

**1108 CODE OF ETHICS AND STANDARDS OF CONDUCT  
AND WHISTLEBLOWER PROTECTION**

**FOREWORD**

TCS emphasizes both the pursuit of technical excellence and the highest standards of professionalism on the part of the company and its employees. Our Code of Ethics and Standards of Contact confirms our dedication to integrity, fairness, and social responsibility.

As part of this commitment, TCS adheres to the management principles on the following pages, and the company has created and published the Code of Ethics and Standards of Conduct that are set forth herein to memorialize its commitment. The TeleCommunication Systems, Inc. Code of Ethics and Standards of Conduct (the "Code") reflects the basic principles and behavior that have helped us to earn the respect and success that we enjoy today.

As individuals, we must be committed to these standards, and we must do our best to ensure that our fellow employees abide by them as well. Every director of the company and personnel at every level of TCS management has the responsibility to monitor and vigorously enforce high standards. Nothing less will be accepted.

We are all accountable for our actions. No one at TCS ever can justify any unethical or illegal act by saying that someone in a superior position directed it; because no one is authorized by the company to give such direction. Integrity is our personal responsibility.

TCS and each of its directors, officers and employees must be not only free of impropriety and unethical behavior, but also fully aware of the damage that can result from the appearance of questionable conduct, even if innocent in intent.

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**MANAGEMENT PRINCIPLES**

We will achieve our goals by observing these principles:

- We commit to client satisfaction as our most important business objective.
- We recognize that TCS' accomplishments are the work of the directors, officers and employees of TCS. We will encourage initiative, recognize individual contribution, treat each person with respect and fairness, and afford ample opportunity for individual growth in TCS.
- We in turn will require of our people the highest standards of professionalism and technical competence.
- We will maintain the highest standards of ethics and business conduct, and operate at all times within the laws of the United States and all other countries in which we do business.
- We will identify and respond aggressively to new opportunities, and commit to success in each understanding.

Finally, our success as a company requires that we achieve profits and growth commensurate with a leadership position in our industry.

**CODE OF ETHICS**

Stated in their simplest form, TCS' fundamental ethical principles are:

- Each TCS director, officer and employee is responsible for the propriety and consequences of his or her actions.
- Each TCS director, officer and employee must conduct all aspects of company business in an ethical and strictly legal manner, and must obey the laws of the United States and of all localities, states, and nations where TCS does business or seeks to do business.
- Conduct on behalf of the company with customers, suppliers, the public, and one another must reflect the highest standards of honesty, integrity, and fairness.

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Strict adherence by each TCS director, officer and employee (as well as immediate family members of such persons) (each, a “Covered Person”) to the Code is essential to the continued vitality of TCS. Therefore, compliance with an effective enforcement of the Code is a key responsibility of TCS management and will be addressed as an element of each employee’s regular evaluation.

Failure to comply with the Code will result in appropriate disciplinary action, which may include termination of employment, reimbursement to TCS for any resulting losses or damages, and referral for civil or criminal prosecution. Principles of fairness will apply. An employee will be informed of any allegations regarding a suspected violation, and will be provided an opportunity to explain his or her actions.

**STANDARDS OF CONDUCT**

**Conflicts Of Interest**

Each Covered Person must be careful to avoid situations that might involve a conflict of interest or appear questionable to others. In general, there are two major areas of concern:

- Participating in activities that conflict or appear to conflict with TCS responsibilities.
- Giving or receiving anything that might influence the recipient or cause another person to believe that the recipient may be influenced. This includes offering or accepting bribes, kickbacks or illegal payments.

Covered Persons must avoid any actions that may appear to involve a conflict of interest with his or her TCS activities. These include any business, financial, or other relationships with TCS suppliers, customers, consultants, professional advisors, lessors, tenants, licensors, licensees or partners (each, a “Business Associate”) or your family members or close associates outside of TCS. Questionable activities include serving on the board of directors of a competing or supplier company, significant ownership in a competing or supplier company, consulting with or working for a competing or supplier company, and participating in any outside business during TCS business hours.

Covered Persons must observe TCS ethical standards, as well as U.S. laws and regulations when providing or accepting meals, entertainment or gifts to or from people in business situations. TCS’ policy does not permit payment or reimbursement for transportation expenses of non-TCS personnel.

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- **Commercial Business** – It is permissible for Covered Persons to pay for meals, refreshments, and other ordinary or necessary expenses relating to company business with commercial entities. However, employees should use good judgment, observe all civil and criminal laws and follow guidelines that apply to recipients.
  
- **U.S. Government Business** – Rules of conduct with respect to U.S. government officials are extremely strict and well defined in law, government regulations and TCS policy. In general, Covered Persons will not provide meals, entertainment, gifts or anything else of value to U.S. government employees. If a Covered Person is put in the position of potentially providing things of value, it is his/her responsibility to know and follow the regulations concerning U.S. government employees.

TCS employees with direct procurement-related responsibilities may not accept any meals, transportation, refreshments, entertainment, gifts, or anything else of value from suppliers or their personnel or representatives. Other Covered Persons may accept modest meals, transportation, refreshments, entertainment, or gifts but must not accept anything that might be considered excessive or intended to influence such person.

**Protection of Company and Customer Property**

All Covered Persons are obligated to protect all company and customer data, property, and funds under their control against loss, theft, and misuse.

This obligation extends to proprietary information belonging to TCS and its customers that is available to employees in the course of their work. This information must not be made available to unauthorized personnel.

TCS has established security procedures to protect U.S. government classified information and many types of unclassified technical information. Covered Persons who handle such data are required by law to know these procedures and strictly adhere to them at all times.

**Data, Records and Reports**

Covered Persons are responsible for preparing all TCS business documents as completely, honestly, and accurately as possible. These records include time cards,

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expense reports, accounting records, test and progress reports, cost estimates, contract proposals, and presentations to clients, the public or TCS management.

Complete, accurate, and current cost or pricing data must be submitted in U.S. government contract proposals, as required by the Truth in Negotiations Act.

All invoices and payments to customers, consultants, and suppliers must be checked to confirm the accuracy of information relating to products, services, prices and terms of sale.

All Covered Persons must maintain accurate timekeeping and expense records, making sure to allocate charges for time, materials, and other business-related expenses to the proper charge number.

**Providing a Proper and Professional Work Environment.**

Covered Persons must act with fairness, honesty, and regard for the law in all business relationships with TCS customers, suppliers, employees and applicants, as well as with local, state, national and international communities and governments.

Human Resources management practices including, but not limited to, recruitment, selection, job assignment, transfer, promotion/demotion, layoff, discipline including termination, training, education, tuition, social and recreational programs, compensation, and benefits, must be applied without regard to (i) political or religious opinion or affiliation, marital status, sexual preference, race, color, creed, or national origin, or (ii) sex or age, except when age and sex constitute bona fide occupational qualification, or (iii) the physical or mental disability of a qualified individual with a disability.

Supervisors and managers must understand and abide by the laws and regulations that limit the work that can be done by former U.S. government civilian employees and military personnel now working at TCS. Former U.S. government employees or members of the armed forces also must be aware of and adhere to these laws and regulations.

Harassment of TCS directors, officers or employees by other directors, officers, employees, vendors, clients, or anyone else with whom our employees come into contact in the course of their TCS business activities is not permitted for any reason.

Because the unauthorized possession, use, purchase, sale, or distribution of controlled substances is both illegal and counterproductive to our business interests, TCS will not tolerate any of these actions, nor any alcohol abuse, either during the work day or anytime while conducting company business. TCS encourages any employee for whom

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drugs or alcohol is a problem to use our Employee Assistance Program, on a strictly confidential basis.

**Compliance with Internal Controls and Disclosure Controls**

**Internal Controls**

The company has adopted a system of internal controls that must be strictly adhered to by all Covered Persons in providing financial and business transaction information to and within the company. The internal controls are the backbone of the integrity of the company's financial records and financial statements.

Each Covered Person shall promptly report to the SVP, General Counsel any actual or suspected breaches or violations of the company's internal controls that come to the attention of the Covered Person.

Each Covered Person shall promptly report to the SVP, General Counsel any actual or suspect fraudulent or questionable transactions or occurrences that come to the attention of the Covered Person. Potentially fraudulent transactions include, without limitation, embezzlement, forgery or alteration of checks and other documents, theft, misappropriation or conversion to personal use of company assets, and falsification of records.

Each Covered Person is encouraged to bring to the attention of the SVP, General Counsel any changes that the Covered Person believes may improve the company's system of internal controls.

**Disclosure Controls**

The company has adopted a system of disclosure controls to assure that all important information regarding the business and prospects of the company is brought to the attention of the Chief Executive Officer and Chief Financial Officer of the company. The accuracy and timeliness of compliance is critical to this system of disclosure controls and necessary to enable those officers to provide the financial statement and periodic report certifications required by federal law.

Each Covered Person shall strictly adhere to the system of disclosure controls, including the internal reporting responsibilities assigned to him or her by the company.

Each Covered Person shall promptly report in accordance with company policy any significant event or occurrence (whether positive or negative) that arises in the course of the Covered Person's duties and responsibilities. Events or occurrences include those that affect or may affect the company or its Business Associates, competitors or industry. General economic conditions need not be reported.

Each Covered Person shall be candid in discussing matters concerning internal controls and business disclosures with the company's management, internal and outside

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auditors, outside counsel and directors. Factual information is important. Opinions and observations are strongly encouraged.

### **Reporting Suspected Non-Compliance and Whistleblower Protection**

As part of its commitment to ethical and legal conduct, TCS requires that each Covered Person obtain the information necessary to follow directives in this ethics and conduct policy, and report to TCS management any observed deviations from policies. Covered Persons are required to report any such information, without regard to the identity or position of the suspected offender.

The company will not disclose the identity of any Covered Person who reports a violation without that person's permission, unless disclosure is unavoidable during an investigation. In no event will adverse action be taken against a Covered Person because he or she reported a suspected impropriety. These reports will be treated in confidence to the maximum extent consistent with the fair and rigorous enforcement of the Code of Ethics and Standards of Conduct.

Many of the standards discussed in this policy reference U.S. government legislation and regulations, as well as TCS policies, which should be provided by local management. Covered Persons unable to obtain such information from their supervisors should contact the Human Resources Department.

TCS fosters a free interchange between employees and all levels of management through open discussions. While we encourage you to contact your immediate supervisor to report or resolve a problem, you are free to contact higher levels of management if you feel they can better assist you.

Covered Persons who believe that a violation of these standards of conduct or any other company policy has occurred, or is likely to occur, are obligated to contact at least one of the following persons or groups:

- Employee's supervisor
- Employee's Division or function head
- Corporate Human Resources Department
- The SVP, General Counsel, Bruce White, at 410.280.1224, or [bwhite@telecomsys.com](mailto:bwhite@telecomsys.com)
- The company's Internal Auditor, at 410.280.1055, or [InternalAudit@telecomsys.com](mailto:InternalAudit@telecomsys.com)
- The Audit Committee of the Board of Directors:
  - Jon Kutler, [jkutler@admiraltypartners.com](mailto:jkutler@admiraltypartners.com)
  - Reza Jafari, [arjafari@aol.com](mailto:arjafari@aol.com)
  - Jan Huly, [janhuly@gmail.com](mailto:janhuly@gmail.com)

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Covered Persons who have information about suspected improper accounting or auditing matters should bring it to the attention of their supervisors, may contact any member of the Audit Committee of the Board of Directors, or may submit an anonymous complaint. The SVP, General Counsel will in any case take such action he deems appropriate with respect to any Covered Person who violates any provision of this Code, and will inform the Audit Committee of the company of all material violations. Any alleged violation by the SVP, General Counsel or Internal Auditor will be presented promptly to the Audit Committee for its consideration and such action as the committee in its sole judgment shall deem warranted.

The SVP, General Counsel will keep records of all reports created under this policy and of all action taken under this policy. All such records will be maintained in such manner and for such periods as are required under applicable federal and state law.

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