

# Vectrus, Inc.

## Related Party Transaction Policy and Procedures

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It is the policy of the Board of Directors of Vectrus, Inc. (the “Company”) that all Covered Transactions with Related Persons, as those terms are defined in this policy, shall be subject to approval or ratification in accordance with the following procedures.

### I. What is a Covered Transaction?

A Covered Transaction between the Company and a Related Person is any transaction that would be required to be disclosed pursuant to Item 404(a) of Regulation S-K and includes, but is not limited to, any financial transaction, arrangement or relationship including indebtedness and guarantees of indebtedness or any series of similar transactions, arrangements or relationships in which (a) the aggregate amount involved exceeds \$120,000 in any calendar year, (b) the Company is a participant, and (c) any Related Person had or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity). This might include, but is not limited to, lease transactions, sale or purchase transactions, creditor/debtor transactions, guarantees or charitable contributions.

### II. Who is a Related Person?

“Related Person” has the meaning given to such term in Item 404(a) of Regulation S-K, as follows:

- Any executive officer, director or director nominee of the Company who is or was (since the beginning of the last fiscal year, even if the director or executive officer does not presently serve in that role) an executive officer, director or nominee for election as a director.
- A security holder known to the company to beneficially own more than five percent of any class of the company’s voting securities, when a transaction in which such security holder or family member had a direct or indirect material interest occurred or existed at any time since the beginning of the last fiscal year.
- A person who is an immediate family member of any of the foregoing persons (the term “immediate family member” shall include the person’s spouse, parent, stepparent, child, stepchild, sibling, mother-in-law and father-in-law, son-in-law and daughter-in-law, and brother or sister-in-law and anyone (other than a tenant or employee) sharing the household of any of the foregoing persons).

### III. What is the timeframe for a Covered Transaction?

A Covered Transaction is any currently proposed transaction or a transaction that occurred



during the last fiscal year, if the person was a “Related Person” during any part of that year. With respect to a security holder, a Covered Transaction occurs on or after the time the security holder became a Related Person.

#### IV. Submission of Information

Any director, director nominee or executive officer of the Company shall provide the Corporate Secretary and Chair of the Nominating and Governance Committee with prior notification of all proposed terms of any Covered Transaction for pre-approval by the Nominating and Governance Committee at its next regularly scheduled meeting. Information and terms of any contemplated Covered Transaction shall be provided as far in advance as practicable to allow adequate consideration of the transaction. Certain transactions, as described below at Automatic Pre-Approval for Certain Covered Transactions, are exempt from this policy.

#### V. Consideration of Transactions

A summary of each new Covered Transaction deemed pre-approved under Automatic Pre-Approval for Certain Covered Transactions below shall be provided to the Nominating and Governance Committee at each regularly scheduled meeting. The Nominating and Governance Committee shall review the material facts of all Covered Transactions that may require prior approval or ratification by the Nominating and Governance Committee, subject to the transaction exceptions described below.

#### VI. Authority for Ratification

If the Nominating and Governance Committee is unable to provide advance approval of a Covered Transaction, a Covered Transaction may be considered and ratified at the Nominating and Governance Committee’s next regularly scheduled meeting.

#### VII. Factors considered in approval or ratification

- Whether terms or conditions of the transaction are generally available to third-parties under similar terms or conditions;
- Level of interest or benefit to the Related Person;
- Availability of alternative suppliers or customers;
- Benefit to the Company.

#### VIII. Automatic Pre-Approval for Certain Covered Transactions

The Nominating and Governance Committee has reviewed the types of Covered Transactions described below and determined that each of the following types of Covered Transactions shall be deemed to be pre-approved by the Nominating and Governance Committee, even if the aggregate amount involved exceeds \$120,000.



IX. Any employment by the Company of an executive officer of the Company if:

The related compensation is required to be reported in the Company's proxy statement under Item 402 of the Securities and Exchange Commission's ("SEC's") compensation disclosure requirements (generally applicable to "named executive officers") and the compensation has been approved by the Compensation and Personnel Committee or Board; or if the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation have been reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the executive officer was a "named executive officer", and the Company's Compensation and Personnel Committee or Board approved such compensation.

X. Director compensation.

Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements and the compensation is approved by the Board or Nominating and Governance Committee.

XI. Certain transactions with other companies.

Any transaction with another company at which a Related Person's only relationship is as an employee (other than an executive officer), director and/or beneficial owner of less than 10% of that company's shares. **With respect to directors, if a director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, such transaction shall be reviewed by the Nominating and Governance Committee and not considered appropriate for automatic pre-approval.**

XII. Transactions where all shareholders receive proportional benefits.

Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis, such as the receipt of dividends.

XIII. Transactions involving competitive bids.

Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.

XIV. Regulated transactions.

Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.



XV. Certain banking-related services.

XVI. Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

XVII. Recusal

No director shall participate in any discussion or approval of a Covered Transaction for which he or she is a Related Person, except that the director shall provide all material information concerning the Covered Transaction to the Corporate Secretary and Nominating and Governance Committee.

XVIII. Ongoing Transactions

If a Covered Transaction will be ongoing, the Nominating and Governance Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Person. Thereafter, the Nominating and Governance Committee, on at least an annual basis, shall review and assess ongoing relationships and determine whether the Covered Transaction remains appropriate.