makes often complex decisions regarding the right thing to do in business situations that are far from simple. This MTSI Code of Conduct is a policy statement intended to provide guidelines to help you in many situations that you may face. The company relies on your good judgment to take the appropriate action in all situations. The key is to understand the environment, be able to identify the issues, and apply a combination of common sense and the desire to do the right thing. Please carefully read this policy. Use your chain of command for reporting, clarification, or resolution. Or, you can turn to the Human Resource department, the MTSI Compliance Officer, or any member of the MTSI Compliance Committee for assistance. I am also a point of contact for "open door" discussion of any unique situation that presents itself.

Kevin Robinson
President and CEO

Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which MTSI's ethical standards are built. All employees and officers must respect and obey the laws, rules and regulations of the cities, states and countries in which we operate. Although employees and officers are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

If a law conflicts with a policy in this Code, you must comply with the law. If however, a local custom or policy conflicts with this Code, you must comply with this Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation. Employees and officers are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law, this Code, or Company policy. Those who violate the standards in this Code will be subject to disciplinary action, including possible dismissal. Furthermore, violations of this Code may also be violations of the law and may result in civil or criminal penalties for you, your supervisors and/or the Company. If you are in a situation which you believe may violate or lead to a violation of this Code, report it immediately to the General Counsel, the Compliance Officer, or your supervisors and follow the procedures set out in the MTSI Compliance Plan.

Employment Practices

Equal Opportunity

MTSI recognizes that its continued success depends on the development and utilization of the full range of human resources. At the foundation of this precept is equal employment opportunity.

It is the continuing policy of this company to afford equal employment opportunity to qualified individuals regardless of their race, color, religion, sex, national origin, age, or disability, pregnancy, genetic information or veteran status, and to conform to the applicable laws and regulations.

This policy of equal opportunity pertains to all aspects of the employment relationship, including application and initial employment, promotion and transfer, selection for training opportunity, wage and salary administration, and the application of service, retirement, seniority, and employee benefit plan policies.

It is also the policy of this company to provide employees a workplace free from any form of sexual harassment. Sexual harassment in any manner or form is expressly prohibited.

Hiring of Federal Employees

Complex rules govern the recruitment and employment of U.S. Government employees in private industry. Prior clearance to discuss possible employment with, make offers to, or hire (as an employee or consultant) any current or former Government employee (military or civilian) must be obtained from the Human Resources Department.

General Employee Conduct

MTSI expects its employees to conduct themselves in a businesslike and professional manner while treating all fellow employees and our customers with respect. Employees must not engage in sexual harassment, or conduct themselves in a way that could be construed as such (e.g., by using inappropriate language, keeping or posting inappropriate materials in their work area, or accessing inappropriate materials on their computer). Always take special care to maintain favorable comportment with your language, personal appearance, and similar considerations. Also, remember that many of our contracts and customer environments fall under the auspices of drug free workplace mandates. Because the majority of our employees are involved with work requiring sensitive government clearances and accesses, it is imperative that each employee understands and remember that adverse conduct of any kind can affect these clearances and thus our company's ability to perform the mission. Finally, be aware that even the *appearance* of impropriety can cause problems and potentially become violations of this Code.

Conflicts of Interest

MTSI expects that employees will perform their duties conscientiously, honestly, and in accordance with the best interests of the company. Employees must not use their positions, or the knowledge gained as a result of their positions, for private or personal advantage. Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a personal conflict of interest with their work at MTSI, they should immediately communicate all the facts to their supervisor. Similarly, as a government contractor, we must constantly be aware of the distinction between developing requirements for customers under contract, versus performing on separate contracts emanating from those requirements specifications. It is usually a conflict to serve in both capacities, so we must pay special attention to these situations to avoid corporate conflicts of interest at the legal and contractual level. Consult the MTSI Compliance Plan, Organizational Conflict of Interest Policy, the General Counsel, or the MTSI Compliance Officer if you have any questions or concerns regarding a specific situation.

Outside Activities, Employment, and Directorships

All employees share a serious responsibility for maintaining MTSI's good public relations, especially at the community level where we are very active and proud of our tradition of "giving back." Our readiness to help with religious, charitable, educational, and civic activities brings credit to MTSI and will continue to be encouraged. Employees must, however, avoid acquiring any business interest or participating in any other activity outside the company that would, or would appear to:

- Create an excessive demand upon their time and attention, thus depriving MTSI their best efforts on the job.
- Create a conflict of interest - an obligation, interest, or distraction - that may interfere with the independent exercise of judgment in MTSI's best interest.

Competition and Fair Dealing

MTSI seeks to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee and officer should endeavor to respect the rights of and deal fairly with MTSI's customers, suppliers, competitors and employees. No employee or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal or unethical trade practice. No employee or officer is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

To maintain the Company's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

Relationships with Clients and Suppliers

As an MTSI employee, you may not have any employment, consulting, or other business relationship with a competitor, customer, or supplier of MTSI, or invest in any competitor, customer, or supplier (except for moderate holding of publically traded securities) unless you have the advance written permission of the corporate officer responsible for your group, after consultation with the General Counsel. Additionally, we require ethical behavior from our outside consultants, teaming partners, and subcontractors. We are responsible for ensuring that any external entity we collaborate with is held to the same

standards of integrity that MTSI requires of our employees. That includes obeying all the laws and government regulations that apply to us, to include FAR-related guidance, travel regulations, and billing procedures. If an outside collaborator violates our ethical standards, it can be equivalent to violating those standards ourselves.

Gifts, Entertainment, and Favors

Employees must be sensitive in the acceptance and offering of entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which MTSI has, or is likely to have, business dealings. Federal guidance (which MTSI has adopted as our guidance and policy) does allow for “nominal gifts” such as coffee mugs, T-shirts, commemorative coins and the like. These are often associated with departure and retirement gifts, conference attendance, organizational days, annual picnics, and similar work-related activities.

Employees should familiarize themselves with guidance contained in the Federal Register and Federal Agency and Department of Defense policies that provide guidance on nominal gift policy. (See DoD Directive 5700.7-R) Employees must not accept any preferential treatment because their positions with MTSI might be inclined to, or be perceived to; place them under obligation to return the preferential treatment. Employees must not offer any preferential treatment because their positions with MTSI might be inclined to, or be perceived to; place them in a position to expect a return for the preferential treatment. However, participation in some of the activities and events just noted, where available to other members of the contracting community, can be beneficial to better understanding our customers, teaming partners, and the mission requirements we are all attempting to support. Know the rules and use common sense.

With regard to U.S. Government customers, you may not provide or pay for any meal, refreshment, entertainment, travel, or lodging expenses for a U.S. Government employee without advance written approval of the General Counsel. There may also be restrictions on providing business courtesies, including meals and refreshments, to state, local, or foreign customers which you must observe. If you do business with these authorities, you are expected to know and respect all such restrictions.

Kickbacks and Secret Commissions

MTSI strictly prohibits the acceptance of kickbacks and secret commissions from suppliers, teaming partners, or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

Organization Funds and Other Assets

Employees who have access to MTSI funds and/or assets in any form must follow the procedures for recording, handling, and protecting money as detailed in the company's policies and procedures and other explanatory materials. The company imposes strict standards to prevent fraud and dishonesty. If anyone becomes aware of any evidence of fraud and dishonesty, they should immediately advise their supervisor (or if necessary the MTSI Compliance Officer/Committee) so that we can promptly investigate further. When an employee's position requires spending MTSI funds or incurring any reimbursable personal expenses, that individual must use good judgment on the company's behalf to ensure that good value is received for each expenditure. MTSI funds and all other assets of the company are intended for the company and not for personal benefit, including the personal use of organizational assets such as computers.

Organization Records and Communications

Accurate and reliable records of many kinds are necessary to meet our legal and financial obligations and to manage the affairs of the company. MTSI's books and records must reflect in an accurate and timely manner all business transactions. The Finance and Accounting staff will fully disclose and record all assets, liabilities, or both, and will exercise diligence in enforcing these requirements. Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements
- False advertising, deceptive marketing practices, or other misleading representations

Financial Records

The records of MTSI are maintained in a manner that provides for an accurate and auditable record of all financial transactions in conformity with generally accepted accounting principles. No false or deceptive entries may be made, and all entries must contain an appropriate description of the underlying transaction. All company funds must be retained in corporate bank accounts and no undisclosed or unrecorded fund or asset shall be established for any purpose. All reports, vouchers, bills, invoices, payroll and service records, and other essential data must be prepared with professional care and honesty.

Charging of Costs/Timecard Reporting

All employees are required to fill out timecards and should take care to do so in a complete, accurate and timely manner. Employees performing U.S. Government contracts must be

particularly careful to ensure that hours worked and costs are applied to the account for which they were in fact incurred. No cost may be charged or allocated to a Government contract if the cost is unallowable by regulation or contract provision or is otherwise improper.

Employees are required to sign their own timecards. Your signature on a timecard is your representation that the timecard accurately reflects the number of hours worked on the specified project or job order. The supervisor's signature is a representation that the timecard has been reviewed and that steps have been taken to verify the validity of the hours reported and the correctness of the allocation of the hours. Supervisors must avoid placing pressure on subordinates that could lead them to believe that deviations from appropriate charging practices will be condoned.

Prompt Communications

In all matters relevant to customers, suppliers, government authorities, the public and others in MTSI, all employees must make every effort to achieve complete, accurate, and timely communications - responding promptly and courteously to all proper requests for information and to all complaints.

Health and Safety

MTSI strives to provide each employee and officer with a safe and healthy work environment. Each employee and officer has responsibility for maintaining a safe and healthy workplace for all employees and officers by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted.

Employees and officers are expected to perform their MTSI related work in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances. The use of illegal drugs in the workplace will not be tolerated.

Protection and Proper Use of Company Assets

All employees and officers should protect MTSI's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on MTSI's profitability. All assets are to be used for legitimate company purposes. Any suspected incident of fraud or theft should be immediately reported for investigation. MTSI assets should not be used for non-company business. The obligation of employees and officers to protect MTSI's assets includes the company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs,

databases, records, salary information, indirect expense rates, and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of company policy. It could also be illegal and result in civil or criminal penalties.

Accordingly, do not disclose to any outside party- except as specifically authorized by management pursuant to established policy and procedures,- any non-public business, financial, personnel, or technical information, plans, or data that you have acquired during your employment at MTSI. On termination of employment, you may not copy, take, or retain any documents containing restricted information.

The prohibition against disclosing restricted information extends indefinitely beyond your period of employment. Your agreement to protect the confidentiality of such information in perpetuity is considered an important condition of your employment at MTSI. **Privacy and**

Confidentiality

When handling financial and personal information about customers or others with whom MTSI has dealings, observe the following principles:

- Collect, use, and retain only the personal information necessary for MTSI's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
- Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
- Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

Government Classified & Proprietary Information

Adhere to all of the special operational security requirements we have within MTSI in our collateral, SCI, and SAR environments. We have a special obligation to comply with laws and regulations that protect classified information. Employees with valid security clearances who have access to classified information must ensure that the information is handled in accordance with pertinent Federal procedures. The restrictions apply to any form of information, whether in written or electronic form.

MTSI does not solicit nor will it receive any sensitive proprietary internal Government information, including budgetary or program information, before it is available through normal processes.

Political Activities

MTSI believes strongly in the democratic political process and encourages employees to participate personally on their own time in that process. A corporation's activities, however, are limited significantly by law. For this reason, no political contribution of corporate funds or use of corporate property, services, or other assets may be made without the written approval of the General Counsel.

In this connection, indirect expenditures on behalf of a candidate or elected official, such as use of telephones, computers and other corporate equipment, may be considered as contributions. Any questions should be referred to the General Counsel. In no event may an employee be reimbursed in any manner for political activities.

Training

This Code of Conduct is, by reference, a part of the MTSI Compliance Plan and as such will be a part of the compliance and ethics training conducted by the company. Each employee is required to be familiar with the Compliance Plan and Code of Business Ethics and Conduct and will complete initial employment and annual refresher training.

Reporting Violations

Employees are expected to report any suspected violations of this Code of Business Ethics and Conduct or other irregularities to their supervisor, the Compliance Officer, or the General Counsel. No adverse action or retribution of any kind will be taken against an employee because he or she reports a suspected violation of this Code or other irregularity. Such reports shall be treated confidentially to the maximum extent consistent with fair and rigorous enforcement of the Code.

Conclusion

Each of us has an obligation to behave at all times with honesty and propriety because such behavior is morally and legally right and because our business success and reputation for integrity depends upon the actions of each employee. This Code of Business Ethics and Conduct outlines your major obligations. Be certain to read, understand, and adhere to this Code as you carry out your daily activities. For clarification or guidance on any point in the code, please contact any member of the Compliance Committee or the General Counsel.