

Rochester Precision Optics
Anti-Corruption Policy and Agreement
Applicable to RPO Employees and All Parties Contracting with RPO
(rev. 20160906a, effective September 6, 2016)

A. Purpose

Rochester Precision Optics, LLC and its subsidiaries ("RPO") are committed to compliance with all applicable anti-bribery, anti-kickback, anti-corruption and related laws and regulations wherever it conducts business. To ensure compliance, RPO issues this Anti-Corruption Policy and Agreement ("Policy"), which shall be followed by and is binding upon all Parties (or "Party" when singular), here defined as: RPO's employees and subcontractors; all customers, clients, vendors, buyers, sellers and other parties in contractual relationship with RPO; and any principals, owners, directors, officers, employees, consultants, affiliates, suppliers, agents, and subcontractors of such parties and entities.

B. Definitions

"Anti-Corruption Laws" means any and all anti-bribery, anti-kickback, anti-corruption and similar laws, statutes, regulations, codes, and official guidance applicable to any Party, including, without limitation:

the U.S. Foreign Corrupt Practices Act of 1977, as amended (15 U.S.C. §§ 78dd-1, *et seq.*); related provisions of the U.S. Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS); the Organisation for Economic Cooperation and Development (OECD) Anti-Bribery Convention of 1997; the U.K. Bribery Act of 2010; European Union and Council of Europe anti-bribery rules; and any other similar laws.

"Agreement" means any agreement or contract that a Party has with RPO.

C. Effect of Violation of This Policy

A Party's failure to comply with this Policy, as reasonably determined by RPO: (a) shall constitute grounds for immediate termination of employment, if the Party is employed by RPO; (b) shall constitute a material breach by that Party of any Agreement that it has with RPO, and RPO shall be entitled to terminate such Agreement, at RPO's discretion, upon written notice to the Party without cost or liability to RPO; and (c) shall result in other action as further provided by this Policy.

D. Compliance with Anti-Corruption Laws

Each Party:

- (a) will comply with all applicable Anti-Corruption Laws;
- (b) will not directly or indirectly offer, give, authorize, solicit, or accept the giving of money or anything else of value to or from any person, whether a government official or private party, to obtain an improper advantage for RPO, any Party, or any third party, or secure the improper performance of that person's function or misuse of that person's position;
- (c) will not directly or indirectly offer, give or authorize the giving of money or anything else of value to any government official in his or her personal capacity, to facilitate or expedite government action or approvals;

- (d) will not do, or omit to do, any act that will cause RPO to be in breach of applicable Anti-Corruption Laws;
- (e) will not directly or indirectly offer, give or authorize to any Party, RPO employee or contractor any gift, meals, entertainment, gratuity, service, favor, or anything else of value¹ in order to influence or reward that Party, RPO employee or contractor in connection with an Agreement with RPO;
- (f) will not accept, and will promptly report to RPO, any request or demand for any undue financial or other advantage of any kind received in connection with the performance of any Agreement with RPO; and
- (g) represents and warrants that it has, with regard to any past action or omission related to any Agreement with RPO, acted consistently with each requirement set forth above.

E. Notification; Own Policies; Assistance

A Party in contractual relationship with RPO will:

- (a) if a business entity, notify its principals, owners, directors, officers, employees, consultants, affiliates, suppliers, agents, and subcontractors that perform any services for RPO of their obligation to comply with this Policy;
- (b) if a business entity, have and maintain throughout the term of any related Agreement with RPO, its own policies and/or procedures to help ensure its compliance with all applicable Anti-Corruption Laws; and
- (c) if requested, provide reasonable assistance to RPO in performing any activity related to the Agreement with RPO that is required by any government or agency thereof in any relevant jurisdiction for the purpose of compliance with Anti-Corruption Laws.

F. Obligations of Parties in Contractual Relationship with RPO

1. Each Party further represents and warrants that neither that Party nor any of its principals, owners, directors, or officers, if any:
 - (a) has been convicted of any offense involving bribery, corruption, fraud, or dishonesty;
 - (b) has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative, or regulatory body regarding any offense or alleged offense under Anti-Corruption Laws; or
 - (c) has been, or is listed by any government agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programs or government contracts.

Such Party will promptly notify RPO if it or any of its principals owners, directors, or officers become subject to (a), (b), or (c) of this section during the course of the Party's performance under an Agreement or during its employment with RPO.

2. Each Party, if a business entity, will keep accurate books, records, and accounts in connection with the services to be performed under any Agreement with RPO. In addition, if RPO reasonably suspects that a Party has failed to comply with Section D of this Policy

¹ Any such expenses—unless of nominal or modest value and customary or reasonable in scope—are considered inappropriate under this Policy.

(Compliance) such that RPO has incurred, or is likely to incur, losses, liabilities, and/or claims (including government fines and penalties) as the direct result of such failure, RPO and its third-party representatives will have the right to request, collect and copy, with the reasonable assistance of such Party, any records and other information of that Party relevant to any such losses, liabilities, and/or claims.

3. Each Party will notify the President of RPO if it becomes aware of information that suggests that the Party has failed, or is likely to fail, to comply with this Policy. A Party's failure to comply with Section D of this Policy (Compliance) will be deemed an incurable material breach of any Agreement with RPO. Upon notice of such a failure, or in the event that RPO determines or reasonably believes that such a failure has occurred or may occur, and notwithstanding anything else contained in an applicable Agreement, RPO may terminate such Agreement immediately upon written notice without incurring additional cost or liability to RPO.
4. Each Party that is a business entity, i.e. a Party that is not an employee of RPO, will indemnify RPO against any and all losses, liabilities and/or claims (including government fines and penalties) incurred by, or awarded against, RPO as a result of such Party's failure to comply with this Policy. If RPO terminates an Agreement because of a Party's breach of Section D of this Policy (Compliance), that Party will not be entitled to claim compensation or any further remuneration, regardless of any activities or agreements with third parties that the Party may have entered into before termination. In addition, payments previously made by RPO to a Party with regard to any transaction for which a breach has occurred shall be refunded to RPO by that Party.
5. Regardless of any other provision in an Agreement, RPO will not be obliged to do, or omit to do, any act that would, in its reasonable determination, potentially put RPO in breach of any Anti-Corruption Laws.

G. Certification of Compliance

All Parties hereby certify that they are in compliance with this Policy, that they will remain in compliance with this Policy, and that they have not in the past acted in such a way as to place RPO in any jeopardy of liability under any Anti-Corruption Laws.

[Continued on next page.]

H. Signatures

Each Party signing below (a) affirms that it has the authority to sign on behalf of the indicated Party, (b) agrees that this Policy is a valid agreement supported by good and valuable consideration between the Parties—including, without limitation, business, employment, or other economic opportunities—and (c) agrees that this Policy shall apply to any Agreement that has been or will be entered into between the Parties.

For:	Rochester Precision Optics, LLC
Name:	Name:
Title:	Title:
Date:	Date:
Signature:	Signature: