**[SAMPLE]**

**(NOTE: The text of any executed Resolution can vary from the sample text in this Resolution based on the specific circumstances involved)**

**RESOLUTIONS OF THE [*BOARD OF DIRECTORS, BOARD OF MANAGERS, MANGING MEMBER, ETC.*] OF**

**[*Name of Contractor*]**

**REGARDING FOREIGN INTEREST**

I, [*Insert Full Name*]*,* the duly elected Secretary of [*Insert Name of Contractor Organization*] *(“Contractor”),* a corporation duly organized and existing in the State of [*Insert Name of State*], do hereby certify that the following are true and complete copies of Resolutions passed at a meeting of the [*Board of Directors, Board of Managers, Managing Member, etc.*] of the Contractor, at which a quorum was present, duly called, and held on [*Insert Month Day, Year*].

**Whereas,** Contractor has entered into a Security Agreement (“DD Form 441”) with the Department of Defense for the protection of classified information released to the Contractor, and that Agreement provides that only persons who have been granted appropriate security clearances in accordance with the National Industrial Security Program Operating Manual (“NISPOM”), DoD 5220.22-M, may have access to classified information; and

**Whereas,** Contractor submitted a Certificate Pertaining to Foreign Interests (“Standard Form 328” or “SF 328”) to the Defense Counterintelligence and Security Agency (“DCSA”) dated \_\_\_\_\_\_\_\_\_\_\_\_\_, disclosing certain facts related to foreign ownership, control or influence; and

**WHEREAS,** Contractor has [*Insert type of ownership/control/debt/etc. (passive, if applicable)*] held by [*Insert entity holding ownership/control/debt/etc.*]; and

**Whereas,** NISPOM § 2-302c describes measures to be considered by DCSA when factors not related to ownership are present; and

**WHEREAS**, Contractor provides [*Insert specifics on what the Contractor does*] for the U.S. government.

**NOW THEREFORE, BE IT RESOLVED** the [*Board of Directors, Board of Managers, Managing Member, etc.*] of Contractor recognize [their/his/her] obligation to comply fully with the provisions of the DD Form 441, the NISPOM, and all other applicable U.S. laws and regulations, including without limitation the U.S. export control laws.

**BE IT FURTHER RESOLVED**:

1. The identity of all foreign shareholders of the Contractor and the corresponding type and number of those shares is attached hereto as Schedule 1 and hereby acknowledged by the [*Board of Directors, Board of Managers, Managing Member, etc.*]; and

2. The identity of all foreign creditors of the Contractor and the corresponding details of the debt held by those creditors, including the type of indebtedness, the identity of any associated administrative and collateral agents and trustees, the maturity date, and the outstanding principal amount of notes or other indebtedness held and the ratio of that amount to the equity of the Contractor is attached hereto as Schedule 2 and hereby acknowledged by the [*Board of Directors, Board of Managers, Managing Member, etc.*]; and

3. Each of the persons and entities listed in Schedule 1 and Schedule 2 attached hereto, including each of their employees, officers, directors, representatives and agents, shall not require, shall not have, and shall be effectively excluded from unauthorized access to all classified and export controlled information entrusted to or held in the custody of Contractor, and neither shall such persons and entities, including each of their employees, officers, directors, representatives and agents, be permitted to occupy any positions that would enable them to adversely affect the policies and practices of Contractor in its performance on classified contracts.

**BE IT FURTHER RESOLVED**:

1. The Contractor’s Senior Management Official (“SMO”) or highest level governing body, in consultation with the Facility Security Officer (“FSO”), will ensure that the Contractor maintains policies and practices that ensure the safeguarding of classified information and the performance of classified contracts and programs for the Government Contracting Activities is in accordance with: (i) the DD Form 441; (ii) these Resolutions; (iii) U.S. Government contract provisions regarding security; and (iv) the NISPOM; and
2. Upon taking office, the SMO shall be briefed by a DCSA representative on their responsibilities under the DoD DD Form 441 or its successor form, these Resolutions, other U.S. Government contract provisions regarding security, U.S. export control laws and regulations, and the NISPOM; and
3. The SMO or highest level governing body, in consultation with the FSO, will be responsible for the implementation of these Resolutions within the Contractor, including the exercise of appropriate oversight and monitoring of Contractor operations to ensure that the protective measures contained in these Resolutions are implemented effectively and maintained throughout the duration of these Resolutions; and
4. The SMO or highest level governing body will cause all the Contractor’s employees, as appropriate, to be briefed on these procedures.

**BE IT FURTHER RESOLVED**:

1. A copy of these Resolutions shall be provided to all present and future board members and principal officers at least once per year and the substance be brought to the attention of all appropriate employees at least once per year by publication in a written security procedure or equivalent document. A report shall be made in the Contractor’s corporate records regarding the completion of this distribution in accordance with NISPOM requirements; and

2. An annual certificate shall be provided to DCSA that these Resolutions and all attached schedules hereto are true and correct as of the date of each respective certification.

**BE IT FURTHER RESOLVED** the [*Board of Directors, Board of Managers, Managing Member, etc.*] of the Contractor hereby acknowledge that the facility security clearance of the Contractor shall be subject to invalidation and/or revocation by DCSA at its discretion if the provisions herein are not met and maintained by Contractor.

**IN WITNESS WHEREOF I** have hereunto set my hand and affixed the seal of Contractorthis day of , .

[Name of Secretary]

Secretary

I, [*name of CEO/President/SMO*], the [*Insert Chief Executive Officer, President, or similar senior management official*] of the Contractor, **DO HEREBY CERTIFY** that [name of Secretary] is, and at all times since [*Date*] has been, duly elected and qualified as Secretary of the Contractor, and that [*his/her*] signature set forth above is [his/her] true and genuine signature.

**WITNESS** my hand this day of , .

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Name of CEO/President/SMO]

*Chief Executive Officer, President, or similar senior management official*

[Name of Contractor]

Explanatory Notes:

a. This form uses the term “Contractor” for convenience. Contractor may substitute a shorthand term descriptive of its particular company name if desired.

b. The resolution addresses both debt and equity securities held by foreign interests. To the extent that one or the other category of foreign investment is not applicable to the Contractor, Contractor may indicate as much by typing “none” or “not applicable” in the appropriate schedule. If an obligation to a foreign creditor was disclosed in Contractor’s SF 328 but that obligation is of a contingent nature such as a guaranty of a third party obligation, reimbursement liability under a letter of credit agreement, or an undrawn amount pursuant to an agreement establishing a revolving line of credit, Contractor should so describe in Schedule 2 in addition to any outstanding principal amount. If an obligation to a foreign creditor was disclosed in Contractor’s SF 328 but that obligation is of a contingent nature such as a guaranty of a third party obligation, reimbursement liability under a letter of credit agreement, or an undrawn amount pursuant to an agreement establishing a revolving line of credit, Contractor should so describe in Schedule 2 in addition to any outstanding principal amount.

c. As used herein, “indebtedness” means its total liabilities, obligations and reserves, contingent or otherwise, which, in accordance with U.S. generally accepted accounting principles

(“U.S. GAAP”), would be reflected as a liability on, or in a footnote to, its balance

sheet, including without limitation (i) any obligation for borrowed money or arising out of any credit facility, (ii) any obligation evidenced by bonds, debentures, notes or other similar

instruments, (iii) any obligation to pay the deferred purchase price of property or services, (iv) any obligation under conditional sales or other title retention agreements, (v) the net

aggregate rentals under any lease as lessee that under U.S. GAAP would be capitalized on the books of the lessee or is the substantial equivalent of the financing of the property so leased,

(vi) any obligation to purchase securities or other property which arises out of or in connection with the sale of the same or substantially similar securities or property or (vii) any instrument

creating a mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance against any of its property, assets or leasehold interests.

d. The disclosures required by this resolution include any of the Contractor’s securities and derivative securities owned of record or beneficially by a foreign interest. As used in this resolution, securities “beneficially owned” shall mean all securities that a person is deemed to beneficially own pursuant to Rules 13d−3 and 13d−5 under the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”). Contractor shall also indicate whether any of the Contractor’s securities are owned directly or indirectly, of record or beneficially by Associated Persons. An “Associated Person” shall mean any person or entity that controls, is controlled by, is under common control with, directly or indirectly, or acts in concert with, a foreign interest owning securities of the Contractor. Contractor is permitted to affix to the disclosure schedules a knowledge qualifier such as “to the best of my knowledge” as may be appropriate.

e. Two copies of these Board Resolutions and each annual certification shall be furnished to the local DCSA Industrial Security field office with an original signature and corporate seal, as available, on each. Each annual certification shall include updated schedules indicating changes from the prior year.

f. Contractor remains responsible for executing a “Certificate Pertaining to Foreign Interest” (SF 328) consistent with the disclosures required by these resolutions.