

Acromil, LLC
Anti-Kickback Act Policy
(Rev. Jan. 2019)

1.0 PURPOSE

The purpose of this Anti-Kickback Policy (hereinafter “Policy”) is to set forth the policy of Acromil, LLC (“Acromil” or “Company”) concerning the offering, payment, or receipt of kickbacks, which is strictly prohibited.

The Anti-Kickback Act of 1986 (41 U.S.C. sections 51-58) was passed to deter subcontractors from making payments and prime contractors from accepting payments for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or a subcontract relating to a prime contract.

Kickback means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly, or indirectly to any government employee, prime contractor or prime contractor employee, or subcontractor or subcontractor employee **for the purpose of improperly obtaining or rewarding**, or with the intent to improperly obtain or reward any form or favorable treatment in connection with a government prime contract and/or a subcontract relating to a government prime contract.

Any employee or representative of Acromil found to have engaged in kickback activity **will be subject to immediate termination and referral to government authorities**. Any supplier or subcontractor found to have engaged in such a practice while under contract with Acromil will be subject to termination of their contract or agreement. Any supplier, subcontractor, or customer of Acromil engaged in such a practice will be reported to the U.S. Government.

2.0 SCOPE

This Policy applies to all employees, officers, directors, shareholders, personnel and agents of Acromil who have any interaction with any customer, supplier, subcontractor, or vendor (for ease or reference, collectively referred to as “employees” hereafter).

This Policy supplements Acromil’s Code of Business Ethics and Conduct, and its three Core Values (Do the Right Thing; Treat Everyone with Respect, and Excellence).

The scope of this Policy also includes strict adherence to applicable laws and regulations, including, federal procurement regulations, the Federal Acquisition Regulations (the “FAR”) and the Defense Federal Acquisition Regulation Supplement (the “DFARS”).

Obeying the law, both in letter and in spirit, is the foundation on which this Company's Code of Ethics and Core Values are derived.

3.0 RESPONSIBILITIES

- 3.1 All employees are responsible for ensuring that this Policy is adhered to, without exception.
- 3.2 Employees are responsible for reporting all actual or suspected violations of the law or this Policy to appropriate Acromil personnel, such as a supervisor or other personnel not involved in the matter including, without limitation, supervisors, department managers, Human Resources, the President, Acromil's Ethics & Compliance Officer (Marty Bell, 714 318 8850) and Acromil's Deputy Ethics & Compliance Officer (Jon Konheim). Additionally, Acromil's Ethics Helpline ("Helpline") is available.
- 3.3 Access to the Acromil Helpline may be accomplished in several ways:
 - 3.3.1 By Phone at 844-420-0044 (English), 800-216-1288 (Spanish), 844-301-0005 (then press 08) (Vietnamese), or
 - 3.3.2 On-line via the internet at: www.lighthouse-services.com/Acromil; or
 - 3.3.3 By email at reports@lighthouse-services.com (must include reference to "Acromil"); or
 - 3.3.4 By FAX at (215) 689-3885 (must include reference to "Acromil").

4.0 INVESTIGATIONS

- 4.1 In the event an employee makes a report, the Ethics & Compliance Officer ("ECO"), the Deputy ECO, and the President will receive copies of the report. Pursuant to the Acromil Investigations Policy, the ECO, the Deputy ECO or their designee will investigate the matter including, where appropriate, interviewing employees, reviewing relevant correspondence and documents, and reporting to management, which may include making a disclosure to applicable U.S. Government authorities.
- 4.2 All reports will be promptly investigated. Any data or information collected in the course of any report you make (or necessary follow-up) will be used at all times in accordance with applicable laws. The Company will treat the information and data collected in a confidential manner to the extent reasonable or permissible by company policy and applicable laws and regulations, and proportionate in relation to the specific purpose for which such data is collected or further processed.
- 4.3 As a condition of employment, all Employees are expected to cooperate in any investigations of possible violations. Reprisal, threats, retribution or

retaliation against any person who has in good faith reported a violation or a suspected violation of this Code, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited. Violations of this Code by Company employees will lead to disciplinary action up to and including termination, consistent with applicable law.

- 4.4 All managers and supervisor shall implement this Policy and ensure that all employees receive periodic training as directed by the President.

5.0 PROCEDURES DESIGNED TO PREVENT AND DETECT KICKBACKS

All Acromil employees are prohibited from: (i) providing, soliciting or accepting Kickbacks; (ii) offering to provide, solicit or accept Kickbacks; and (iii) attempting to offer, provide or accept Kickbacks. Acromil management personnel, especially personnel associated with the procurement, contracting, and purchasing, functions, shall ensure that employees under their control are trained and operating procedures are in place to prevent situations which could lead to Kickbacks.

Kickback prevention procedures include the following procedures, which the President shall oversee and ensure occur:

- 5.1.1 Human Resources shall ensure that all Acromil personnel have received a copy of the policy and signed the Acknowledgment form agreeing to comply.
- 5.1.2 Human Resources shall ensure that, annually, each employee is required to review and sign the Annual Certification of Compliance.
- 5.1.3 All supplier, subcontractor, and vendor relationships need to be approved by the President, in writing, prior to any business being conducted. For any supplier, subcontractor or vendor relationship pre-existing the President's commencement of employment, the President shall during his first year of employment, evaluate each relationship, determine whether the relationship is in the best interests of the company, and decide whether to continue the relationship.
- 5.1.4 Provide all suppliers, vendors, and subcontractors with a copy of this Anti-Kickback policy and require that they date, sign and return the Acknowledgment form (the last page of this Policy) indicating that they reviewed, understand, and will comply and, annually, sign the Annual Certification of Compliance.
- 5.1.5 Prohibit those *outside* of the Purchasing function from source selection, or directing purchases to particular vendors, suppliers, or

subcontractors unless such direction is justified in writing by the President through Acromil's formal purchase requisition process.

- 5.1.6 Requiring those individuals normally involved in the Purchasing function to promptly report (in accordance with Article 3.0 above) any instances where someone has attempted to direct procurement to a particular vendor, supplier, subcontractor unless such direction is justified in writing as set forth above.
- 5.1.7 All expense requests or advances shall be memorialized in writing with appropriate supporting documentation showing the legitimacy of the business expense and approved by the Controller/Chief Financial Officer and, for expenses of \$250 or more, also the President.
- 5.1.8 Accounting for all revenue into the company, including cash, on the Company's books and records.
- 5.1.9 Annual audit of scrap ("chip") sales, or sale of any other asset of the Company, to evaluate the propriety of such relationships and to confirm that all such sales are properly accounted for on the books and records of the Company.
- 5.1.10 Adequate training and awareness of Anti-Kickback laws and this policy must be extended to all employees not less than annually.
- 5.1.11 Acromil 's Accounting Department will conduct periodic internal audits of select procurement files to assess whether this Policy is being followed.
- 5.1.12 Annual audit of all vendor, supplier or subcontractor relationships.

6.0 COMPLIANCE WITH GOVERNING ANTI-KICKBACK ACT REGULATIONS

- 6.1 In accordance with FAR 3.502 and all subsections, the following applies to all Acromil employees, and includes all subcontractors, vendors, and suppliers and their employees and representatives in connection with any US Government contract or subcontract.
 - 6.1.1 Acromil will ensure that all aspects of the Anti-Kickback Act will be adhered to by all employees as follows:
 - 6.1.2 Flow down the "Anti-Kickback Act provisions of FAR 52.203 -7" in all procurement for subcontracts and purchase orders for Government Contracts.
 - 6.1.3 If Acromil becomes aware of any possible violation of the Anti-Kickback Act, Acromil will ensure that the Government is not

directly or indirectly charged for any cost attributable to such violation.

6.1.4 When Acromil management has reasonable grounds to believe that a Kickback may have occurred, the Acromil ECO and the Deputy ECO shall be contacted immediately. The ECO and Deputy ECO will promptly investigate all such reports and take such action as applicable Acromil policies, direction received from Company management, laws, and regulations dictate.

6.1.5 It is Acromil policy to cooperate fully with any agency of the United States government that investigates any possible violation of the Anti-Kickback Act.

6.2 The Anti-Kickback Act:

- a Prohibits any person from -
 - 1. Providing, attempting to provide, or offering to provide any Kickback;
 - 2. Soliciting, accepting, or attempting to accept any Kickback; or
 - 3. Including, directly or indirectly, the amount of any Kickback in the contract price charged by a subcontractor to Acromil or a higher tier subcontractor or in the contract price charged by Acromil to the United States.
- b Imposes criminal penalties on any person who knowingly and willfully engages in the prohibited conduct addressed in paragraph (a) of this subsection.
- c Provides for the recovery of civil penalties by the United States from any person who knowingly engages in such prohibited conduct and from any person whose employee, subcontractor, or subcontractor employee provides, accepts, or charges a Kickback.
- d Provides that —
 - 1. The contracting officer may offset the amount of a Kickback against monies owed by the United States to Acromil under the prime contract to which such Kickback relates;
 - 2. The contracting officer may direct Acromil to withhold from any sums owed to a subcontractor under a subcontract of Acromil's the amount of any Kickback which was or may be offset against Acromil under subparagraph (d) (1) of this subsection; and

3. An offset under subparagraph (d) (1) or a direction under subparagraph (d) (2) of this subsection is a claim by the Government for the purposes of the Contract Disputes Act of 1978.
- e Authorizes contracting officers to order that sums withheld under subparagraph (d) (2) of this subsection be paid to the contracting agency, or if the sum has already been offset against Acromil, that it be retained by Acromil.
 - f Requires Acromil to notify the contracting officer when the withholding under subparagraph (d) (2) of this subsection has been accomplished unless the amount withheld has been paid to the Government.
 - g Requires Acromil or subcontractor to report in writing to the Inspector General of the contracting agency, the head of the contracting agency if the agency does not have an Inspector General or the Department of Justice any possible violation of the Act when Acromil or subcontractor has reasonable grounds to believe such violation may have occurred.
 - h Provides that, for the purpose of ascertaining whether there has been a violation of the Act with respect to any prime contract, the Government Accountability Office and the Inspector General of the contracting agency, or a representative of such contracting agency designated by the head of the agency if the agency does not have an Inspector General, shall have access to and may inspect the facilities and audit the books and records, including any electronic data or records, of Acromil. In addition the Government may have access to our subcontractor's similar records in accordance with subcontract and/or purchase orders terms and conditions with Acromil.
 - i Obligates Acromil to have in place and follow reasonable procedures designed to prevent and detect violations of the Act in its own operations and direct business relationships (e.g., company ethics rules prohibiting Kickbacks by employees, agents, or subcontractors; education programs for new employees and subcontractors, explaining policies about Kickbacks, related company procedures and the consequences of detection; procurement procedures to minimize the opportunity for Kickbacks; audit procedures designed to detect Kickbacks; periodic surveys of subcontractors to elicit information about Kickbacks; procedures to report Kickbacks to law enforcement officials; annual declarations by employees of gifts or gratuities received from subcontractors; annual employee declarations that they have violated no company ethics rules; personnel practices that document unethical or illegal behavior and make such information available to prospective employers).

- j Requires Acromil to cooperate fully with any Federal agency investigating a possible violation of the Act.

INITIAL ACKNOWLEDGEMENT OF COMPLIANCE

I certify that I have received, read and agree to abide by the Acromil Anti-Kickback Act Policy.

Signature: _____

Printed Name: _____

Company (for vendors):

Date: _____

ANNUAL CERTIFICATION OF COMPLIANCE

I certify that for the year of _____, I have complied fully with the Acromil's Anti-Kickback Act Policy.

Signature: _____

Printed Name: _____

Company (for vendors):

Date: _____