



355 Fenwick Rd., Fort Monroe VA 23651 | Office: 757-251-7482 | Fax: 757-848-5138

Public benefit report for fiscal year ending 2019

A. The reporting requirement

This public benefit report is addressed to the stockholders of Liberty Source in accordance with the Delaware Code Annotated, Title 8, Chapter 1, Sub-chapter XV, §§ 361 to 368 (2013). §366 of the Code requires Liberty Source to report at least biennially on:

- 1) The objectives the Board of Directors has established to promote such public benefit or public benefits and interests;
- 2) The standards the Board of Directors has adopted to measure the corporation's progress in promoting such public benefit or public benefits and interests;
- 3) Objective factual information based on those standards regarding the corporation's success in meeting the objectives for promoting such public benefit or public benefits and interests; and
- 4) An assessment of the corporation's success in meeting the objectives and promoting such public benefit or public benefits and interests.

B. Objectives and standards set by the board of directors

As described in Article 3 of Liberty Source's Certificate of Incorporation, the company is mandated to:

"Facilitate the creation of sustainable jobs and educational opportunities for individuals throughout the United States who would otherwise face obstacles limiting their opportunities to enter the workforce"

The Board of Directors of Liberty Source has determined that it will promote this public benefit by creating sustainable jobs and educational opportunities for military spouses and veterans who face an elevated risk of unemployed or underemployed. Military spouse and veterans are often overlooked for long term professional employment due to the difficulty in translating military experience and the relocations required by military life.

Military spouses often lose their job or do not find a (sustainable) career when they move to a different location with their active duty military partner. This is in part due to the lack of a corporate culture which embraces remote work opportunities and one that cannot cultivate a culture which meets the unique needs of a military family. As a result of a change in location and multiple employers, military spouses



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often have patchy resumes which make their job search more difficult than an average civilian. The most recent research study conducted by Blue Star Families reports a 30% unemployment rate for military spouses.

Military Veterans face slightly different challenges when entering the workforce after active duty. They often struggle to translate military experience into corporate language. For their part, hiring managers are still learning the value of military service and the ways in which they can leverage veterans to further their organizations.

The standards set to measure the Corporation's progress toward its social mission are:

- a) Percentage of employees with Direct Military Affiliation (military veteran or military spouse) -The higher this percentage, the more success the corporation has been in hiring from the target population
- b) Percentage of employees underemployed or unemployed prior to joining Liberty Source -The higher this number, the more success we have in supporting people in need

As per June 30, the end of our fiscal year 2019, the numbers are as follows:

Standard	June 30, 2019
% of employees with Direct Military Affiliation	57%
% of employees underemployed or unemployed prior to joining Liberty Source	78%

C. Assessment

Liberty Source's target is to employ more military spouses and veterans year over year. Our direct military affiliation metric for the last 12 months is 57% of our employee base. This is up from 47% in FY18. To continue achieving our goal, we have increased our efforts in a variety of ways. For example, we continue to work directly with the military bases located near our main office location in Hampton Roads, Virginia. This region is home to over 83,000 active duty service members across 16 bases. Our company recruiting program focuses on attending only military recruiting events. We also partner with the national Military Spouse Employment Partnership (MSEP), USO, DAV, and Onward to Opportunity Programs. Additionally, we work closely with the Virginia Values Veterans (V3) Program and the Virginia



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Employment Commission to hire veterans. As we expand our operations and require new employees to fulfill contracts, all recruiting and hiring activity will be focused on the 16 surrounding bases and MSEP.

Given our Public Benefit mission, we have developed an in-house training strategy that eases the transition barrier for many military spouses and veterans by allowing them to gain the tools necessary to successfully work in our industry. We also provide spouses with the ability to take the job with them once they receive military orders to PCS (Permanent Change in Station). Together, the above initiatives will allow us to attract military affiliated members and thus increase our overall direct military affiliation.