

# ***DynCorp International Inc.***

## **Corporate Governance Guidelines**

**March 25, 2009**

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### **Purpose**

The Board of Directors (the "Board") has adopted these Corporate Governance Guidelines (the "Guidelines"), which reflect the Board's commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, with a view to enhancing stockholder value over the long term. These Guidelines should be considered to be an evolving set of corporate governance principles, subject to alteration as circumstances warrant.

### **Duties of the Board**

The primary responsibility of the Board is to supervise and direct DynCorp International Inc. (the "Company") management for the benefit of the stockholders. To that end, the duties of the Board include the following:

- overseeing the conduct of the Company's business to evaluate whether it is being properly managed;
- reviewing, monitoring and, where appropriate, approving the Company's major financial, business and other risks, objectives, plans and actions;
- reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;
- regularly evaluating the performance and approving the compensation of the Chief Executive Officer ("CEO") and the Company's executive officers; and
- planning for succession with respect to the position of the CEO and monitoring management's succession plan for other key executives.

The directors, in their capacity as such, are expected to use their reasonable business judgment in overseeing the management of the Company but are not expected to manage the Company on a day-to-day basis or guarantee in any way the management or operations of the Company.

## **Board Committees**

The Board has established the following standing committees: Audit, Compensation and Corporate Governance and Nominating. There may be occasions when the Board shall wish to form a new standing or ad hoc committee, or disband a current committee, depending upon the circumstances.

The Audit Committee is responsible for monitoring the integrity of the financial statements, compliance with legal and regulatory requirements, independence and qualifications of the Company's internal and independent auditors, performance of financial audits, and preparation of reports required to be included in the Company's annual proxy statement, as required by law or otherwise. The Audit Committee is responsible for monitoring these activities only, and direct responsibility for these activities lies with management.

The Compensation Committee is responsible for administering the Company's programs and policies regarding the compensation of the CEO and other executive officers, for employee benefit plans, and for the Compensation Committee Report which recommends to the Board that the annual compensation discussion and analysis be included in the Company's annual report or annual proxy statement, as required by law or otherwise.

The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to become members of the Board, selecting and recommending to the Board a slate of director nominees for the next annual meeting of the stockholders of the Company and individual nominees for interim vacancies, and reviewing and addressing these Guidelines and recommending to the Board revisions as appropriate.

Specific charters shall be adopted by the Board for all standing committees.

The Board also has an Executive Committee, established by the Bylaws, which may exercise all the powers of the Board, to the extent permitted by law. The Executive Committee acts in lieu of the full Board as needed between regular meetings of the Board and advises the Board promptly regarding material actions of the Executive Committee.

The Board shall approve committee assignments, including committee chairmanships. In so doing, the Board shall consider the desires of individual directors and the recommendations of the Corporate Governance and Nominating Committee in consultation with the Chairman and the CEO. The Board, in its discretion, may periodically rotate committee membership.

Such rotation is not required, however, since there may be reasons to maintain an individual director's committee membership for a longer period.

Committee chairmen shall determine the frequency of meetings of their respective committees, and, in consultation with management, shall set meeting times and develop committee agendas.

Because the Company is a "controlled company" for purposes of the listing standards of the New York Stock Exchange, it is exempt from the Exchange's requirements relating to maintenance of a majority of independent directors on the nominating/corporate governance and compensation committees. When, and if, required by applicable law, rules, regulations and stock exchange requirements, only independent directors may serve on the Audit, Compensation and Corporate Governance and Nominating Committees.

Any director may attend and participate in discussions of any Board committee, although formal committee action shall only be through the vote of appointed committee members.

Committees of the Board shall have access to special legal counsel, accountants, compensation consultants, investment bankers, or other independent consultants (at the Company's expense), whose expertise is deemed essential to carrying out the committees' respective missions.

## **Board Meetings**

The Chairman shall establish the agenda for the Board's meetings. Any member of the Board may, however, recommend the inclusion of specific agenda items. Such recommendations shall be accommodated to the extent practicable.

Materials important to the Board's understanding of agenda items shall be distributed to the members of the Board in advance of Board meetings whenever possible. Each member of the Board shall review distributed materials prior to each meeting of the Board. Members of the Board are also encouraged to keep themselves informed of the Company's affairs between the Board's meetings through direct contact with members of DynCorp International management.

Members of the Board are expected to attend each meeting of the Board, either in person or telephonically.

Members of management or other persons who are not members of the Board may attend and participate in the Board's meetings at the invitation of the Chairman.

## **Board Access to Senior Management and Independent Advisors**

Members of the Board shall have complete access to DynCorp International senior management and, as appropriate, independent advisors. The Board member's contact with such individuals shall be handled in a manner that would not be disruptive to the Company's business operations. It is encouraged that any non-routine written communications emanating from such contact should be copied to the CEO. However, the Board recognizes that Board members may, and in some circumstances should, respect the privacy of the persons communicating with the Board and treat such communications confidentially.

The Board encourages the CEO to invite Company executives to Board and committee meetings: (a) to provide additional insight on items being discussed because of their personal involvement in such areas; and/or (b) to expose the Board to individuals with outstanding management potential.

## **Compensation for Directors**

Compensation of independent directors shall be comparable to that offered by other companies of similar size and scope. DynCorp International management shall periodically review with the Corporate Governance and Nominating Committee the status of independent director compensation relative to comparable companies. Any changes to Board compensation shall arise from recommendations of the Corporate Governance and Nominating Committee, with full discussion and concurrence by the Board.

Directors who are employees of the Company shall receive no additional remuneration for serving as a director.

## **Board Composition**

The Board believes that it should generally have an adequate number of directors to allow for a diversity of experience without hindering effective discussion or diminishing individual accountability. It is preferred that the size of the Board not exceed ten directors.

As a "controlled company", the Company is exempt from the Exchange's requirements relating to maintenance of a majority of independent directors on the Board. When, and if, required, a majority of the Board shall be composed of independent directors as defined by applicable laws, rules, regulations and stock exchange requirements, as interpreted by the Board in its reasonable business judgment.

Any officer of the corporation or its subsidiaries who is an employee and a director shall resign from the Board upon termination of his or her employment by the Company.

### **Board Membership Criteria**

The Corporate Governance and Nominating Committee shall solicit and receive recommendations for, and review qualifications of, potential director candidates. From its assembled list of qualified candidates, the Committee shall recommend to the full Board the election of new directors.

Directors who are determined by the Board to be independent must satisfy the requirements of the NYSE.

The CEO shall periodically review with the Corporate Governance and Nominating Committee and, if he or she wishes, with the full Board, the particular attributes that would be most beneficial to the Company in future Board nominees. This assessment shall include, but not be limited to, issues such as integrity, competence, age and experience, commitment and dedication, collegiality, technical background, and interpersonal skills.

If an actual or potential conflict of interest develops because of significant dealings or competition between the Company and a business or matter with which the director is affiliated, whether by employment, directorship, consultant relations or otherwise, the director should report the matter immediately to the Chairman of the Corporate Governance and Nominating Committee for evaluation by the Committee. A significant conflict must be addressed to the satisfaction of the Committee or the director should resign. If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the full Board and excuse himself or herself from participation in the discussion and shall not vote on the matter.

### **Director Orientation and Continuing Education**

In order to promote director effectiveness, DynCorp International management conducts an informal orientation process for new directors that includes the Board's policies and procedures and written materials concerning the Company and its operations, meetings with key members of management, and visits to company offices and facilities. Recently appointed directors are encouraged to advise the Secretary of the Company as to the effectiveness of these materials and suggest any changes.

Management shall periodically distribute materials to the Board regarding developments of the Company and the industries in which the Company does business in order to continue each director's education with respect to his or her service on the Board.

Independent directors are encouraged to participate, at the Company's expense, in continuing director education programs approved in advance by the Chairman.

### **Termination of Board Membership**

Non-management directors will not serve longer than ten years, provided that a director currently serving a term that extends beyond his or her tenth year of service as a director may complete such term.

No person who has passed his or her 72nd birthday on or before the date of the proxy statement relating to the Annual Meeting of Stockholders may be nominated for election, or elected, as a director.

A management director who ceases to be an employee will tender his or her resignation as a director contemporaneously with the termination of his or her employment.

### **Evaluation of the CEO**

The CEO shall be expected to report annually to the Compensation Committee on his or her goals and objectives for the ensuing year, and also to report annually on the level of achievement of the preceding year's goals and objectives. All members of the Board shall be invited to those particular Compensation Committee meetings, and all shall have the opportunity to participate in any appropriate follow-up meetings or discussions.

The Chairman of the Compensation Committee shall discuss the Committee's evaluation of the CEO with the full Board, in executive session. Both objective and subjective criteria shall be used, including but not limited to: (a) the Company's financial performance; (b) accomplishment of DynCorp International's long-term strategic objectives; and (c) the development of the firm's top management team. The CEO shall not attend full Board meetings (or portions thereof) at which his or her evaluation is discussed.

### **Board Evaluation**

The Board and the standing committees shall engage in a self-evaluation annually. This evaluation shall be of the Board and of the standing committees, each as a collective body and not of directors on an individual

basis. The evaluation process shall be administered by the Corporate Governance and Nominating Committee and evaluation results shared with the full Board for discussion and deliberation.

### **Board Member Commitments**

To ensure that directors have the opportunity to dedicate sufficient time to their service on the DynCorp International Board, outside directors may not serve as directors on the boards of more than four companies whose equity is publicly traded, in addition to the Company's Board.

### **Executive Sessions**

In order to enable the Board to be a more effective check on management of the Company and to promote open discussion, the non-management directors of DynCorp International shall meet at regularly scheduled executive sessions of the Board without management present. If the group of non-management directors includes directors who are not independent under Section 303A of the NYSE Listed Company Manual, at least once a year there shall be an executive session comprising only independent directors.

The Chairman of the Board shall preside at such meetings, provided he is a non-management director. If he is unable to preside, the meeting shall be presided over by the Chairman of the Corporate Governance and Nominating Committee, provided he is a non-management director. If he is also unable to preside, the members shall select a member of the Board to preside.

In addition, the Board as a whole may meet periodically in executive session as circumstances warrant. Such executive sessions may exclude the CEO at the discretion of the Board and may include such other individuals who are invited by the presiding officer.

### **Communications with Stockholders and Other Constituents**

In order to facilitate communication between interested persons and non-management directors, the Company shall disclose a method for direct communications between such interested persons and either (i) the presiding director of a Non-Management Session or (ii) the non-management directors as a group. It is anticipated that such disclosure will be accomplished through publication on the Company's website or other method deemed suitable by the Board.

## **Executive Succession Planning**

The Board is responsible for finalization and approval of a Chief Executive Officer succession plan regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Compensation Committee reports annually to the Board on succession planning and management development activities. The Chief Executive Officer shall meet periodically with the Compensation Committee to make available his recommendations and evaluations of potential successors, along with a review of development plans recommended for succession candidates and others in the senior management group.

## **Implementation and Alteration of the Guidelines**

Implementation and alteration of these Guidelines shall be the responsibility of the Corporate Governance and Nominating Committee.

## **Disclosure of the Guidelines, Standards of Conduct and Committee Charters**

DynCorp International shall disclose on its website these Guidelines, its Standards of Conduct and the charters of the following committees: Audit, Compensation and Corporate Governance and Nominating. Each proxy statement of DynCorp International shall indicate that the foregoing information is available on its website and that the information is available in print to any stockholder who requests it.

## **Standards of Conduct and DynCorp International Policy Statements**

DynCorp International's Standards of Conduct and policies regarding public disclosure of Company information applies to members of the Board of Directors when they are performing their responsibilities on behalf of the Company and its subsidiaries.