

S3 Procurement Policy Document Reference:

S3-727 - Acquisition of Commercial Items

S3-751 - Determination of Terms and Conditions, Flow downs and Provisions

1.0 DEFINITIONS

1.1 "S3" means Syncom Space Services LLC, acting through its companies or business units as identified on the face of this subcontract. If a subsidiary or affiliate of S3 is identified on the face of this subcontract, then "S3" means that subsidiary or affiliate.

1.2 Work - The work shall be the services to be performed by subcontractor as described on the cover page of the PO and as may be further detailed.

1.3 Subcontractor - It is hereby understood that the terms "supplier", "vendor" and "subcontractor" may be used interchangeably in the Purchase Order. Subcontractor is the legal entity to which this PO is used.

2.0 OBLIGATIONS OF SUPPLIER

2.1 Packing and Shipments

a. Unless otherwise specified, all materials are to be packed in accordance with good commercial practice. No charge for packing or cartage will be allowed unless authorized in writing by S3 prior to shipment.

b. A complete packing list shall be enclosed with all shipments. SUPPLIER shall mark containers or packages with necessary lifting, loading, and shipping information, including the S3 Purchase Order number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Purchase Order number.

c. Unless otherwise specified, delivery is DDP (Delivered Duty Paid), in accordance with INCOTERMS 2010. Carrier and site of delivery for the goods shall be specified in the Purchase Order.

d. S3 encourages the SUPPLIER to use biodegradable, reusable or recyclable packaging materials for shipments under this Purchase Order, in addition to minimizing unnecessary packaging material.

2.2 Delivery/Delays

a. The SUPPLIER shall deliver ordered materials by the date specified on the Purchase Order cover page or elsewhere in an attachment/exhibit. Any extensions to delivery dates shall be accepted only if confirmed in writing by the S3 Procurement Representative.

b. SUPPLIER shall not be responsible for delays resulting from occurrences beyond its control which it could not have reasonably anticipated and provided for. In such event, SUPPLIER shall give S3 written notice within three (3) calendar days of such occurrence. S3 shall determine an equitable extension of time for delivery. SUPPLIER's failure to so notify S3 of such delay shall constitute a waiver of SUPPLIER's right to a time extension. There shall be no price adjustment by virtue of any such time extension.

c. Early delivery of any materials shall be approved by and coordinated with S3 before shipment.

2.3 Performance and Warranty

SUPPLIER warrants that:

a. All goods furnished shall be free from defects in material and workmanship and shall conform to specifications and/or drawings. All items are new unless specified otherwise.

b. SUPPLIER shall replace non-conforming goods, without cost to S3, to include removal, shipping and re-installation costs for any nonconforming goods, if the nonconformity is observed within one (1) year from the date such goods are placed in operation.

c. If the SUPPLIER provides engineering, design, or specifications, all express, implied and statutory warranties apply (including, without limitation, warranties of merchantability and fitness for purpose).

d. If SUPPLIER fabricates and/or delivers only, SUPPLIER makes no other warranties, either express or implied (including without limitation, warranties of merchantability and fitness for purpose).

e. As to catalog items, all expressed and implied warranties shall apply.

f. SUPPLIER warranties (including service warranties, if any), shall accrue to the benefit of and be actionable by S3 and/or S3's customer.

g. Goods replaced pursuant to this Article shall be subject to the warranties outlined in this Article. Warranty period for replacement goods begins when replacement items are accepted.

h. If deficiencies are not corrected in a timely manner, S3 may cause the same to be corrected and deduct costs incurred from SUPPLIER's compensation.

2.4 Related Services and Installation

Whenever SUPPLIER furnishes personnel for supervision, startup, testing, inspection, related services, or maintenance (the Work), the following provisions shall apply, in addition to other applicable provisions of this Purchase Order including compensation:

a. SUPPLIER represents that SUPPLIER, its agents, and employees, are qualified and competent to perform the Work and that all tools and equipment furnished by SUPPLIER in its performance of the Work are, and shall be, kept in good working order. Unless otherwise agreed in writing by S3, SUPPLIER is responsible for international travel arrangements (visa, taxes and entry and related expenses) to reach the S3 project location with all appropriate tools and equipment.

b. SUPPLIER asserts that the Work shall be performed in accordance with accepted standards and shall conform to the requirements of this Purchase Order. Any Work not so performed or not in conformity with this Purchase Order shall be corrected by SUPPLIER at no cost to S3. If such deficiencies are not immediately corrected, S3 may cause the same to be corrected at SUPPLIER's cost and Supplier Purchase Order payment shall be reduced. This remedy is in addition to any other remedies, in law or equity, available to S3.

c. Completion and Acceptance: When SUPPLIER deems the Work completed, SUPPLIER shall give S3 notice in writing. Within a reasonable time after receipt of the notice, S3 will determine if the Work has been completed to its satisfaction; if so, S3 will advise SUPPLIER, in writing, of its final acceptance; if not, S3 will notify SUPPLIER of its lack or failure of performance and SUPPLIER will take remedial action as described in Section 3.0 and will repeat the procedure stated until the Work has been satisfactorily completed and accepted.

If installing goods on the work site:

d. SUPPLIER agrees to obtain and keep in force during the term hereof the below-described insurance with S3 and S3's customer as additional insureds in paragraphs e. through i. For US firms, such insurance shall be primary and non-contributory as to coverage and shall be carried with insurance companies (with an AM Best company rating of "A" or higher for US SUPPLIERS). Such insurance shall provide a waiver of subrogation for S3 and S3's customer. SUPPLIER will furnish S3 with certificates evidencing such insurance coverage prior to commencing any onsite Work.

e. The SUPPLIER shall maintain insurance with at least the following minimum limits and coverage and keep in force as follows:

f. Worker's Compensation, statutory and as required under laws applicable to the Work;

g. Employer's Liability insurance with \$1,000,000 per accident, employee and disease.

h. Commercial Automobile Liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.

i. Commercial General Liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any act or omission of the SUPPLIER or any of its employees, agents or subcontractors with \$1,000,000 per occurrence and in the aggregate limits.

j. DBA (Defense Base Act coverage) shall be provided subject to the requirements of the prime contract flow down clauses included as part of this Purchase Order.

2.5 Independent Contractor Relationship

Seller is an independent contractor in all its operations and activities hereunder. SUPPLIER's employees are exclusively SUPPLIER's employees without any relationship whatsoever to S3.

3.0 OBLIGATIONS OF S3

3.1 Inspection and Acceptance

a. All goods shall be subject to inspection and testing by S3 or its designee at SUPPLIER's premises and at the project site or other location designated by S3. Notwithstanding any inspection at SUPPLIER's plant, final inspection

and acceptance of the goods shall be at S3's project site or other location designated by S3 as part of this Purchase Order.

b. If inspection and tests, whether preliminary or final, are made on SUPPLIER's premises, SUPPLIER shall furnish without additional charge, all reasonable facilities and assistance for safe and convenient inspection and tests required by S3, its designee and/or S3's customer, as the case may be. Inspection by S3 or S3's customer, or failure to inspect by S3 or S3's customer shall not relieve SUPPLIER of any responsibility or liability with respect to this Purchase Order and shall not be interpreted in any way to imply acceptance by S3.

c. S3 reserves the right to reject nonconforming goods and require SUPPLIER to promptly remove the rejected goods at the SUPPLIER's expense. S3 shall have the option either to require SUPPLIER to replace rejected goods at SUPPLIER's expense; or to cancel this Purchase Order pursuant to Section 5.0.

d. S3 reserves the right to revoke acceptance of goods if S3 accepted the goods on the reasonable assumption that nonconformity would be cured by SUPPLIER and has not been reasonably cured, or without discovery of nonconformity if S3's acceptance was reasonably induced either by the difficulty of discovery before acceptance or by SUPPLIER's assurances. In the event of such revocation, the provisions of Section 5.0 shall apply.

e. S3 may, at its option, inspect goods provided by or expedite the performance of SUPPLIER's lower tier SUPPLIERS.

f. Drawings, specifications, and calculations submitted by SUPPLIER to S3 with a request for review, may be reviewed and commented upon by S3. S3's review and comment shall relate only to the general arrangement. In no event will S3's review and comment relieve SUPPLIER of the responsibility to comply with all of the provisions of this Purchase Order.

4.0 TERMS OF PAYMENT

4.1 Invoices and Payment

a. Each invoice must be separately numbered, and must show applicable discounts; be addressed to "S3"; include the Purchase Order number, Purchase Order Line Number, Buyer name, the S3 account code(s) on the cover page; be strictly consistent with this Purchase Order, and provide bills of lading or transportation receipts, unless otherwise specified. Invoices shall be delivered by SUPPLIER to the address noted on the cover page of this Purchase Order.

b. Any invoice deviating from the requirements of paragraph a., above will be returned to SUPPLIER for correction and/or acceptable support documentation.

c. Cash discounts will apply from the date a correct, properly supported invoice is received by S3, or the date goods are accepted, whichever is later. d. All payments to SUPPLIER shall be made in United States Dollars unless otherwise indicated within this Purchase Order. All invoices shall be in the English language.

e. The terms of payment as shown on this Purchase Order and expressly written by S3 shall take precedence over terms of payment shown on SUPPLIER's invoices, proposal or elsewhere, irrespective of whether SUPPLIER's proposal or other document(s) may be referenced as part of this Purchase Order.

f. SUPPLIER shall submit with each invoice waivers of liens, if requested by S3.

g. Payment(s) are not due until goods are accepted by S3 unless prepayments are authorized in writing on the face of the Purchase Order.

h. SUPPLIER has included in its price and agrees to pay all US Federal, State, or local taxes as well as any other import/export duties and fees imposed by law (regardless of point of origin) upon or on account of, the manufacture, sale, transport/shipment, or delivery of the goods or services furnished for this Purchase Order, unless otherwise indicated by S3 in this Purchase Order.

5.0 LEGAL PROVISIONS

5.1 Changes

a. S3 shall have the right (by revision to this Purchase Order or through revised drawings, specifications, or other transmittals), to make changes in the specifications of goods ordered.

b. If any change affects the price or delivery date of such goods, SUPPLIER shall immediately notify the S3 Procurement Representative/BUYER in writing; and shall, within three (3) calendar days of the date such revision is mailed (emailed) or otherwise delivered to SUPPLIER, submit a written claim for adjustment of price and/or delivery date. If SUPPLIER fails to do so, SUPPLIER waives any claim for an adjustment.

c. SUPPLIER shall not suspend performance while S3 and SUPPLIER are in the process of making revisions and any related adjustments.

5.2 Stop Work

a. SUPPLIER shall stop work for up to ninety (90) days with written notice from S3 or longer as the parties may agree.

b. Within such period, S3 shall either terminate or continue the work by written notice to SUPPLIER. If continued, an equitable adjustment per the Changes clause shall be made to the price, delivery schedule or other provisions affected by the work stoppage, provided the claim for equitable adjustment is made within thirty (30) days after the date of notice to continue.

5.3 Termination/Cancellation

a. S3 shall have the right to terminate all or any part of this Purchase Order for its convenience. Upon termination, SUPPLIER shall be reimbursed for reasonable and necessary costs resulting from this Purchase Order which are substantiated by evidence satisfactory to S3. SUPPLIER shall receive no compensation or profit on unperformed portions of this Purchase Order. S3 shall be entitled to immediate delivery of goods and work that it pays for.

b. Any failure by SUPPLIER to perform its obligations under this Purchase Order, which is deemed substantial by S3, shall be grounds for S3 to cancel this Purchase Order or the affected portion. SUPPLIER shall not be entitled to any compensation pursuant to such cancellation, except for the reasonable value of goods delivered by SUPPLIER and accepted by S3 prior to cancellation. This compensation shall not exceed the Purchase Order total. S3 reserves all rights it may have against SUPPLIER as a result of SUPPLIER's failure to perform.

c. SUPPLIER's obligations under Performance and Warranty; Codes, Laws and Regulations; Patent Protection; EEO; PO for commercial Items; Complete Agreement shall survive termination or cancellation.

5.4 Disputes

All disputes under this agreement that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, SELER shall diligently proceed with the performance of this agreement as directed by S3.

5.5 Administrative Correspondence

a. All certificates of insurance, request for change orders, signed Purchase Orders and general correspondence are to be sent to the attention of the Procurement Representative or BUYER as noted on the cover page of this Purchase Order.

b. Only the S3 Procurement Representative has authority on behalf of S3 to make changes to this Purchase Order. Technical or operational personnel may from time to time provide assistance or give technical advice however, no such action shall be deemed to be a change under paragraph 5.1 Changes.

5.6 Codes, Laws and Regulations

All goods and services provided under this Purchase Order shall comply with all international and applicable codes, laws, regulations, standards, and ordinances in force during the term of this agreement. Supplier shall ensure that sub-subcontractors at all tiers shall comply with international laws regarding transit/exit/entry procedures and requirement for work visas and shall follow all Host Country entry and exit requirements.

5.7 Electronic Information Transactions

Electronic commerce transactions between Contractor and Subcontractor will be solely governed by the terms and conditions contained in the subcontract. Contractor will not be bound by any legal terms and conditions contained on Subcontractor's website, including on any of Subcontractor's other electronically transmitted forms and documents. Specifically, any terms and conditions on Subcontractor's internet site to which agreement by Contractor is required in any manner during performance of the Agreement, whether through an electronic agreement mechanism on any website, deemed implied by site access or use, or otherwise, will be null and void and have no legal effect on Contractor.

5.8 Equal Employment Opportunity - U.S. SUPPLIERS shall comply with applicable laws, executive orders, and regulations concerning

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nondiscrimination in employment including but not limited to the Equal Opportunity Clause of Section 202, Executive Order 11246, as amended. S3 is an Equal Employment Opportunity employer. As such, 41 CFR 60-1.4(a), 41 CFR 60-300.5, 41 CFR 60-741.5 as well as 29 CFR Part 471, Appendix A to Subpart A are herein incorporated by reference, to the extent applicable.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

5.9 Patent Protection

a. SUPPLIER will, at its sole expense, defend and pay all damages and costs awarded in any proceeding brought against S3, its employees, agents, or customers, in which it is claimed that the manufacture, sale, or use of any goods or their parts, furnished in response to this Purchase Order constitutes an infringement of any patent or other proprietary information right, provided SUPPLIER is promptly notified of the commencement of any such proceeding. SUPPLIER's indemnity, as to use, applies only when infringement occurs from the normal use for which the goods were sold. S3 and/or S3's customer may, at their option, be represented at any such proceeding.

b. If such manufacture, sale, or use is held in any proceeding to constitute an infringement and is enjoined, SUPPLIER, at its expense, shall either procure for S3 and its customer the right to manufacture, sell, and use such goods; or replace the goods with substantially equal but non-infringing goods; or modify the goods to make them substantially equal but non-infringing; or remove the goods and refund the purchase price and transportation and installation costs of them.

5.10 Liability

SUPPLIER shall be responsible for and hold harmless release and indemnify S3 and its customers as well as their agents and employees from and against all losses, injury (including death) costs, claims, causes of action, damages, liabilities, and expenses, including attorneys fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SUPPLIER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Purchase Order. SUPPLIER shall indemnify and hold harmless S3 from and against any actual or alleged liability, loss, costs, damages, fees of attorneys, and other expenses which S3 may sustain or incur in consequence of (i) SUPPLIER's failure to pay any employee for the Work rendered under this Purchase Order, or (ii) any claims made by SUPPLIER's personnel against S3.

5.11 Assignment and Subcontracting

Any assignment by SUPPLIER of this Purchase Order, or any rights and duties associated with it, without the written consent of S3, shall be void. SUPPLIER shall not subcontract any of the goods and services of this agreement without prior written approval of S3.

5.12 Complete Agreement

a. Either SUPPLIER's return of an acknowledgment copy of this Purchase Order or SUPPLIER's commencement of performance of this Purchase Order shall constitute SUPPLIER's acceptance of this Purchase Order including these terms and conditions, Purchase Order attachments and Special Instructions/Other Terms outlined within the purchase order. The Purchase Order cover pages, along with these terms and conditions, any referenced Purchase Order attachments/exhibits, and any change orders properly issued by the Procurement Representative shall constitute the entire agreement between the parties. No terms or conditions stated by the SUPPLIER in its bid or proposal, acknowledgment, invoice(s) or other correspondence shall be binding upon S3 if different from or in addition to the express provisions of this Purchase Order. Any additions to or variations from the same offered by SUPPLIER will be deemed proposals for revision to this Purchase Order and shall be binding only if made in writing and signed by an authorized representative of S3.

b. S3's remedies shall be cumulative and in addition to any further remedies provided in law or equity. No waiver of a breach of any of the provisions of

this Purchase Order shall constitute a waiver of any other breaches.

5.13 Confidential Information

a. All drawings, specifications, technical data, and other information furnished to SUPPLIER by or through either S3 or S3's customer in connection with this Purchase Order are and shall remain the property of S3 or S3's customer, and shall not be copied or otherwise reproduced or used in any way except in connection with performance of this Purchase Order, or disclosed to third parties or used in any manner detrimental to the interests of S3 or S3's customer. Upon completion, termination, or cancellation of this Purchase Order, SUPPLIER shall promptly return to S3 or S3's customer all drawings, specifications, technical data, and other information furnished by S3 or S3's customer in connection with the performance of this Purchase Order.

b. Seller shall not provide any proprietary information to S3 without prior execution of a proprietary information agreement signed by the parties.

5.14 Purchase Orders for Commercial Items

Where it is noted on the cover page of this Purchase Order that this order is placed pursuant to the Commercial Items provisions of the US Federal Acquisition Regulations (the FAR), the FAR clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, FAR52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)), if the subcontract exceeds \$5,000,000 and has a performance period of more than 120 days. In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer. FAR52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Jun 2010) (Section 1553 of Pub. L. 111-5), if the subcontract is funded under the Recovery Act. FAR52.219-8, Utilization of Small Business Concerns (July 2013) (15 U.S.C. 637(d)(2) and (3)), if the Purchase Order offers further subcontracting opportunities. If the Purchase Order (except Purchase Orders to US small business concerns) exceeds \$700,000 (\$1.5 million for construction of any public facility), the subcontractor must include FAR52.219-8 in lower tier subcontracts that offer subcontracting opportunities. 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246). FAR52.222-35, Equal Opportunity for Veterans (Sep 2010) (38 U.S.C. 4212(a)); 23.6 52.222-36, Affirmative Action for Workers with Disabilities (Oct 2010) (29 U.S.C. 793). FAR52.222-50, Combating Trafficking in Persons (Feb 2009) (22 U.S.C. 7104(g)). FAR52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. App. 1241 and 10 U.S.C. 2631), if flow down is required in accordance with paragraph (d) of FAR clause FAR52.247-64). The subcontractor shall include the terms of this clause in subcontracts or purchase orders awarded under this Purchase Order (<https://www.acquisition.gov/Far/>).

6.0 INTERNATIONAL PROVISIONS

6.1 Export Control

a. Subcontractor agrees to comply with all applicable in country and U.S. export control laws and regulations, specifically including for the U.S., but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable.

b. Subcontractor agrees to notify S3 if any deliverable under this Contract is restricted by export control laws or regulations.

c. Subcontractor shall immediately notify the S3 Procurement Representative if Subcontractor is, or becomes, listed in any Denied Parties List or if Subcontractor's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency, or by any entity or agency of Subcontractor's own country.

d. S3 ITAR Controlled Technical Data can be provided to Subcontractor's same country national employees ONLY. Third Country national employees of Subcontractor are not authorized to receive S3 INC ITAR Controlled Technical Data without separate authorization and approval by S3 and the U.S. Government.

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- e. If the technical data required to perform this Contract is exported pursuant to ITAR 124.13 to the Subcontractor under a DSP-5, Offshore Procurement license, Subcontractor shall comply with the following:
- f. The technical data shall be used only to manufacture the Work required by this Contract; and The data shall not be disclosed to any other person except lower-tier subcontractors within the same country; and any rights in the data may not be acquired by any foreign person; and Subcontractor, including lower-tier subcontractors, shall return, or at S3's direction, destroy all of the technical data exported to Subcontractor pursuant to this Contract upon fulfillment of its terms; and unless otherwise directed by S3, Subcontractor shall deliver the Work only to S3 or to an agency of the U.S. Government.
- g. Subcontractor shall include the terms of this paragraph (e) in all lower-tier subcontracts issued when technical data is provided to the lower-tier subcontractor.
- h. Where Subcontractor is a signatory under a S3 export license or export agreement (e.g., TAA, MLA), Subcontractor shall provide prompt notification to the S3 Procurement Representative in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation, that could affect the Subcontractor's performance under this Contract.
- i. If sublicensing is authorized in writing by S3 and the U.S. Government under the export agreement, Subcontractor shall comply with the following:
 - (1) Obtain an ITAR Non-Disclosure Agreement (NDA) from each authorized lower-tier Supplier which Subcontractor will sublicense ITAR controlled technical data to; and
 - (2) Provide a copy of the fully executed ITAR NDA to the S3 Procurement Representative; and then
 - (3) Upon completion of (i) and (ii) above, S3 will acknowledge receipt of the NDA and provide authorization to Subcontractor to provide S3 ITAR Controlled Technical Data to its authorized lower-tier Suppliers;
 - (4) S3 ITAR Controlled Technical Data can be provided to Subcontractor's authorized lower-tier Supplier's national employees only;
 - (5) Third Country national employees of Subcontractor's authorized lower-tier Suppliers are not authorized to receive S3 ITAR Controlled Technical Data without separate authorization and approval by S3 and the U.S. Government.

6.2 Foreign Corrupt Practices Act Compliance

Seller warrants and represents that it is familiar with, and will comply in all respects, with the United States Foreign Corrupt Practices Act (hereinafter the "FCPA"). Seller acknowledges that it has full access to the United States Department of Justice website concerning the FCPA at <http://www.justice.gov/criminal/fraud/fcpa/>, which includes the full text of the FCPA, as well as a lay-person's guide to the FCPA.

Seller warrants and represents that it has not, and will not, offer to pay, promise to pay, authorize the payment of, or actually pay any money, or offer to give, promise to give, or authorize the giving of, or actually give, anything of value to an "official" (as such term is defined in the FCPA) of the Government (of any level, whether local, state or federal) or to any political party, or official thereof, or to any candidate for political office, while knowing, or being aware of the potential that all, or a portion, of such money or thing of value will influence or have the potential to influence any act or decision of such Government official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions in order to assist Seller in the performance of the duties which are contemplated hereunder. Neither Seller, nor any of its employees or officers, is: an official, employee, or active member of the armed services of any Government; an official or employee of any Government; an official of a political party, or a candidate for political office in any Government. As of the date of execution of this Purchase Order and during the term of this Purchase Order, no Government official, and no official of an agency or instrumentality of the Government (whether local, state or federal) is, or will become associated with, or will own, or presently own, an interest, whether direct or indirect, in Seller, or has, or will have, any legal or beneficial interest in this Purchase Order or the payments made by Seller hereunder.

Seller warrants and represents that it has not, and will not, pay or tender, directly or indirectly, any commission or finders or referral fee to any person or firm in connection with its activities on behalf of S3 in connection with the Purchase Order and it has not paid, or offered, or agreed to pay, any political contributions in respect of any business advice, consultation or services,

which it provides, or may have provided under this Purchase Order.

In the event that it should come to S3's attention that Seller has engaged, or is engaging, in any activity which S3 reasonably believes to be in violation of the representations made by Seller in this Section, or of the FCPA, then upon receipt of notice of the same by Seller, Seller shall take such corrective action as S3 may request, failure of which shall give rise by S3 to immediately cancel this Purchase Order, at which time S3 shall be relieved of any further financial commitments to Seller.

Seller warrants and represents that it will maintain its books and records under "generally accepted accounting principles", and in a proper, responsible and honest manner, in order for S3 and the Seller to comply with applicable United States laws.

Seller warrants and represents that it has not been convicted of, or pleaded guilty to, an offense involving fraud, corruption, or moral turpitude, and it is not now listed by any Government agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in Government procurement programs or other Government contracts.

Each of the representations and warranties made by Seller above shall be of a continuing nature for the duration of this Purchase Order. The foregoing warranties shall survive the termination of this Purchase Order.

Seller acknowledges that S3 has entered into this Purchase Order based upon the presumption of the truth and accuracy of the representations and warranties made to it by Seller.

Seller agrees to give prompt written notice to S3 in the event that, at any time during the term of this Purchase Order, Seller has failed to comply with, or has breached, any of its warranties hereunder. In the event Seller has not so complied, or has breached any of its warranties hereunder, this S3 shall have the right to declare this Purchase Order null and void from the time of such noncompliance or breach.

Seller agrees to indemnify S3 for any loss or expense--including, but not limited to, fines, penalties and attorney fees--if the Seller fails to comply with the FCPA.

6.3 U.S. Trade and Economic Sanctions

a. SUPPLIER acknowledges that S3, is a U.S. incorporated entity, and is responsible for compliance with the economic sanctions and embargoes programs enforced by the U.S. Department of Treasury, Office of Foreign Asset Control (OFAC), and that as a Subcontractor to a U.S. incorporated entity, SUPPLIER is also obliged to comply with such sanctions and embargoes, including the following: Trading With the Enemy Act, 50 U.S.C. App. §§§§ 1-44 (TWEA) [North Korea, Cuba Transaction Control Regulations], the International Emergency Economic Powers Act, 50 U.S.C. §§§§ 1701-06 (IEEPA) [Iraq, Sudan, Iran, Terrorism, Narcotics, Nonproliferation, Sierra Leone, Zimbabwe, the Balkans, Syria, and Burma], Iraqi Sanctions Act, Pub.L. 101-513, 104 Stat. 2047-55 (ISA) [Iraq], United Nations Participation Act, 22 U.S.C. §§ 287c (UNPA) [Iraq and Diamond Trading], International Security and Development Cooperation Act, (ISDCA), 22 U.S.C. 2349 aa-9 (Iran), the Cuban Democracy Act (CDA), 22 U.S.C. §§ 6001-10 [relating to Cuba], Cuban Liberty and Democratic Solidarity (LIBERTAD) Act, 22 U.S.C. 6021-91, [relating to Cuba], the Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. 219, 18 U.S.C. 2332d and 18 U.S.C. 2339b) [Cuba, North Korea, Iran, Iraq, Syria, and Sudan], and the Foreign Narcotics Kingpin Designation Act, Pub L. No. 106-120, tit. VIII, 113 Stat 1606, 1626-1636 (1999).

b. SUPPLIER warrants and represents to S3 that SUPPLIER is not, and shall not engage in conduct that would result in becoming, a person or entity with whom S3, a U.S. entity, is restricted from doing business with under the regulations enforced by OFAC including, but not limited to those Specially Designated Nationals (SDNs) named on OFAC's Specially Designated and Blocked Persons list, or under any U.S. statute, executive order, or other U.S. governmental action. Specially Designated Nationals and Blocked Persons (SDNs) are individuals and entities located throughout the world that are blocked pursuant to the various sanctions programs administered by OFAC. SDNs can be front companies, parastatal entities, or individuals determined to be owned or controlled by, or acting for or on behalf of, targeted countries or groups. They also can be specially identified individuals such as terrorists or narcotics traffickers. U.S. persons are prohibited from engaging in any transactions with SDNs and must block any property in their possession or under their control in which an SDN has an interest. (See <http://www.treas.gov/offices/enforcement/ofac/sdn>).

c. SUPPLIER warrants and represents to S3 that it is not and shall not engage in any dealings or transactions with, or be otherwise associated with such SDNs, including employing SDNs (whether directly or through a subcontract) for performing the work as described in the Scope of Work on behalf of S3.

d. **No items or services specified in this Purchase Order may be sourced from countries subject to OFAC comprehensive country embargoes, which include but may not be limited to CUBA, SUDAN, IRAN, or BURMA; or from any SDNs from SYRIA, NORTH KOREA, COTE D'IVOIRE, LIBERIA, ZIMBABWE, or the BALKANS. SDNs are individuals and entities located throughout the world that are blocked pursuant to the various sanctions programs administered by OFAC. See the current SDN list at:**

(<http://www.treas.gov/offices/enforcement/ofac/sdn>).

e. Unless SUPPLIER receives explicit WRITTEN instructions from S3 to the contrary, SUPPLIER must obtain all licenses, permits, approvals, and other authorizations required under U.S. export control laws and/or other applicable import and export laws for delivery of the items in the manner specified in any Purchase Order or Subcontract. SUPPLIER must notify and get approval from S3 for any substitutions to ordered items prior to shipping.

f. Unless SUPPLIER receives explicit WRITTEN instructions from S3 to the contrary, no items specified in any Purchase Order or Subcontract may transit U.S. embargoed countries, including IRAN, SUDAN, and, in some circumstances, SYRIA, without prior written authorization from S3. SUPPLIER will notify all shipping and freight forwarding companies of this requirement and will include notice of this requirement on the commercial invoice, packing list, and all export documentation used in connection with the delivery of items under this Subcontract agreement and any Purchase Orders. S3 will not pay invoices for goods that have transited U.S. embargoed and sanctioned countries in a manner inconsistent with this instruction.

g. SUPPLIER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SUPPLIER, its officers, employees, agents, SUPPLIERS, or subcontractors at any tier, in the performance of any of its obligations under this clause.