

## Annex of Compliance Measures

Qioptiq S.a.r.l. (“Respondent”) reflecting its commitment to conduct its business in full compliance with the Arms Export Control Act (“AECA”) and the International Traffic in Arms Regulations (“ITAR”), and in order to ensure, in particular, that there are no unauthorized exports of ITAR controlled defense articles or technical data, agrees to implement the following remedial measures and such additional measures as may be mutually agreed upon by Respondent and the Director, Office of Defense Trade Controls Compliance (DTCC), and agrees further that these measures will remain in effect for three (3) years, subject to the terms and conditions below, as part of the Consent Agreement entered into with the Department of State.

Further, Respondent agrees that these measures will be incorporated into any future Respondent business acquisitions that are involved in the design, manufacturer, sale or export of ITAR controlled defense articles, technical data and/or defense services within six (6) months of that acquisition. Further, if Respondent sells any of its ITAR regulated business units or subsidiaries, Respondent agrees to notify DDTC thirty (30) days prior to such sale, and further to notify the purchaser in writing, and to require the purchaser to acknowledge in writing, prior to the sale that the purchaser will be bound by the terms and conditions of this Consent Agreement. Respondent acknowledges and accepts its obligation to maintain effective export control oversight, infrastructure, policies and procedures for its AECA/ITAR-regulated activities.

### Qioptiq S.a.r.l.

(1) Under this Consent Agreement, Respondent shall ensure that adequate resources are dedicated to ITAR compliance throughout the Respondent’s ITAR-regulated business units and subsidiaries. Respondent will establish policies and procedures for all Respondent employees (including all employees of Respondent’s subsidiaries) with responsibility for AECA and ITAR compliance to address lines of authority, staffing, performance evaluations, career paths, promotions and compensation.

(3) Within one-hundred-twenty (120) days of the date of the Order, Respondent, in coordination with the Internal Special Compliance

Official as outlined in paragraph (5) below (ISCO), will conduct an internal review of AECA and ITAR compliance resources throughout its ITAR-regulated business units and subsidiaries, and establish the necessary actions to ensure that sufficient resources are dedicated to compliance, including the use of additional resources from compliance cross-trained employees on a part time basis when needed.

(4) Respondent, through the ISCO as outlined in paragraph 7(c)(2), will provide to the Director, DTCC within six (6) months from the date of the Order, and then semi-annually thereafter, status reports, by ITAR-regulated business units and subsidiaries on ITAR compliance program enhancements and resource levels and their effect on ensuring ITAR compliance. Respondent shall provide AECA and ITAR compliance oversight and ensure that best practices learned are implemented throughout all of its ITAR-regulated business units and subsidiaries.

#### Appointment of a Internal Special Compliance Official

5) Respondent, with the concurrence of the Director, DTCC, shall appoint a qualified Respondent employee to serve as an ISCO for the duration of the Consent Agreement. The ISCO shall report to Respondent's General Counsel, Board of Directors and other senior officials as appropriate, and the Director, DTCC as set forth herein.

(6)The Respondent shall nominate a person to serve as ISCO within forty-five (45) days from the date of the Order, and the nomination shall be subject to the written approval of the Director, DTCC. Within forty-five (45) days following the date of the approval of the nomination by the Director, DTCC, the Respondent shall appoint the person to the position of ISCO.

(7) The ISCO shall have three (3) principal areas of responsibility regarding the future conduct of Respondent:

(a) Policy and Procedure: The ISCO shall monitor Respondent's AECA and ITAR compliance program with specific attention to the following areas associated with the offenses alleged in the Proposed Charging Letter:

1. Policies and procedures for the control of and retransfer of ITAR technical data;
2. Policies and procedures for the control, export and retransfer of defense articles;
3. Policies and procedures for the identification of ITAR technical data and ITAR derivative drawings or derivative technical data;
4. Policies and procedures for identification and control of defense articles manufactured from ITAR technical data, ITAR derivative drawings or derivative technical data;
5. Policies and procedures for incorporating AECA and ITAR compliance into Respondent's and its subsidiaries' management business plans at the senior executive level;
6. Policies and procedures for preventing, detecting and reporting AECA and ITAR violations;
7. Policies and procedures for ensuring that exports and use of classified technical data and classified defense articles are in full compliance with § 125.3 of the ITAR;
8. Meeting and maintaining adequate AECA and ITAR compliance staffing levels at all business units and subsidiaries that involve ITAR related activities;
9. Policies and procedures for ensuring that the scope of export authorizations issued by the Department are not exceeded; and
10. Policies and procedures for ensuring that employees of all business units and subsidiaries receive appropriate ITAR training, including training on issues associated with aiding and abetting unauthorized exports.

(b) Specific Duties: The ISCO shall oversee the following specific areas:

1. The Respondent's and its subsidiaries' implementation of the compliance measures required by the Consent Agreement, including this Annex of Compliance Measures;
2. Respondent's corporate oversight of ITAR compliance for performance of its responsibilities under this Consent Agreement, including this Annex of Compliance Measures, and the Order in a timely and satisfactory manner;
3. The expenditures of the remedial compliance measures account; and
4. Enhancing incorporation of ITAR compliance into the Respondent's and its subsidiaries' management business plans at the senior executive level.

(c) Reporting: The ISCO is responsible for the following reporting requirements:

1. Tracking, evaluating and reporting on Respondent's review of ITAR violations and compliance resources;
2. Providing to the Director, DTCC within six (6) months from the date of the Order, and then semi-annually thereafter, status reports referenced in paragraph 4 on ITAR compliance program enhancements and resource levels and their impact on or benefit to ensuring ITAR compliance. After the initial report, these reports may be combined with the reports outlined in paragraph 7(c)(4) below;
3. Preparing the yearly accounting and report as outlined in paragraph 4(d) of the Consent Agreement; and
4. Providing reports to Respondent's President, General Counsel, Board of Directors and other senior officials as appropriate, and the Director, DTCC, concerning Respondent's compliance with this Consent Agreement and the Order, as well as with such other pertinent U.S. Government munitions authorizations and licenses, as well

as resource allocation, guidance, and the like then in force pertaining to Respondent's ITAR regulated activities. These reports shall include findings, conclusions and any recommendations necessary to ensure strict compliance with the ITAR, and describe any and all instances of previous recommendations advanced by the ISCO. These reports may, in a separate annex, also include any relevant comments or input by Respondent. Any such reports shall not affect Respondent's use of the Voluntary Disclosure procedures set forth in § 127.12 of the ITAR and any benefits gained therefrom. The reports shall be provided:

- Every ninety (90) days for a period of six months from the date of the Order; and
- Semiannually thereafter during the remainder of the ISCO's period of appointment.

After the initial six month period from the date of the Order, these reports may be combined with the reports outlined in paragraph 7(c)(2) above.

(8) The ISCO may also be requested to perform additional export oversight, monitoring and coordination of activities as agreed to by the Respondent and the Director, DTCC.

(9) In fulfilling the responsibilities set forth in the Consent Agreement, the ISCO may, at his/her sole discretion, present any export compliance-related issue directly to any or all among Respondent's President, General Counsel, other senior officials as appropriate, and, if necessary, the Director, DTCC.

(10) Within forty-five (45) days after Director, DTCC approves the Respondent's nominee to serve as ISCO, Respondent shall appoint that person to the position of ISCO and shall empower him or her with a written delegation of authority, and statement of work approved by DTCC, to permit him or her to monitor, oversee and promote Respondent's compliance with the terms of this Consent Agreement in a manner consistent with the purpose of this Consent Agreement and the

Order, its specific terms and conditions, pertinent munitions license authorizations provided to Respondent by the Department of State, and other activities subject to the ITAR and the AECA. The ISCO shall perform his/her duties in consultation with DTCC, and Respondent agrees that no attorney-client privilege is associated with the duties of the ISCO.

(11) Respondent's President shall post a notice of the ISCO's powers, duties, authorities and responsibilities on Respondent's and its subsidiaries' internal websites for the duration of this Consent Agreement.

(12) The ISCO shall serve for a minimum of three (3) years from the date of his/her appointment. If for any reason the appointed ISCO is unable to serve the full period of his/her appointment, or temporarily is unable to carry out the responsibilities described herein greater than thirty (30) days, or if the Director, DTCC decides that the ISCO shall be removed for failure to satisfactorily perform his/her duties, Respondent's General Counsel shall recommend a successor to the Director, DTCC. The Director, DTCC's agreement to the successor shall be confirmed in writing to Respondent. Such recommendation shall be made at least thirty (30) days in advance of a new appointment unless a shorter period is agreed to by the Director, DTCC. If a successor ISCO is not appointed within forty-five (45) days of the termination or removal of the appointed ISCO, this Consent Agreement will be extended for the period of time equal to the period of time Respondent was without an approved appointed ISCO. Respondent will not be without an ISCO for more than one-hundred-twenty (120) days unless the Director, DTCC grants an extension. If the ISCO for any reason temporarily is unable to carry out the responsibilities described herein, not to exceed thirty (30) days, then Respondent's Chief Ethics & Compliance Officer shall assume the duties and authorities of the ISCO in the interim. The written delegation of authority and statement of work described in paragraph (10) above shall make provision for this event.

(13) The ISCO shall have full and complete access to all personnel, books, records, documents, audits, reports, facilities and technical information relating to compliance with the Consent Agreement, this Annex of Compliance Measures and the Order, and to all munitions

authorizations, licenses, and Respondent's guidance relating to the export of defense articles and defense services.

(14) Respondent's business units and subsidiaries shall cooperate with all reasonable requests of the ISCO, including requests for assistance to obtain necessary security clearances, and shall take no action to interfere with or impede the ISCO's ability to monitor Respondent's compliance with the Consent Agreement, this Annex of Compliance Measures, the Order and the AECA and the ITAR, or to carry out the ISCO's other responsibilities set forth in the Consent Agreement. The ISCO shall notify DTCC whenever the ISCO encounters any difficulties in exercising the duties and responsibilities assigned under the Consent Agreement.

(15) The ISCO shall, with the approval of the Director, DTCC and the concurrence of Respondent, have the authority to employ in a support capacity at the expense of Respondent, such assistants and other professional staff as are reasonably necessary for the ISCO to carry out the ISCO duties and responsibilities.

(16) The Director, DTCC shall on his/her own initiative or at the request of the ISCO issue such guidance as may be necessary or appropriate to help ensure strict compliance with the AECA, ITAR and the terms and conditions of authorizations DDTC has provided to Respondent.

#### Strengthened Compliance Policies, Procedures, Training

(17) Within twelve (12) months of the date of the Order, Respondent will have instituted strengthened corporate export compliance procedures focused principally on Respondent's and its subsidiaries' business operations such that: (a) all Respondent employees and its subsidiaries' employees engaged in ITAR-regulated activities are familiar with the AECA and the ITAR, and their own and Respondent's responsibilities, thereunder; (b) all persons responsible for supervising those employees, including senior managers of those units, are knowledgeable about the underlying policies and principles of the AECA and the ITAR; and (c) there are records indicating the names of employees, trainers, and level and area of training received (e.g., providing technical data, use of public domain information in

performing defense services, applicability of ITAR to foreign-origin defense articles).

### Audit

(18) In accordance with paragraph nineteen (19), Respondent shall, within eighteen (18) months of the date of the Order, have an audit conducted by an outside consultant with expertise in AECA/ITAR matters, approved by the Director, DDTC. The audit will be conducted under the supervision of the ISCO. The audit shall provide a thorough assessment of the effectiveness of the Respondent's implementation of all measures set forth in this Consent Agreement with focus on those actions undertaken to address the compliance problems identified in the Proposed Charging Letter, the policies, procedures and training established by Respondent, and such other areas as may be identified by the SCO or the Director, DTCC. Additionally, the audit will assess the overall effectiveness of Respondent's ITAR compliance programs.

(19) Specifically, within twelve (12) months of the date of the Order, Respondent will submit a draft audit plan to the Director, DTCC for review and comment. Then, within eighteen months (18) of the date of the Order, the audit will be completed and a written report containing recommendations for improvements with respect to Consent Agreement measures, or compliance with the AECA or the ITAR more generally will be prepared. Respondent will submit the report to the Director, DTCC along with Respondent's plan on how it will address those recommendations. Subsequently, at the two and a half (2.5) year anniversary of the date of the Order, Respondent shall have another audit conducted by the same or another outside consultant, approved by the Director, DTCC, and submit the results of the audit to the Director, DTCC to confirm whether Respondent addressed the compliance recommendations from the initial report. Respondent shall submit a draft audit plan for this audit to the Director, DTCC for review and comment at least forty-five (45) days prior to beginning the audit.