



2015 ANNUAL REPORT

TRANSCEND

CALIBRE



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CALIBRE

TWO THOUSAND AND FIFTEEN ANNUAL REPORT

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TRANSCEND:
to be or go beyond
ordinary limits



To Our Fellow Shareholders



Thomas P. Carney
Chairman of the Board
Chairman of the Executive
Compensation Committee



Joseph A. Martore
President & Chief Executive Officer
Member of the Board, Chairman of
the Risk Management Committee

As we look at today's Government Services industry, we are beginning to see some stability after a few difficult years. In many key segments, Federal budgets are stabilizing or even increasing. Recent Congressional legislation provides two years of Federal funding certainty. Lowest-price technically acceptable (LPTA) contracting continues to dominate the Federal acquisition landscape, but its use is beginning to diminish. As DoD strategies shift in response to world events and as Federal budgets remain constrained, there is a need for increased contracting support. While competition continues to increase, CALIBRE's performance remains anchored in the enduring solutions we provide that focus on the success of our clients.

In 2015, CALIBRE reported enviable performance, despite an increasingly challenging market. Some might state that low cost has become more important than best value as the prime determinant of an award. CALIBRE has demonstrated that it can successfully compete in this market with cost-efficient solutions, and as a result we continue to be recognized for successfully creating value – for our clients, for our employees, and for our local communities. We reported strong 2015 results, as both our revenue and our earnings increased from the previous year, exceeding our Balanced Scorecard (BSC) goals.

We completed a strategic acquisition that brought a new set of clients and talented professionals in the Federal / Civil sector, including experts in health analytics and enterprise content management. This acquisition of IMC's

Health & Life Sciences and Defense & Public Sector businesses supports CALIBRE's strategic growth plan and provides complementary, high-end solutions that add depth and breadth to our capabilities, allowing us to offer a broader array of solutions to current and new clients.

CALIBRE's employee-ownership culture, values, and focus on the success of our clients are key to our company's impressive performance and accomplishments, and they will continue to be in the future. Our achievements are built on our company-wide commitment to integrity and good character. Every day, we live the culture that has guided us since the company's beginning in 1989. We are dedicated to our clients' missions; to operate uncompromisingly with the highest professional standards and business ethics; to consistently deliver timely, quality, best value solutions that meet or exceed our clients' needs at competitive prices; to capitalize on new and expanding opportunities; and to adjust rapidly to changes and challenges in the marketplace.

These core values have allowed CALIBRE to excel in the way we deliver our solutions, the way we serve our clients, the way we support our local communities, and the way we work together as one CALIBRE team. Our success over the years has come from attracting and retaining talented, skillful, and experienced personnel who continue to grow through focused training and engagement in an innovative culture. Our engaged employee-owners set us apart in this highly competitive industry. CALIBRE's Corporate Objectives focus on our clients, employees, company, and local communities, while leveraging technology to maintain cost-effective state-of-the-market solutions. Our core values, employee-ownership culture, and focus on our clients provide the advantage that makes our company successful.

In 2015, we drove sustainable growth by executing our CALIBRE 2020 Strategic Plan on two parallel tracks: a set of growth platforms tied to specific market opportunities and new clients, and investments in initiatives to further strengthen our people, enhance our business processes, and identify growth possibilities for the future. We designed and built profitable, scalable businesses for the future – solutions focused on solving the challenges that confront our Defense, Federal / Civil, and commercial clients. We continued to accelerate the training



and innovation needed to grow our entrepreneurial leaders and to create the future that we envision for our company. We strengthened our business by implementing operational efficiencies and adding world-class talent to our team – all aimed at enhancing performance and delivering results for our clients.

These investments, combined with disciplined financial management and continued success in key growth areas, enabled CALIBRE to overcome challenging market conditions and reward our employee-owners with solid financial performance. Our senior leadership team and Employee Owners Advisory Committee (EOAC) help nurture a culture of innovation that inspires and empowers our employees to identify and analyze client challenges and develop enduring solutions that create value.

Our relentless focus on client success and our disciplined approach to business planning and execution help us navigate the marketplace with great confidence. CALIBRE has built a strong reputation for being the best at what we do. In 2015, CALIBRE was named Government Contractor of the Year in the \$75 million - \$300 million category for the second time in the last four years. Once again, in an independent survey CALIBRE received 100% client satisfaction. This recognition is especially rewarding during challenging times when clients look to premier firms to help them accomplish today's mission and prepare for the future.

We celebrate where CALIBRE is – we have a great success story, acknowledged with awards and industry recognition – but we are not satisfied staying where we are. We will continue to transcend the ordinary and excel, surpassing what we have done in the past and exceeding what we thought we could accomplish.

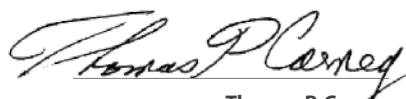
As we look to the next five years, we will continue to broaden and diversify our business and our clients. We will leverage new opportunities to excel in our industry and grow CALIBRE to \$350 million in revenue by 2020, while maintaining our culture and our values.

CALIBRE's Significant Accomplishments in 2015

- Acquired and integrated the Health & Life Sciences and the Defense & Public Sector groups of **Information Management Consultants (IMC)**
- **Revenue, Fee, and Earnings** exceeded 2014 performance and 2015 Balanced Scorecard (BSC) goals
- Management of our Operation Divisions as Profit and Loss businesses improved **CALIBRE's profitability**
- Named **Government Contractor of the Year** in the \$75M - \$300M category by the Fairfax County Chamber of Commerce and the Professional Services Council
- Selected as one of the prime contractors for the **U.S. Army Tank and Automotive Command (TACOM) Strategic Service Solutions (TS3) contract** for Knowledge Based Service requirements (ceiling value of \$1.8B)
- Named **One of the 20 Most Promising Enterprise Content Management Solution Providers** by *CIO Review*
- Recipient of the American Society of Military Comptrollers' **Corporate Member of the Year Award**
- Named to the **2015 Corporate Philanthropy List** by the *Washington Business Journal*
- Partnered with the U.S. Army Reserve, six top-tier universities, and 11 industry associates on the **Army Reserve Private Public Partnership (P3) Cyber Initiative** to support our Soldiers, enhance their skills, education, and training and create a pathway for future cybersecurity professionals
- Rewarded employee-owners with **demonstrated financial performance at the top of our industry and a solid strategic platform to accelerate growth**
- **Helped military clients save tens of millions** of dollars by (1) managing performance-based contracts, (2) conducting supply chain reconciliations, and (3) resolving financial material weaknesses
- Partnered with **Homes for Our Troops** to help build an accessible house for a wounded veteran and his family

We are confident in CALIBRE's future as we seek to continue to sustain and create value for our shareholders.

Our Success Follows Yours®


 Thomas P. Carney
 Chairman of the Board


 Joseph A. Martore
 President & CEO



Our Company

Founded on our First Principles and Corporate Objectives, CALIBRE is an employee-owned management consulting and information technology solutions company with 900 employees. Headquartered in Alexandria, Virginia, with seven regional offices across the United States, and operating in three foreign countries, we are committed to delivering high quality, value-added solutions.

In 2015, CALIBRE completed its 26th successful year as a trusted advisor to our clients in the public and private sectors. We take great pride in the impact and results we have delivered for our clients, employees, and local communities, and look toward the future to transcend as an organization while maintaining our core values that have been integral to our success.

FIRST PRINCIPLES

CALIBRE's First Principles, unchanged since our inception in 1989, are the foundation for the way we operate as a company, and as employee-owners.

These Principles – Operate Ethically, Achieve Superior Quality, and Renew Ourselves – are instilled in every employee from the day we join our company's journey. We are committed to ethically operating our business and delivering high quality solutions to support our clients' missions with openness and honesty, while understanding that we must adapt and change for continued success.

STRATEGIC ACQUISITION

CALIBRE acquired the Health & Life Sciences and Defense & Public Sector business units of Information Management Consultants (IMC) on September 1, 2015. This acquisition will support our achievement of the following Strategic Plan goals: 1. Achieve \$350 million in revenue by 2020; 2. Diversify our business portfolio to 65% Defense, 30% Federal / Civil, and 5% Commercial; and 3. Achieve earnings in the top quartile of our competitors.

The acquired assets of IMC became CALIBRE's fifth Division, transitioning over 175 employees to CALIBRE. We now have new expertise and corporate capabilities in health informatics and enterprise content management, in addition to expanded capabilities in pre-existing information technology solutions. The Division focuses on Federal / Civil and commercial clients, such as the National Institutes of Health, Department of Homeland Security, and Eli Lilly & Co., among others.



DAVID RAY - Logistics & Management Services

David joined CALIBRE in 2011. He built an innovative geospatial task management tool that is an automated support system for multi-echelon processes in support of current operations. David's insight into the National Guard's emergency operations requirements let him transcend the capabilities of today's operations center tools, and the demand is growing rapidly.

CLIENT SUCCESS

We provide enduring solutions that make our clients successful, including inventory and financial controls for ARCENT logistics, resolution of the Army Permanent Change of Station material weakness, coordination of \$1.3 billion of Air Force Performance-Based Remediation contracts, a Pharmacogenomics Knowledge Management System, provision of transition support to servicemembers around the world, and many others.

To ensure we listen to clients when measuring success, CALIBRE conducts an independent annual client survey. Our clients recognize our value, with 100% of respondents stating they would use CALIBRE in the future, and 100% would be willing to recommend CALIBRE to others.

CORPORATE RECOGNITION

CALIBRE's commitment to our Corporate Objectives is reflected in the recognition and awards we received throughout 2015:

- **Make Our Clients Successful** – *American Society of Military Comptrollers' Corporate Member of the Year*
- **Increase the Value of CALIBRE and Manage Our Company** – *Government Contractor of the Year in the \$75 million - \$300 million category* – Fairfax County Chamber of Commerce and the Professional Services Council
- **Leverage Technology** – *One of the 20 Most Promising Enterprise Content Management Solution Providers* – CIOReview Magazine
- **Be Good Citizens** – *2015 Corporate Philanthropy List* – Washington Business Journal



Our Employee-Owners



CHERI ATKINS - Human Capital Management

Cheri joined CALIBRE in 2011. She transcends client expectations in the DoD's Financial Management Certification Program where she serves as the policy subject matter expert. She volunteers for the homeless in winter, packing meals and stocking her church's food pantry.

CALIBRE is its people. Our work environment promotes a high level of engagement and morale from our employee-owners who are proud to work at CALIBRE. They appreciate the mutual trust and confidence in our company and the value of the ESOP structure.

VALUE OF EMPLOYEE OWNERSHIP

An Opportunity to Do Good:

Our employees know our work makes a difference – they witness it firsthand. CALIBRE supports governments at the federal, state, and local levels, including projects relating to environmental cleanup, training, logistics, healthcare, and support to servicemembers overseas and at home. Our employees know that they have been hired for a CALIBRE career of enduring service, not just another job.

Professional Development:

Our long-term success depends on aligning the abilities and knowledge of employee-owners with our corporate goal, business strategy, and objectives. CALIBRE offers training programs to develop skills in many ways: tuition assistance, certification bonuses, professional conferences, training courses, e-Learning, and our premier training program, CALIBRE University (CAL U). CAL U provides tailored learning for our employees and future CALIBRE leaders. Employees can access our online training platform 24x7 from any geographic location. We sustain the best and brightest through opportunities for continued skill development, professional certification, and education that meet the demands of a complex and rapidly changing business environment.

Management / Leadership Development:

CALIBRE develops our next generation of leaders with individual mentoring from our Corporate Leadership Team, Board of Directors, and our professional development

program. We empower our employee-owners to further their careers through our Career Management Program (CMP). The CMP provides employees a roadmap for success, outlining the expectation for each CALIBRE job title, level, and career path. Each employee and their supervisor can easily review the competencies, responsibilities, education/professional development, and CAL U requirements needed for the employee's current job responsibilities and career advancement.

Succession Planning:

CALIBRE's formal succession planning identifies employee-owners who have demonstrated the necessary business skills and entrepreneurial spirit to fill future leadership positions and aligns their personal development to support continued CALIBRE and personal success.

Community Service:

CALIBRE's community service reflects our Corporate Objective "Be Good Citizens" by actively engaging in the local communities of our employees. Our employees take special pride in engaging in "good works." Employees support local charities and communities through financial donations and with our time. We clean up highways, organize charitable collection drives, serve local chambers of commerce, and participate in local community events like charity runs and walks.

On a corporate level, CALIBRE supports organizations that include the American Red Cross, Easter Seals, Fisher House for injured and ill military and Veterans' families, Franconia Elementary School, Laurel Grove School Museum (the last school building in Fairfax County, Virginia built by and for the families of freed slaves), National Museum of the United States Army, and Homes for Our Troops where we help to build fully accessible homes for wounded Veterans. Our corporate and employee involvement in these programs reflects how we share in our clients' missions. We provide enduring solutions that make a difference in our communities.



GABE BERHANE - Performance & Cost Management

Gabe joined CALIBRE in 2012, and has been instrumental in helping the United States Army transcend its financial internal control issues. He built and led a team in correcting major deficiencies in the Army's \$1.9 billion Permanent Change of Station program, leading to the first and only successful audit of an Army-identified material weakness.





EOAC Report

As an employee-owned company, it is natural to look to the future and the opportunities that lie ahead. But, it is the past that makes us what we are today. This reflection on the past, present, and future is the crux of this year's theme – Transcend.

Our Employee Owners Advisory Committee (EOAC) consists of seven volunteers, each nominated by CALIBRE employee-owners for a three-year term, and charged to develop and share information on the ESOP and conduct activities that promote and celebrate our employee-ownership culture.

Our EOAC has three specific objectives: 1) promote the understanding of the Employee Stock Ownership Plan (ESOP); 2) support a vibrant culture of employee-ownership; and 3) represent employee-owner interests to the Board of Directors. That is exactly what our EOAC accomplished in 2015.

OBJECTIVE 1:

Promote a broad-based understanding of CALIBRE's ESOP, including basic terms and definitions, operations, benefits, and responsibilities of employee-owners. In 2015, our EOAC increased our communications efforts to promote understanding and awareness of the ESOP. We know our messaging to employee-owners is paramount to maintaining our culture and achieving our corporate goal. An engaged employee-owner who is aware of our corporate goal and strategy will continually look for new opportunities and ideas that will help the company prosper in the face of challenges.

CALIBRE employee-owners are demographically diverse. For example, 18% of us are from the Millennial generation (19-32 years-of-age), 33% come from Generation X (33-46 years), and Baby Boomers (46+ years) represent 48% of our workforce. Each of these groups receive and process messages in different ways. To reach all three demographics, the EOAC targeted specific messages along carefully selected communications channels.

CALIBRE established a Facebook page, released eight different informational videos, and at our headquarters, created an employee-owner "crawler" on the CALIBRE television system to give instant awareness of what is happening in the workplace. We updated our CALIBRE employee-ownership kits and worked to ensure that every employee-owner received their booklet and lapel pin.

“The theme for 2015 was, *“Transcend: to be or go beyond ordinary limits.”* Our EOAC sought every opportunity to educate employee-owners about the transcendent benefits of the Employee Stock Ownership Plan (ESOP) and the incredible spirit of employee-ownership.”

— Marc Meador, EOAC Chairman

We established the AskJoe@calibresys.com email account to allow employees to get quick answers to tough questions, and set up break rooms on each floor of CALIBRE's headquarters so employees can eat lunch, share ideas, and socialize. Also, CALIBRE updated our intranet, CALPortal, to make information easier to find and access. Many CALIBRE employees take advantage of CALIBRE's open door policy to get answers straight from the decision-makers, and then share that information with others. Finally, to better message our distributed workforce, we also updated the EOAC Helpdesk system to ensure every email is logged, assigned to an EOAC member, and answered in a timely fashion.

The EOAC cross-talked plans and ideas with the CALIBRE Renewal Team (CRT), the ESOP Administrative Committee, and the Board of Directors. We believe this close coordination across our company not only maintained and increased employee satisfaction, but also helped improve and build on an industry leading workplace.

OBJECTIVE 2:

Support a vibrant culture of employee-ownership at CALIBRE, including participating in external organizations and activities that promote the broader goal of employee-ownership in the workplace.

The cornerstone effort for 2015 was Employee-Ownership Month (EOM). Our EOM theme for 2015 was “Transcend.” The dictionary definition of “Transcend” is “to be or go beyond the ordinary limits.”



PATRICIA BALATBAT - Accounting

Patricia joined CALIBRE in 2008, and is an integral part of the payroll team. Her contributions enable CALIBRE to transcend the normal payroll process. She has handled diverse matters including company acquisitions and integration to the cloud for agile payroll applications. She brings accuracy and increased efficiency in the payroll process in response to employees' needs. Patricia received a CALIBRE Distinguished Service Award in 2011.

Over the course of Employee-Ownership Month, the EOAC released six videos, three of which featured our Corporate Leadership Team that addressed:

- "How CALIBRE's employee-ownership culture "Transcended" (CFO Jack Mutarelli);
- How CALIBRE's employee-ownership culture "Transcends" today (COO Jeff Gianguli); and
- "How CALIBRE's employee-ownership culture is "Transcending" for the future. (President and CEO Joe Martore).

We also released three videos from other employee-owners that highlighted how 900 diverse entrepreneurs come together to make CALIBRE successful. Employee-Ownership Month also featured a Random Acts of Kindness (RAKs) program coupled with educational opportunities in the form of breakfast, lunch, and dessert seminars.

Heather LaRowe and Lindsey Schourek attended the National Center for Employee Ownership (NCEO) conference in Denver, Colorado. Heather LaRowe was a presenter on a panel on "ESOP Communication Basics" and achieved excellent reviews. The conference included topics such as: Creating Effective Channels for Employee Engagement; Introduction to Business Literacy & Open Book Management (Great Game of Business); Employee Engagement: a Tale of Two Generations & Moving from "Me" to "We"; and The Life of your ESOP: Decisions You Need To Think About.

Throughout the year, CALIBRE employee-owners came together in multiple locations to celebrate our vibrant culture with dinners, picnics, and ice cream socials. The EOAC also awarded the CALIBRE DePuy Annual Scholarships, coordinated a "Guess the Share Value" contest, and hosted a Holiday Door decorating contest, just to name a few. CALIBRE employees volunteered throughout the year to clean up stretches of road near our headquarters and Huntsville offices via the Adopt a Highway program.

CALIBRE's engagement with our community continues to be "over the top." The EOAC and CALIBRE's Attitude and Morale Patrol (CAMP) supported our local Franconia Elementary School. Throughout the year, we:

- Collected book bags and school supply donations;
- Hosted band, orchestra, and chorus performances during the lunch hour at our headquarters;
- Volunteered as guest readers in honor of Read Across America and Earth Day;
- Provided awards / monetary incentives to graduating sixth graders for winning essay contests;
- Donated funds for an anti-drug / anti-bullying campaign; and
- Provided the resources for the school's purchase of concert t-shirts for the chorus, band, and strings students.

We surpassed past years' giving to the U.S. Marine Corps Reserve Toys for Tots program, collecting 240 toys and \$800 in donations, coordinating a coat drive (that collected four boxes of coats, hats, and mittens), and collecting 324 pounds of food (along with a \$5,000 donation) for local shelters.

All of these CAMP events depend on employee volunteers, so CALIBRE owes thanks to everyone who helped in 2015.

Finally, our active participation in the worldwide ESOP community led the Korean Educational Broadcasting System to approach CALIBRE about filming a documentary for employee ownership. The taping took place at CALIBRE in September 2015, and will serve to educate Koreans on the power this type of profit sharing can bring to the Korean workplace.

OBJECTIVE 3:

Represent the interests of all employee-owners to the Board of Directors. The EOAC has a member elected to the Board of Directors who keeps them informed of employee-owner issues. This active engagement by our EOAC demonstrates CALIBRE's commitment to the spirit and practice of employee-ownership and ensures employee perspectives are given full voice in Board deliberations.

In 2015, Thomas M. Peitler served as a member of the Board of Directors, representing CALIBRE's employee-owners. Tom served on both the Audit and Risk Management Committees, representing employee interests to the Board.



2015 Business Highlights

2015 was another successful year for CALIBRE business. Revenue and earnings were the highest in company history. The year ended with solid backlog moving into 2016. In a market that continues to use lowest-price technically acceptable (LPTA) contracts, CALIBRE transcended industry performance benchmarks and provided exceptional value for clients and employee-owners alike.

Throughout 2015, CALIBRE has continued to live our First Principles. We successfully acquired and integrated IMC's Health & Life Sciences and Defense & Public Sector businesses, expanding our ability to serve our clients, and supporting our CALIBRE 2020 Strategic Goal. We have welcomed the addition of over 175 employees, enthusiastically sharing our culture and values.

Our business performance for 2015 reflects our traditional strategy of sustain, leverage, and grow. We operate with five Divisions, each headed by a Division Vice President, who executed their business plans in the following lines of business: Human Capital Management (HCM); Health & Information Management (HIM); Logistics & Management Services (LMS); Performance & Cost Management (PCM); and Training, Infrastructure & Environment (TIE).

“ We successfully acquired and integrated IMC's Health & Life Sciences and Defense & Public Sector businesses. ”

working to make CALIBRE great. We have also grown our Program and Project Manager Community, both updating our Project Management Process Instruction (PMPI) and refining our project management training.

In line with our principle to achieve superior quality, CALIBRE continues to transcend previous levels of business process quality. Our Continuous Process Improvement (CPI) efforts prepared our HCM and LMS Divisions to sustain their CMMI Maturity Level 2 certifications, and our PCM Division achieved CMMI Maturity Level 3. Our CPI Team has worked diligently throughout the year to train new internal auditors, and worked to ensure the most efficient management techniques and practices for continued success.

CALIBRE continued to invest in our employees. We expanded and reinvigorated our Lunch & Learns in order to better train and inform those



BRIAN TRIPLETT - Human Capital Management

Brian began his career at CALIBRE in 2001, and has supported the Corporate Senior Executive Management Office (CSEMO) at the Department of Veterans Affairs since 2012. Brian creates data analysis, metrics, and tailored data models that transcend client expectations. These facilitate stakeholder decisions in Senior Executive Recruitment, Performance, and Talent Management.

2015 also saw marked internal improvements in our use of business development tools, as we transitioned to full use of the Opportunity Tracking System (OTS) to drive waterfall projections and sales planning. B&P budgets were also built in OTS with streamlined processes, increasing efficiency and accuracy of budget requests for 2016.

CALIBRE undertook key diversification and expansion activities during 2015. All five CALIBRE regions, (the All-American Defense Corridor; Huntsville, AL; San Antonio, TX; Orlando, FL; and the Pacific) and four other offices (Phoenix, AZ; Fort Irwin, CA; Detroit, MI; and Chesapeake, VA) were positioned to greatly expand CALIBRE sources of sales and revenue. The regions continued to generate opportunities to grow our regional footprint and apply key CALIBRE capabilities to meet critical client needs.

In 2015, CALIBRE successfully implemented strategic business plans in crucial market areas across numerous client sets. CALIBRE undertook continued efforts to bring capabilities to commercial vendors such as Audi, Jaguar / Land Rover, and Eli Lilly & Co. to expand our portfolio in line with our 2020 Strategic Plan objectives.

Additionally, all five Operations Divisions have engaged in efforts to raise CALIBRE's profile in the Space and Missile Defense (SMD) sector under the direction of LTG (USA-Ret.) Richard Formica. These initiatives have raised our brand recognition in the community and visibility with clients such as the Missile Defense Agency and the U.S. Army's Space and Missile Defense Command.



GINGER KOONTZ - Performance & Cost Management

Ginger joined CALIBRE in 2007. A 2016 candidate for an MS in decision analytics and a project manager, Ginger has transcended expectations for professional service and professional development. She led the Army Standard Service Costing team which estimates \$7.8 billion in Army service costs annually. She is bringing new analytical rigor to OSMIS which estimates cost components for 1,600 Army weapon systems.



GEOFF CARTON - Training, Infrastructure, & Environment

Since 2008, Geoff has transcended CALIBRE's Corporate Objectives, contributing to both client success and the community. He is an expert in U.S. Army explosives and munitions policy. Geoff supports the Army's 3Rs (Recognize, Retreat & Report) Explosive Safety Outreach Program, educating schoolchildren and adults on safely dealing with munitions on Formerly Used Defense Sites (FUDS).

As a result of the dedicated work of our Operations teams, CALIBRE was awarded our largest prime contract in company history. TACOM S3, a \$1.8 billion contract vehicle, was awarded to CALIBRE in September 2015. The opportunities in the contract allowed us to open an office in Detroit, Michigan to better support the TACOM client.

In a market where incumbents find it increasingly difficult to win recompetes of their current work, CALIBRE won five of five major recompetes in 2015. These include: a Defense Information Security Agency support contract, the Army's Installation Status Report contract, the Army National Guard Annual Financial Report, the Army Reserve Force Management Support Services contract, and the National Institutes of Health Electronic Documents and Records Management System contract.

CALIBRE continued to excel in our support of the Department of Veterans Affairs. With 300 benefits advisors on the ground in over 30 states across the U.S. and advisors around the world, we were able to successfully transition nearly 200,000 servicemembers. We provide critical support to those who served our country as they leave the military.

“CALIBRE was awarded [TACOM S3] our largest prime contract in company history.”

2015 also saw the return of CALIBRE personnel to Afghanistan to support critical cost work for the U.S. Army. Our employee-owners are developing and deploying a cost modeling capability for the U.S. Army for contract cost estimation within the Afghanistan theater of operation.

In addition to our work outside of the continental U.S., CALIBRE significantly expanded our training capabilities in Hawaii in support of the Joint Pacific Multinational Readiness Capability (JPMRC) and Hawaii Integrated Training Area Management (ITAM).

“I love the CALIBRE team of instructors! My students really feel the instructors are knowledgeable and eager to share the VA information. Keep up the great work!”

— Client Testimonial

In 2014, CALIBRE became a Vietnam War 50th Year Anniversary Commemorative Partner. This Congressionally-chartered program focuses on thanking and honoring Veterans and their families for the sacrifices they made during the Vietnam War. Over 40% of CALIBRE employees are Veterans, and of those 6% served during the Vietnam War era. (See photo of CALIBRE Vietnam War Veterans at the top of this page).

In 2015, CALIBRE Operations transcended the competition in our industry. We continue to create an extraordinary culture for our employee-owners, translating that culture into unparalleled success for our clients.





Transcending the Ordinary

Increasingly, we must Transcend the Ordinary to prosper in service to our clients, employees, and communities.

The recent Bipartisan Budget Agreement (BBA) increases the Government Fiscal Year (GFY) 2016 and 2017 budgets over GFY 2015 levels, giving federal agencies the opportunity to develop a two-year plan. This creates a more integrated program, giving CALIBRE the opportunity to inform and shape future efforts. Increasing numbers of competitors are pursuing government dollars, and a larger percentage of dollars are set aside for small and 8(a) business. Lowest-price technically acceptable (LPTA) procurements now constitute about two-thirds of the opportunities CALIBRE pursues, but LPTA use is beginning to decrease.

Many professional services opportunities are being consolidated into various Multiple Award Contract (MAC) vehicles, which CALIBRE must win to be eligible to bid on the task orders that generate revenue. These contract vehicles often score points for contractor certifications which were not previously required. Recompeters are increasingly more difficult for incumbents to win, even as CALIBRE expects 20 major recompetes in 2016.



CHRIS HALL - Health & Information Management

Chris is the Sales Director for the Health & Information Management Division. Chris immediately transcended expectations with fourth quarter wins at DHS, Air Force, EEOC and USAC, totaling \$36 million. He has worked with senior leadership on sales strategies, training, and improving systems like OTS to help achieve company sales goals.

To succeed in this market, CALIBRE will continue to provide enduring solutions that support mission success for our clients. Additionally, we will continue to invest in Our **People**; Business **Processes**; and new growth **Possibilities** in 2016. It will take continued, high-quality effort to acquire contract wins and generate earnings as clients seek to accomplish their missions within tight budgets and changing acquisition strategies.

PEOPLE

Each CALIBRE employee must Transcend the Ordinary if we wish CALIBRE to Transcend the Ordinary. Several opportunities have been made available to assist our efforts.

CALIBRE University continues to grow, with many leaders selected for the Manager Series and Executive Series. Both series have updated curricula to reflect changing opportunities and challenges. Successful completion of these programs creates new skills and experiences, augmenting capabilities throughout our

company. We are benefiting from the contributions of employee-owners in the Health & Information Management (HIM) Division who bring new ideas, skills, and techniques to share throughout CALIBRE. We will

“ *In order to transcend, we must balance the application of our resources to sustain, leverage, and grow CALIBRE business now and in the future.* ”

— Jack Mutarelli

provide training to improve our business development skills to discover, qualify, sell, and close new opportunities. Individual employees are increasingly using the Internal Mobility Tool (IMT) to identify and fill openings within CALIBRE that best match their skills and experiences. We have reorganized the Operations Divisions to integrate capabilities and increase efficiencies in both sales and project execution. Finally, we continue to support each other’s commitment to our First Principles and the CALIBRE Corporate Objectives, focusing our efforts on client success, CALIBRE growth, and community progress.

PROCESSES

To Transcend the Ordinary, we will invest for future wins while executing current contract wins. We will do so with new strategies, increased energy, and a cross-Divisional focus. We have fundamentally improved our sales processes by creating teams of Account Managers, Sales Directors, and Account Coordinators. They support Divisions and Directorates to review, identify, shape, and assess new pipeline opportunities in an integrated business development and capture process. We will look over the horizon for new



TANNIS DANLEY - Training, Infrastructure, & Environment

Tannis joined CALIBRE in 2008 and provides indispensable support to the Air Quality Compliance Program at Ft. Benning, Georgia. Tannis' contributions transcend two CALIBRE Corporate Objectives: "Make our clients successful" and "Be good citizens." Tannis has served on several environmental committees, and has received certificates of appreciation from Fort Benning Schools, the Keep Columbus Beautiful commission, and the Greater Columbus Chamber of Commerce. Tannis received a Distinguished Service Award in 2011.



KARLO AGUILAR - Logistics & Management Services

Karlo joined CALIBRE in 1998. He helped win the Distribution Management training contract with the US Army Quartermaster Corps. Karlo transcended the standards of the Army's logistics training community, establishing CALIBRE as a major player. He now works with the US Army Logistics University, positioning CALIBRE for an increasing share of the DoD's tactical logistics training requirements.

opportunities to support prospective clients, conduct long-term positioning to shape the opportunities, and complete short-term capture of both cross-Division and Division opportunities. We will continue to refine our processes for pursuing MACs and drive capture strategy, marketing, and sales collateral for each Directorate.

We continue to develop the Opportunity Tracking System (OTS) suite of tools to better manage proposal cost and the development of effective opportunity pipelines. B&P budget development, opportunity status tracking, and a sales director dashboard will assist employees to pursue

“ We will Transcend the Ordinary with new teams, new strategies, increased energy, and a cross-Division focus. ”
— Joe Martore

new opportunities and manage costs. We will use data-based tools to more effectively grow our revenue and manage costs.

We developed a new **Guide to the Capture and Proposal Process** to streamline and integrate capture and proposal efforts and created a team of expert Corporate Proposal Managers to assist in proposal development. We can reduce dependence on ad hoc teams and more effectively train writers, pricing specialists, and other proposal development team members while successfully pursuing our most important opportunities. We are also investing in new certifications, permitting CALIBRE to compete more effectively for many MACs. We continue to implement a Quality Program to apply the principles of CMMI and ISO more effectively to a greater number of CALIBRE projects, increasing support to clients and reducing cost to CALIBRE.

POSSIBILITIES

We will Transcend ordinary possibilities to increase sales, revenue, and earnings. This is an integrated effort that will solidify and grow the base, backlog, and waterfall both now and in the future. We will balance the application of our resources on sustaining, leveraging, and growing CALIBRE business.

Growth will come from organized and efficient entry into new markets. We are teaming internally and externally to grow new markets in Kwajalein, Space and Missile Defense, NASA, health analytics, Saudi Arabia, Pacific Region / Asia training support opportunities, and with our current clients. Additionally, we will intensify and organize our efforts to pursue several MACs in 2016, granting us greater access to new business with new clients. MACs are becoming an increasing share of professional services opportunities; positioning ourselves for success in key contract vehicles will greatly enhance our ability to generate future revenue.

The HIM Division leverages our corporate capabilities to provide new solutions to CALIBRE legacy clients and expanded solutions to all HIM clients. The integration of HIM with other CALIBRE Divisions enables us to pursue opportunities with each others' corporate capabilities and each other's current clients.

Markets remain challenging, but stability and new opportunities are beginning to appear. CALIBRE continues to invest in **People, Processes, and Possibilities**, tailoring our efforts to the ever-changing missions and needs of our clients. As always, *Our Success Follows Yours*®.

Leadership

Board of Directors

Thomas P. Carney

Lieutenant General (USA-Ret.)
Chairman of the Board, Chairman of the
Executive Compensation Committee

J. Terry Scott

Lieutenant General (USA-Ret.)
Vice Chairman of the Board,
Chairman of the Audit Committee

Joseph A. Martore

President & Chief Executive Officer
Internal Director
Chairman of the Risk Management Committee

Thomas M. Peitler

Vice President & Chief Technology Officer
Internal Director
Member, Employee Owners Advisory Committee

Joseph H. Reynolds

Retired Partner and General
Counsel, Nixon Peabody, LLC
Outside Director

Robert L. VanAntwerp

Lieutenant General (USA-Ret.)
Outside Director

Vice Presidents

Richard P. Formica

Lieutenant General (USA-Ret.)
Vice President, Defense Accounts

Christian J. Hall

Vice President, Security Accounts

Hyoshin Kim

Vice President,
Finance & Accounting and Controller

Timothy P. O'Connor

Vice President & Chief Information Officer

Thomas M. Peitler

Vice President & Chief Technology Officer

Mindy L. Scott

Vice President, Contracts & Procurement

Laura C. Weil

Vice President, Human Resources

Gregg J. Wright

Vice President, Federal / Civil Accounts

Corporate Leadership Team

Joe Martore

President & Chief Executive Officer

Jack Mutarelli

Senior Executive Vice President & Chief
Financial Officer

Jeff Giangliuli

Executive Vice President & Chief Operations Officer

Craig College

Senior Vice President, Strategy Development

Division Vice Presidents

Scott A. Ehrmantraut

Vice President,
Performance & Cost Management

Shawn H. Gundrum

Vice President,
Training, Infrastructure, & Environment

Dorisa Y. Harris

Vice President,
Health & Information Management

Philip M. Rizzi

Vice President,
Human Capital Management

Alan L. Stein

Vice President,
Logistics & Management Services





Corporate Objectives

OBJECTIVE 1: MAKE OUR CLIENTS SUCCESSFUL

...through collaborative, trusted relationships and enduring solutions that make a difference.

OBJECTIVE 2: INCREASE THE VALUE OF CALIBRE

...by enhancing our reputation and increasing enterprise value for our employee-owners.

OBJECTIVE 3: TAKE CARE OF OUR PEOPLE

...by providing an enabling and supportive work environment that expands the capabilities and productivity of our employees.

OBJECTIVE 4: LEVERAGE TECHNOLOGY

...by using technology to more effectively solve our clients' challenges and improve our business potential.

OBJECTIVE 5: MANAGE OUR COMPANY

...by adapting and adopting effective, efficient best business practices.

OBJECTIVE 6: BE GOOD CITIZENS

...through activities that support our local communities and the Nation.

First Principles

OPERATE ETHICALLY

We operate uncompromisingly with the highest professional standards and business ethics.

ACHIEVE SUPERIOR QUALITY

We consistently deliver timely, quality services and products that meet or exceed our clients' needs at competitive prices. The principal measures of quality are client success and corporate recognition for excellence.

RENEW OURSELVES

We are an ever-renewing company, capitalizing on new and expanded opportunities individually and corporately, and adjusting rapidly to changes and challenges in the marketplace.

CALIBRE

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