Export Compliance Manual
February 15, 2015
Prepared by:

Cesar Garza and the staff of W. Pat Crow

Crow Precision Components, LLC d/b/a W. Pat Crow (“WPC”)

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EXPORT COMPLIANCE POLICY

It is the policy of Crow Precision Components, LLC d/b/a W. Pat Crow (“WPC”) to fully comply with all U.S. export control laws and regulations. Specifically, all officers, directors, employees, and agents of WPC are required to comply with the terms and provisions of:

• The Arms Export Control Act, and the International Traffic in Arms Regulations (“ITAR”) implemented and enforced by the U.S. Department of State.
• The Export Administration Act, the International Emergency Economic Powers Act, and the Export Administration Regulations (“EAR”) implemented and enforced by the U.S. Department of Commerce.
• The regulations of the U.S. Treasury Office of Foreign Assets Control (“OFAC”).
• The regulations of the U.S. Customs and Border Protection (“CBP”).
• The Foreign Corrupt Practices Act (“FCPA”).

The U.S. export-control laws and regulations are intended to protect the national security, economic, and foreign policy interests of the U.S. civil and criminal corporate and individual fines and penalties may be imposed for violation of these laws and regulations. In addition to fines and penalties, administrative actions may be taken against WPC and/or individual officers, directors, employees, and agents that include the revocation or suspension of export privileges.

WPC’s Export Compliance Policy will be implemented through the processes and procedures described in WPC’s Export Compliance Manual. This Policy Statement as well as the Export Compliance Manual advises all WPC employees of their compliance responsibilities relating to exports from the U.S. It is the policy of management of WPC that, under no circumstances will WPC transact, export, re-export from abroad, or import in contravention of U.S. laws or regulations. WPC will view the failure of an officer or employee to comply with this Policy as a serious violation of company policy and the person will be subject to disciplinary action for such failure. Disciplinary action may include warning, reprimand, probation, suspension, reduction in salary, demotion, or dismissal.

The U.S. government takes export violations very seriously and so does the management of WPC. Any questions concerning the legitimacy of a transaction or potential violations should be referred to the Export Compliance Officer immediately.

Export compliance is a requirement at WPC and it is a responsibility we all share. To further institute State/Commerce best practices in exports, a demonstrated competency in our export procedures will be written into the job description of every employee involved in exports, and annual performance reviews will take this into account. Your involvement in the process is vital to helping us ensure our safety and security through full and complete compliance.

____________________________________________
February 15, 2015
Cesar Garza, President
Crow Precision Components, LLC d/b/a W. Pat Crow
1 POLICY

It is the policy of Crow Precision Components, LLC d/b/a W. Pat Crow ("WPC") to be in full compliance with all applicable laws and regulations. Compliance with United States and other applicable export laws and regulations is critical to WPC’s continued growth and success. For that reason, WPC has created and implemented the set of export controls described in this Manual.

WPC is a forger of metal components primarily for commercial and military aircraft based in Fort Worth, Texas. Founded in 1951, the company forges primarily aluminum and steel into mission critical aircraft components, among other end markets. The Company focuses on structural aircraft components, such as landing gear, which have a need for frequent replacement over a relatively predictable replacement cycle. The majority of the components produced by WPC are aftermarket replacement parts for mature aircraft platforms that have been in production for several years or in some cases that are in active service and no longer being produced. In addition to its forging capabilities, WPC offers a full-range of services for the design and manufacturing process including tool design, prototyping, heat treatment, and final inspection. The Company holds various certifications that are generally required by customers as a standard across the aerospace industry including ISO 9001, AS-9100 and NADCAP. It maintains a current registration as a manufacturer/exporter with the State Department’s Directorate of Defense Trade Controls.
WPC expects all of our employees and contractors, under the direction of senior management and our Export Compliance Officer, to comply with the requirements of the Export Compliance Manual. Although the details of export regulation can be complex, we have designed a straightforward compliance program that requires all employees’ cooperation.

That process is designed around three fundamental principles:

• Our obligation to adhere rigorously to all applicable export-control laws and regulations.

• Our commitment to inform third parties with whom we interact that there are restrictions on export and re-export of our products and associated services, and our obligation to ensure that our third-party service providers undertake steps to comply with all applicable limitations.

• An understanding that no export or import will take place if there is any doubt as to its permissibility under this Compliance Manual or under applicable export-control rules more generally. In the case of any doubt, the concerned employee should consult with our Export Compliance Officer prior to consummation of the transaction. Where necessary, the Export Compliance Officer, in turn, will consult with outside consultants or counsel.

Noncompliance with this Compliance Manual can have serious consequences. WPC could lose current export privileges or be denied future export licenses, where needed. In addition, WPC and its employees could be subject to stiff administrative or criminal penalties. These penalties may include both fines and imprisonment.

WPC’s Export Compliance Officer is responsible for assessing any potential violations of the Compliance Manual by WPC employees or contractors and for recommending potential disciplinary sanctions to the employee’s or contractor’s supervisor or, if he deems appropriate, to senior WPC management. Sanctions may include, but are not limited to, termination of employment or, in the case of a contractor, of the contractor’s engagement.

For questions concerning export compliance or concerns regarding potential violations of the procedures described in this Manual, contact the Export Compliance Officer, Cesar Garza at (817) 536-2861, or by e-mail at cgarza@crowcomponents.com

2 PURPOSE AND SCOPE

2.1 PURPOSE

This document provides the policy and procedures that govern all WPC export and import activity, including shipments and transmission of controlled items and information abroad and disclosure of controlled information to non-US persons, wherever they are located.

3 EXPORT COMPLIANCE OFFICIALS

The responsibility for overall compliance within WPC are vested in an Export Compliance Officer. Separately, the ITAR requires that each registrant with the DDTC have an Empowered Official.
3.1 **EXPORT COMPLIANCE OFFICER**

In order to ensure WPC’s compliance with its export-control obligations, WPC has appointed an Export Compliance Officer. WPC’s Export Compliance Officer has oversight and implementation responsibilities for WPC’s Export Management System. The Export Compliance Officer shall have the following primary responsibilities:

- **Maintain Export Classification List in a Central Database.** The Export Compliance Officer maintains a compilation of USML and EAR classifications for all items that WPC exports. The source of each such classification **shall be noted in writing**, whether a determination by the source/manufacturer or OEM, a self-classification by WPC, or by CJ (State) or by CCATS (Commerce). Each product jurisdiction should be supported by a jurisdictional justification or rationale, which should be retained in the central database.

- **Maintain Proper Recordkeeping Procedures.** The Export Compliance Officer is responsible for all recordkeeping and reporting required under the ITAR and the EAR. This specifically includes a tracking system on controlled items, technical data and related decisions from the initial pursuit of an opportunity to the shipping of controlled items or the provision of related services.

- **Maintain Explicit Safeguard Procedures.** The Export Compliance Officer shall create and promulgate procedures to ensure that export-controlled technology or information is not posted or shared except in directories established for that purpose with access controls for authorized personnel.

- **Employee Training and Compliance.** The Export Compliance Officer shall ensure that a copy of this Manual is provided to all appropriate personnel and that all other employees receive notice of WPC’s export compliance program as part of their employee orientation.

- **Develop/Maintain Foreign-Person Employee Guidance.** The Export Compliance Officer shall develop case studies or other forms of guidance that specifically address **interactions with foreign-person managers who might inadvertently give directions at variance with ITAR compliance policy**. These may be incorporated into updates of this Export Compliance Manual.

- **Compliance with Technology Control Plan.** The Export Compliance Officer shall ensure that WPC abides by the Technology Control Plan ("TCP") contained in Enclosure (1), below, and any Attachments thereto. The TCP is essentially a "miniature" version of this Export Compliance Manual, containing many of its core elements. When WPC is asked to receive and transfer ITAR-controlled technical data, the Export Compliance Officer shall consult with the Empowered Official to ensure any required licenses are obtained.

- **U.S. and Foreign Person Screening.** The Export Compliance Officer shall insure that frequent and early screening of all employees, non-employees (e.g. janitorial staff, external IT service) and professional visitors/customers, are implemented in accordance with this Export Compliance Manual, and that this is properly documented.

- **Trouble-Shooting and Export Compliance Review.** The Export Compliance Officer is obligated to ensure the company’s compliance with applicable ITAR and EAR controls. In the event of “red flags” in connection with a proposed or past transaction the Export Compliance Officer shall review the issue with the Empowered Official.
and, where appropriate, consult with outside export consultant and/or legal counsel to
determine an appropriate response.

- Export-compliance and Product Development.

**WPC’s Export Compliance Officer is Cesar Garza, President**

To ensure that WPC’s Export Compliance Officer is fully aware of WPC’s obligations
under the ITAR, WPC requires that Export Compliance Officer to receive export
compliance training at least once a year and obligates the Export Compliance Officer to
remain informed of amendments to the ITAR and to changes in DDTC application
guidelines and policies.

### 3.2 Empowered Official (per ITAR Part 120.25) Means a U.S. Person Who:

1. Is directly employed by the applicant or a subsidiary in a position having authority for
   policy or management within the applicant organization; and

2. Is legally empowered in writing by the applicant to sign license applications or other
   requests for approval on behalf of the applicant; and

3. Understands the provisions and requirements of the various export-control statutes
   and regulations, and the criminal liability, civil liability and administrative penalties for
   violating the Arms Export Control Act and the International Traffic in Arms
   Regulations; and

4. Has the independent authority to:
   (i) Enquire into any aspect of a proposed export or temporary import by the
       applicant, and
   (ii) Verify the legality of the transaction and the accuracy of the information to be
       submitted; and
   (iii) Refuse to sign any license application or other request for approval without
       prejudice or other adverse recourse.

**WPC’s Empowered Officials are: Cesar Garza, President. Khalid Rokhami, VP of
Operations. Ran Greanead, Sales Manager. Ben Eubanks, Quality Assurance Manager**

To ensure that WPC’s Empowered Officials satisfies the ITAR requirements, WPC
requires that its Empowered Officials receive export compliance training at least once a
year, and obligates the Empowered Officials to remain informed of amendments to the
ITAR and to changes in DDTC application guidelines and policies.

The Empowered Officials shall also work with the Export Compliance Officer to ensure
WPC employee compliance with this manual, and to develop corrective measures, when
necessary to ensure WPC’s compliance with its obligations under the export-control laws
and regulations.

### 4 Introduction to Export Controls

WPC maintains an up-to-date Export Compliance Manual in an effort to ensure full
compliance with the export laws and regulations of the United States and other
countries.

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1 Cesar Garza fills roles of both Empowered Official and Export Compliance Officer, which makes sense for a
corporate the size of WPC (~80 employees). As the company grows, eventually these jobs may split.
The remainder of this Export Compliance Manual will help explain U.S. export controls, the systems of classification that control the items WPC most regularly deals in, and your role in the company’s export compliance program. However, this manual is not meant to be definitive or exhaustive. Export regulations change, and there are many areas of U.S. export law that are not covered by this manual. Please consult the Export Compliance Officer (see ¶ 3.1, above) with any questions.

4.1 **EVERY ITAR OR EAR EXPORT LICENSE (OR EXEMPTION) REQUIRES THESE FIVE THINGS**

WPC’s first rule of exporting is that each and every export requires that we have and retain documentation on these points:

- **Evidence of sale** – usually a Purchase Order (“PO”), a contract, or more rarely an LOI (typically for a “blanket” or “bulk” license). This sales document must contain a description of the item being sold – e.g. “P/N 641-4324-003, Main Receiver, $18,450”.

- **Description of the end-use** – e.g. “The goods are spare/maintenance parts for the AN/ARC-182 VHF/UHF Aircraft Radio Set, in the Qatari Sea King Commando Mk3 helicopter.” This must be on documentation supplied by our purchaser. It can be on a separate document, like an end-use statement, or it can be a statement within the PO. For the sale of defense articles (which need State Dept or ITAR licenses) that are SME items the ITAR export license must include a DSP-83 form, a formal end-use/end-user statement. The DSP-83 is not required, however, in the case of a repaired defense article being returned under the exemption procedures in ITAR § 123.4(a)(1).

- **Identification of the end-user** – e.g. “We certify that the goods are for the ultimate end-use of the Qatar Emiri Air Force, for Commander in Chief, Armed Forces, Doha, Qatar.” This must be on documentation supplied by our purchaser. It can be on a separate document, like an end-user statement, or it can be a statement within the purchase order itself.

- **Identification of any parties involved in the transaction** – e.g. other companies in the chain of the transaction and foreign freight forwarders. These parties can be identified on the purchase order or end use statement or in separate correspondence. It is good practice to have the foreign customer provide a statement to WPC if no other parties are involved (i.e. “no other intermediate companies are involved in this transaction”).

- **Product description documentation.** On very low-level items, like bolts, this can usually be overlooked. For high-level items where product brochures are available we should include a copy. In most cases, at a minimum, catalog items have catalog entries that can be included, or appear in parts lists that can be abstracted and hand-annotated. Alternatively, these can be product brochures or briefing slides – whatever will give the DDTC licensing officer the sense that he knows exactly what he is being asked to approve for export and/or license production.

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2 Note that in most cases Commerce/SNAP-R licenses do **not** require evidence of sale.

3 Identify by an asterisk where the item appears in the U.S. Munitions List in the ITAR.

4 Repair of commercial items – even ones that normally require a Commerce license – is likewise handled under an exception called RPL. See Section 12 of this Export Compliance Manual for a detailed discussion of WPC’s procedures for temporary imports for repair or warranty replacement.
These items should appear in the transaction file for each case of an export by WPC. This applies whether the item is under the jurisdiction of the State Department or the Commerce Department, and whether it is shipped under an export license or under an exemption or exception from licensing.

One last point on this basic documentation. It is WPC’s policy that the parties to a transaction be properly identified. In all cases, we need a physical mailing address – P.O. Boxes are not acceptable. The reason is that both State and Commerce Departments make clear in their export license instructions, that applications using a P.O. Box address for any party to the license will be cause for an RWA.5

In many cases of export transactions, WPC will not have to submit all the documentation described above. Commerce licenses under their electronic SNAP-R system frequently specify that the applicant does not have to include one or another of the documents with the license; however, they specify that in most cases one must have the documents on file. And in the case of exemptions or exceptions,6 oftentimes there is no requirement for documentation being submitted (except for making an AES filing).

But in all cases of an export, the exporter is required to know it is not exporting to or for the benefit of certain excluded or debarred parties, or shipping to an end-user in certain prohibited countries (like those designated as terrorist-supporting), or for use in certain prohibited activities (like weapons of mass destruction). And without the above documentation, we cannot know we are obeying the law, and we certainly could not demonstrate to visiting export compliance officials that we are doing so.

4.2 SCOPE OF U.S. EXPORT CONTROLS
There are three sets of export regulations that control WPC’s exports of U.S.-origin products and services. These are the International Traffic in Arms Regulations (“ITAR”), 22 C.F.R. Parts 120-130, administered by the Department of State; the Export Administration Regulations (“EAR”), 15 C.F.R. Parts 730-774, administered by the U.S.

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5 “RWA” stands for Return Without Action, a rejection of the application. We can reapply after an RWA, but the application goes to the back of the line.

6 The ITAR uses the term “exemptions”, while the EAR (Commerce) prefers “exceptions.”
Department of Commerce, Bureau of Industry and Security (“BIS”); and United States sanctions regulations, 31 C.F.R. Part 500, et seq. which are administered by the Office of Foreign Asset Controls (“OFAC”) in the Department of Treasury.

Importantly, these rules and lists are updated constantly with changes, additions, and deletions, and, in a given situation, any – or none – may apply.

U.S. Export Controls can apply to commodities (products and equipment, including some manufacturing equipment), technology (including technical data and know how) (collectively, “Items”), and the furnishing of “defense services.”

4.3 **COMMODITIES**

The level of control applicable to an Item depends on its capabilities and intended use, and on the destination and nationality of the person or entity to whom it is being exported. Many of the items that WPC exports and imports are defense articles listed on the United States Munitions List (“USML”), and associated technical data. Other company exports are items and technology controlled by the Export Administration Regulations (“EAR”) and its Commerce Control List (“CCL”). Because of the recent major changes in the USG export rules from the Export Control Reform, the majority of our exports are conducted under the jurisdiction of the EAR; however, some components will continue to be ITAR items, mainly components for these aircraft: B-1B, B-2, F-15SE, F/A-18 E/F/G, F-22, F-35 and future variants thereof, F-117 or USG technology demonstrators. However, parts for the F-15SE and F/A-18 E/F/G that are common to earlier models of those aircraft are generally subject to the EAR.

4.4 **“TECHNOLOGY” AND “TECHNICAL DATA”**

Technology is defined broadly under the relevant regulations and includes the specific information necessary for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of controlled goods under the USML or CCL.

- Technical assistance includes, among other things, instruction, skills, training, use or communication of working knowledge, and consulting services.
- Technical data includes, among other things, blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals and instructions written or recorded on other media or devices such as disk, tape or read-only memories.

4.5 **“DEFENSE SERVICES”**

Defense services are defined as the furnishing of assistance, including training, to foreign persons, whether in the U.S. or abroad in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing or use of defense articles. The furnishing of technical data to foreign persons is also a defense service.

4.6 **HOW TO CHECK THE PROHIBITED LISTS**

Certain persons and entities require a specific license to receive U.S.-origin Items. The Denied Persons List and the Specially Designated Nationals and Blocked Persons List each identify the persons and entities that require special consideration. Depending on the circumstances, other lists of prohibited persons and entities also may apply.

*Note: As with nearly everything in export-compliance, if you don't have it in writing, it didn't happen. So do this in writing, using the Export-Control Checklist form at ¶ 16.7, below.*
WPC does not do business with any person identified on one of these lists absent express authorization of the Export Compliance Officer. All potential employees, contractors, suppliers, customers and other third parties with whom WPC intends to do business must be checked against the Prohibited Lists prior to the contemplated activity. Please contact the Export Compliance Officer to clear against these lists before proceeding with any new transaction. The first listing, the "Consolidated Screening List", is generally sufficient, since it actually includes most of the other lists’ contents. The other lists may be checked for additional due-diligence if it seems warranted.

Consolidated Screening List (includes terror organizations and others)
http://export.gov/ecr/eg_main_023148.asp

State Debar (Statutory)
http://pmddtc.state.gov/licensing/debar.html

State Debar (Administrative)
http://pmddtc.state.gov/licensing/debar_admin.html

State Embargoed or Strongly Sanctioned Country List
http://pmddtc.state.gov/embargoed_countries/index.html

BIS Denied Persons
http://www.bis.doc.gov/dpl/thedeniallist.asp

BIS Entity List
http://www.bis.doc.gov/entities/default.htm

BIS Unverified
http://www.bis.doc.gov/enforcement/unverifiedlist/unverified_parties.html

System for Award Management (formerly Excluded Parties List)
https://www.sam.gov/portal/public/SAM/

Red Flag Indicators
http://www.bis.doc.gov/enforcement/redflags.htm

Office of Foreign Asset Controls ("OFAC") - Specially Designated Nationals
http://www.treas.gov/offices/enforcement/ofac/sdn/

4.7 DEFENSE ARTICLE EXPORT LICENSES AND TWO IMPORTANT EXEMPTIONS

Whether a license is required to export an Item will depend on the Item’s specific classification and its intended destination or end-user. A license is required for the export and import of defense articles, including technical data, and defense services unless otherwise exempted.

(i) Basic Operations, Maintenance, and Training Licensing Exemption

WPC and defense article manufacturers are exempt from the requirement to obtain separate DSP-5 licenses for the export of basic operations, maintenance, and training information relating to defense articles, so long as the defense articles the exports relate to are appropriately licensed for export to the same recipient(s). 22 C.F.R. § 125.4(b)(5). However, intermediate or depot-level repair and maintenance information may be exported only under a license or agreement approved specifically for that purpose. It is WPC’s policy that defense article manufacturers are required to obtain any required licenses for intermediate or depot-level repair and maintenance information.
To claim an exemption for the export of technical data under the provisions of this subchapter WPC must certify that the proposed export is covered by 22 C.F.R. § 125.4(b)(5). Certifications consist of clearly marking the package or letter containing the technical data “22 CFR 125.4(b)(5) applicable.” This certification must be made in written form and retained in WPC’s files for a period of 5 years.

(ii) Technical Data Pursuant to TAA Exemption

WPC may occasionally be requested by its OEM customers to enter into Technical Assistance Agreements (“TAA”) or Manufacturing License Agreements (MLA) with foreign companies, U.S. manufacturers and governments. The technical data listed in these Agreements qualifies for a licensing exemption under 22 C.F.R. § 125.4(b)(2), so long as the technical data does not exceed the scope or limitations contained in these TAAs and MLAs. 22 C.F.R. § 124.3.

The Export Compliance Officer must personally sign off on the use of this exemption.

5 GOVERNMENTAL RULES AND REGULATIONS, AND ASSOCIATED PENALTIES

5.1 RULES & REGULATIONS

There are three sets of export-related regulations of principal applicability to WPC.

- *International Traffic in Arms Regulations (ITAR)* – US State Department (22 CFR Part 120 et seq.)
- *Export Administration Regulations (EAR)* – Commerce Department (15 CFR Part 730 et seq.)
- *United States sanctions regulations* – Office of Foreign Assets Control (OFAC) (31 C.F.R. Part 500, et seq.)

Additionally, for procedures to deal with Customs-related problems including holds, detainments and seizures of shipments, WPC refers to the following official USCBP handbook:

- *Mitigation Guidelines: Fines, Penalties, Forfeitures and Liquidated Damages*

5.2 PENALTIES FOR NON-COMPLIANCE

The Arms Export Control Act (AECA) provides for criminal penalties of up to $1 million, per violation, and up to 10 years imprisonment, or both. 22 U.S.C. § 2778(c). The AECA also authorizes the Department of State to issue civil penalties of up $500,000 per violation. In addition, WPC could be temporarily debarred from acting as either broker or exporter of U.S.-origin defense items.

The penalties for non-compliance with the EAR and the OFAC regulations are similarly severe. Criminal penalties can be as high as $1,000,000 per violation, and up to 20 years in prison. Civil penalties for non-compliance can be as high $250,000 or twice the amount of the transaction at issue, whichever is greater. The Department of Commerce is also authorized to suspend the export privileges of those found in violation of its regulations. 50 U.S.C. § 1705.
6 DEFINITIONS & ACRONYMS

6.1 DEFINITIONS

**US Person** – For purposes of this policy, a US person is either a US citizen or a permanent resident (a green card holder) or a protected person under 18 USC 1324b(a)(3), including certain persons granted political asylee or refugee status. Any other Immigration or Naturalization Visa categories (regardless of uniqueness) do not qualify an individual as a US Person.

**EAR** – The Export Administration Regulations, which are the export-control rules administered by the Commerce Department. They cover “dual-use” items, and other commodities. These items are captured by the Commodity Control List, or CCL.

**ITAR** – The International Traffic in Arms Regulations, which are the export-control rules administered by the State Department. These items are “defense articles” delineated on the US Munitions List, or USML.

**Deemed Export** – This is a Commerce Department term, but the concept applies to both the EAR and the ITAR. Technical data (or in some cases hardware) can be deemed to have been exported even without crossing any border, say in the comfort of the company conference room. This is a source of many violations and must be the subject of training to sensitize personnel to the concept.

**ECCN** – This stands for “Export Control Commodity Number.” It has a 5-place alphanumeric structure: a numeral, a letter, and three more numerals, e.g. “3A001”.

**Empowered Official** – the designated WPC employee with authority to make filings with the government seeking export authorizations and to determine the existence and applicability of controls on exports by WPC. See ¶ 3.1, above, for additional details. For WPC, this is also the Export Compliance Officer.

**Export Compliance Officer** – For WPC, this is the Empowered Official. The Export Compliance Officer has overall responsibility and authority to implement and maintain compliance with the company’s export controls. See ¶ 3.2, above, for additional details.

**Technology** - Technology is defined broadly under the relevant regulations and includes the specific information necessary for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of a product. Under the EAR, it may include “technical assistance” or “technical data.”

**Brokering** - In addition to exports and re-exports of controlled items, the ITAR also controls brokering activity. Brokering is defined broadly to include the financing, transportation, freight forwarding, or taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service. 22 C.F.R. § 129.2(b). WPC’s policy is to refrain from engaging in brokering, and has not registered as a broker with DDTC. No employee may engage in brokering without prior clearance from the Export Compliance Officer.

**Defense Articles** - any item or technical data on the USML. This term includes technical data recorded or stored in any physical form, models, mockups or other items...
that reveal technical data directly relating to items designated on the USML. It does not include basic marketing information on function or purpose or general system descriptions.

**Defense Services** - the furnishing of assistance, including training, to foreign persons, whether in the U.S. or abroad, in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing or use of defense articles. The furnishing of technical data to foreign persons is also a defense service.

**Export** - the transmission or transfer of an item or information outside of the United States, whether physically, electronically (e.g., via e-mail or website download) or otherwise. Exports can occur in a variety of ways, including through oral or visual disclosures or through e-mail communications. "Release" or disclosure of technology or source-code to foreign nationals is also an export, even if the foreign national is a WPC employee, and even if he or she is located within the United States. “Release” can include oral exchanges of information, visual inspection and the application to situations abroad of knowledge or technical experience acquired in the United States.

**Re-Export** - the transfer or transmission (by whatever means) of an item or information from one foreign country to another foreign country, or to an unlicensed dual-national/third-country national (“DN/TCN”) in any country. Re-exports of U.S.-origin items or technology are subject to U.S. control. Thus, if the original export of an ITAR or EAR-controlled item from the United States to a foreign country required a license, the transfer of that item to another country, or to an unlicensed DN/TCN, also may require the approval of DDTC or BIS.

**Re-Transfer** – the transfer or transmission (by whatever means) of an item or information from the original recipient to a third party. Export licenses are not transferable. For example, a license issued to company X to export a defense article or service to company Y, does not authorize the transfer by Y of the article or service to company Z, unless company Z was originally designated on the license. Similarly, if an item was authorized for export for a particular end-use, it cannot be transferred for a new end-use without authorization.

### 6.2 ACRONYMS/GLOSSARY

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>ECCN</td>
<td>Export Control Classification Number – A database of classification numbers for products.</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>ITAR</td>
<td>International Traffic in Arms Regulations – State Dept export rules</td>
</tr>
<tr>
<td>EAR</td>
<td>Export Administration Regulations – Commerce Dept export rules</td>
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<tr>
<td>USML</td>
<td>US Munitions List – 21 categories of items subject to the ITAR</td>
</tr>
<tr>
<td>CCL</td>
<td>Commerce Control List – some 500 ECCNs describing items subject to the EAR</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<td>MLI</td>
<td>Munitions List Items</td>
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<tr>
<td>CCLI</td>
<td>Commerce Controlled List Items</td>
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<tr>
<td>VPN</td>
<td>Virtual Private Network</td>
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<tr>
<td>DSP-61</td>
<td>Form required for temporary import of Unclassified Defense Articles</td>
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<tr>
<td>DSP-5</td>
<td>Permanent Export License for Defense Articles</td>
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<tr>
<td>DSP-73</td>
<td>Temporary Export License for Defense Articles</td>
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<tr>
<td>TAA</td>
<td>Technical Assistance Agreement</td>
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7 ORGANIZATIONAL REQUIREMENTS

7.1 HUMAN RESOURCES ("HR")

Hiring and assigning new personnel should be through utilization of the definition of a US person as per the ITAR and EAR. Only a designated US person is allowed access to data, technology and material that are controlled under the ITAR, without government authorization. EAR-controlled information may also require a license before disclosure. H.R. should consult with the Export Compliance Officer before hiring any non-US person to determine what restrictions may apply.

7.1.1 HR Responsibilities

HR must identify and vet domestic and foreign persons (e.g. employees, contractors, interns) through appropriate background checks and the use of "E-Verify". HR must work closely with the company's empowered officials and other ITAR/EAR compliance-trained personnel to ensure that the screening process is appropriate for the position, whether filled through a new hire or through internal transfers. HR should also ensure that ITAR/EAR compliance training is given promptly on the assumption of new responsibilities. As part of this, HR must caution new employees not to discuss the substance of their ITAR-controlled knowledge or activities with individuals lacking appropriate clearances or license authorizations, and should ensure employees are appropriately briefed on their obligations and responsibilities with regard to ITAR compliance.

7.1.2 E-Verify and the I-9 Process

Certain combinations of identifications that are sufficient to establish work authorization are insufficient to confirm as a U.S. Person. Moreover, once work authorization is established using the I-9, further inquiry into additional ID must cease as a matter of law. Therefore HR must use a separate procedure to qualify those employees whose duties allow access to ITAR or EAR controlled material. At WPC this seemingly redundant clearance should be applied to all employees.

All employees with trade compliance responsibilities should be evaluated on how well they perform these responsibilities. Export control compliance should be identified in each employee's job description and annual performance evaluation.

Procedures should be developed to identify foreign job applicants and the clearance process for employment. Internal transfers of foreign person employees should also be explicitly addressed.

"Green cards" can expire, so HR must maintain a tickler file with their expiration dates, so that appropriate and timely action can be initiated to prevent inadvertent violative disclosures to foreign-person employees.

7.1.3 State/ITAR vs Commerce/EAR re Personnel

State/ITAR personnel rules are more restrictive than Commerce/EAR rules. Since WPC deals with both jurisdictions, our procedures must default to the more restrictive.
Therefore the list HR maintains of all foreign national employees should include the birth nationality, if different from their current foreign national status. Additionally, if any foreign nationality involves those listed in ITAR § 126.1, HR should (i) read the details in the particular country § 126.1 citation paragraph, and (ii) coordinate any issues with the company’s empowered official.

<table>
<thead>
<tr>
<th>ITAR § 126.1 Country List</th>
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<tbody>
<tr>
<td>Afghanistan: 126.1(g)</td>
</tr>
<tr>
<td>Belarus: 126.1(a)</td>
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<tr>
<td>Burma: 126.1(a)</td>
</tr>
<tr>
<td>China: 126.1(a)</td>
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<tr>
<td>Congo, Democratic Republic of: 126.1(c), (i)</td>
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<tr>
<td>Cote d’Ivoire (see Ivory Coast)</td>
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<td>Cuba: 126.1(a), (d)</td>
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<td>Cyprus: 126.1(r)</td>
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<tr>
<td>Eritrea: 126.1(a), (c)</td>
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<tr>
<td>Fiji: 126.1(p)</td>
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<tr>
<td>Haiti: 126.1(j)</td>
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<tr>
<td>Iran: 126.1(a), (c), (d)</td>
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<tr>
<td>Iraq: 126.1(f), 123.17(h)</td>
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<tr>
<td>Ivory Coast (Cote d’Ivoire): 126.1(c), (q)</td>
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<tr>
<td>Lebanon: 126.1(c), (t)</td>
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<tr>
<td>Liberia: 126.1(c), (o)</td>
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<td>Libya: 126.1(c), (k)</td>
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<tr>
<td>North Korea: 126.1(a), (c)</td>
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<tr>
<td>Somalia: 126.1(c), (m)</td>
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<tr>
<td>Sri Lanka: 126.1(n)</td>
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<tr>
<td>Sudan: 126.1(a), (c), (d), (v)</td>
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<tr>
<td>Syria: 126.1(a), (d)</td>
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<tr>
<td>Venezuela: 126.1(a)</td>
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<tr>
<td>Vietnam: 126.1(l)</td>
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<tr>
<td>Zimbabwe: 126.1(s)</td>
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</tbody>
</table>

7.2 ENGINEERING

New product development efforts should always include, early in the process, a review by the Export Compliance Officer. One reason is that the intent of the design engineers can make a difference later on in item classification. An export-savvy review early-on can insure that documentation clearly reflects the intent in a way that does not unintentionally bias a later-classification towards ITAR-jurisdiction.

Any exchange of technical data, including but not limited to drawings and specifications, whether in writing, on a disk, within email or verbal exchanges between US and Non-US Persons may be governed by the ITAR/EAR regulations.

All technical people should avoid discussing any technical aspects of the business conducted at WPC with any non-WPC employee, on the phone, via email or in person, unless that person is clearly identified as a US Person (citizen or Green Card) or prior approval of the Export Compliance Officer is obtained.

NOTE: All WPC developed technical documents will display the following statement:

"THIS IS A WPC EXPORT-SENSITIVE DOCUMENT THAT MUST NOT BE DISCLOSED TO NON-US PERSONS WITHOUT WPC APPROVAL AND ANY REQUIRED LICENSING FROM THE US STATE DEPARTMENT AND/OR COMMERCE DEPARTMENT."

7.3 SOFTWARE DEVELOPMENT

The exchange of technical data and source code, including but not limited to drawings and specifications, whether in writing, on a disk, in email or verbal exchange between US and Non-US Persons or with overseas locations may be governed by the ITAR/EAR regulations.

All software developers should avoid discussing any technical aspects of the business conducted at WPC with any non-WPC employee, on the phone, via email or in person, unless that person is clearly identified as a US Person (citizen or Green Card), located within the United States, or prior approval of the Export Compliance Officer is obtained.
7.4 BUSINESS DEVELOPMENT/MARKETING

All marketing materials including mock-ups or demos must be scrubbed of any data or product information that would violate the ITAR and EAR regulations. In most instances detailing the “What” of the products performance may be acceptable, but not the specific “How” of the systems capabilities.

These rules apply whether a Demo is performed at a WPC facility, at a customer site, an overseas facility (in which case an Export License may be required) or at a trade show (again, if overseas, an export license may be required). At all Demos and Trade shows, the principal risk is the unintentional disclosure of technical data. The equipment / mock-ups / data / software, must be closely monitored and controlled at all times. This would include night time and any other off duty hours.

Any non-functional mock-ups that do not disclose any technical details would not fall under this proviso. The mock-up should not provide any technical detail that might assist in reverse engineering the product.

7.5 INFORMATION TECHNOLOGY (IT)

WPC’s IT administrators must all be cleared as US Persons to avoid inadvertent foreign person access to ITAR/EAR technology. IT administrators must have sufficient training in ITAR/EAR compliance to accomplish this responsibility. Regularly scheduled oversight and self-assessment are integral to this program. In relationship to export regulations and control, WPC’s IT dept. is tasked with the protection of sensitive technical data from leaking to the outside world. This is both a business competition issue and an export-compliance issue.

For any export that is by electronic means (email and telephone) or by visual or oral disclosure, a record of the export needs to be maintained. The record should identify the date, method of transmission, and a description of the technical data that was exported. We have created a "Tech Data Export Log" form for this purpose. See ¶16.8 herein.

IT develops and maintains explicit policies and procedures for the segregation of ITAR-controlled technical data, designs and related documents to prevent unauthorized disclosure to foreign persons.

NO ACCESS WILL BE ALLOWED TO WPC’S INTERNAL NETWORK. THIS INCLUDES SOFTWARE DEVELOPMENT DATA, TEST DATA AND SUPPORTING DOCUMENTATION. ADDITIONALLY, NON-WPC INDIVIDUALS SHALL NOT HAVE ACCESS TO WPC SYSTEMS USING ANY TYPE OF VPN.

Viewing Access Exception

If the need arises to grant access to a Non-U.S. Person as a requirement for an on-going project or for a marketing demonstration or any technical discussions, permission shall be granted only by a WPC employee of Director level with the consent of the Export Compliance Officer.

Such permission shall be granted only to US Persons or as otherwise permitted by license or under the EAR, and only after an appropriate briefing/training relative to US export controls.

Any special access to WPC’s servers, including by FTP, must be granted by the IT department with the approval and consent of the Export Compliance Officer and in accordance with WPC’s procedures.
7.6 FACILITIES

As a general rule, all technical data drawings and documents, ITAR/EAR controlled equipment and the like, should be stored in such a manner that visitors to WPC’s offices, lab areas and development areas do not have viewing access to the material. Special attention should be devoted to visitors that are Non-US Persons.

All employees will use their designated access badges to enter the facility. If you have forgotten to bring your access card on a particular day, you will obtain a temporary access card at the reception desk. WPC employees shall wear a Blue identification badge with their picture. The badge should be displayed front-side and waist-to-chest high on the exterior of their clothing.

The reception person should screen all visitors to WPC’s facilities. All visitors will record their information on the daily Log-Sheet located at the reception desk and receive a temporary YELLOW badge. All visitors should be escorted by the person with whom they have an appointment. Visitors will return the badge upon exit and record the time leaving WPC in the Log sheet. The visitor must be advised to wear the badge at all times while in the facility. A GREEN badge will be issued to vendors (IT, Janitorial Services) that visit the facility frequently. Those individuals will have to provide the documentation required to verify they are US Persons. WPC will be responsible to maintain those documents in file.

It is the hosting WPC employee’s responsibility to enforce the above escort procedure. It is also the WPC hosting employee’s responsibility to make sure that the temporary badge is returned to the receptionist at the end of the visit.

Non US Persons (non-US Citizens or non-permanent residents) should, in addition to the above, receive a specially designated RED color coded badge stating in bold letters: “Non US Person – Escort Required”. Such card bearers will NOT have the access privileges of regular WPC employees.

WPC has secure, segregated and clearly labeled ITAR/EAR-Controlled areas. Entry to the ITAR/EAR-Controlled areas is strictly controlled. Access is only provided to employees that are US Persons. Non-US Persons are not allowed in this area unless they are approved and escorted by a WPC employee with access to the area, or unless they are properly licensed.

Under no circumstances, will Non-US Persons be allowed in direct view of ITAR/EAR controlled items, Technical data of any type, Drawings etc., without express approval of the Export Compliance Officer.

All Non US Persons will produce their foreign passport for ID upon entry. A photocopy of the Passport’s front page (with personal details and picture) will be kept on file.

Signs will be posted at the entrance to all technical areas that indicate that that the area is an Export Controlled Area and that Non-US Persons Must be Escorted”_. (See sample documents at ¶ 16.13 and 16.14, below.)

Plant visits by Non US Persons must be reviewed by the Export Compliance Officer in advance of granting entry.

All WPC employees are directed to secure all technical information such as: manuals, drawings, software etc. at the end of each work day. Such documentation should be placed in a drawer, a cabinet or locked in a controlled-access room. Employees are
directed to seek assistance from their respective supervisor to implement this requirement.

8 WHAT TO DO WHEN TRAVELING

8.1 COMPANY AND PERSONAL LAPTOP COMPUTERS & SMART PHONES

All WPC employees are cautioned that ITAR- or EAR-controlled data are very likely present on any engineer’s computer. Even if you have assiduously cleansed your hard drive of tech data and drawings from recent “hot topic” proposals, the simple accumulation of tech data from various projects over the years virtually assures that your laptop contains controlled data not covered by current export licenses. E-mails and their attachments are another source of commonly overlooked transgressions. There is a limited exemption that is complex, and applies only to our U.S.-person employees. Therefore, it is WPC’s policy that if you need a computer while overseas on WPC business, do not take your personal computer/laptop:

- You must check out a “clean” laptop for that purpose.
- Carry only the data files you need.
- Coordinate and clear the contents of your travel laptop with WPC’s Export Compliance Officer
- PDAs, Blackberries and iPhones are also dangerous. Either check out a clean one from IT, or (after backing up your smart phone or PDA on a stay-at-home computer) purge your PDA of e-mails and other technical data files.
- If you forget some files that are covered by a current export license, or if you need to have data files that are not covered by any export license, do not worry. In most cases we can e-mail the forgotten files, or even FedEx you a CD or thumb drive containing them. There is an ITAR exemption that allows this. However, because this exemption itself has exemptions, each such transmission of files to you overseas must be cleared by our Export Compliance Officer.
- All tech data must be carefully protected while overseas, whether covered by an export license or not. Use the same sense of prudence that you would with a wallet full of cash. Don’t leave your computer or that stack of scale drawings on the hotel bed; put it in the room or hotel safe, or carry it with you. Avoid any situation where the documents or files might be easy compromised by foreign persons.
- Remember that exporting is not just crossing a border. Disclosing tech data to a foreign person in a conference room or bar is just as bad a violation.

8.2 HARDWARE AND GENERAL RULES

Export-control laws do not require that you be invulnerable, nor omniscient. If you are accosted on the street and your laptop or papers are stolen, that is not a violation. If your hotel room is burglarized while you sleep and the brazen thief steals your briefcase from your room, that is not a violation. What the law requires is that you exercise the due-diligence that a “prudent man” would follow. This is why it’s useful to treat your briefcase or computer as if it was filled with cash, and act accordingly. Two final notes:

- If you suffer some mishap regarding covered hardware, software or tech data, contact our Export Compliance Officer at once.
• Hardware defense articles cannot be exported without a license or a specific exemption. Unlike most tech data, hardware not covered by a license or a specific exemption cannot be FedExed to you under the exemption.

9 SHIPPING AND RECORDKEEPING

9.1 DOMESTIC SHIPPING:

As a general rule, domestic shipping will not trigger a requirement for an export license or other authorization, unless the shipment is intended for a non-US person and/or the US destination is a freight-forwarder. However, all domestic shipments should include the below-specified destination control/diversion statement on the packing list and invoice.

Unless otherwise noted, this quote or invoice may include items from the U.S. Munitions List (USML) or the Commerce Controlled List (CCL). USML/CCL commodities are controlled by the U.S. Government and in many cases cannot be transferred (exported, sold or given) to a foreign country, a non-U.S. Citizen/National, or a non-Permanent U.S. Resident without a valid State/Commerce Department export authorization. It is the responsibility of the purchaser to determine what the applicable requirements may be and to obtain all necessary authorizations, licenses or approvals. The use, disposition, export and re-export of the property covered or included in this quote or invoice, is subject to the provisions of law included in, inter alia, the Arms Export Control Act (22 USC 2751 et seq.); Export Administration Act of 1979 (50 USC App. 2401 et seq.) as contained under Executive Order 1294; International Traffic in Arms Regulation (22 CFR 120 et seq.); Export Administration Regulations (15 CFR 730 et seq.); Foreign Assets Control Regulations (31 CFR 500 et seq.) and the Espionage Act (18 USC 793 et seq.).

9.2 INTERNATIONAL SHIPPING

Determining whether a license is necessary.

This is the responsibility of the Export Compliance Officer. As the Volume of export activity increases, it will be assessed whether additional training will be afforded to specific employees for the purpose of classifying items for export.

Required Documentation:

Airway Bill, Commercial Invoice, Disclosure Statement, AES filing.

Shipping with a license:

A license from State or Commerce must be secured prior to any overseas shipping requiring one. License control and tracking (decrementing quantities and/or dollar values per license limits) must be maintained at all times. DSP-5s and DSP-6s must be lodged with Customs prior to shipping and prior to making the AES filing. DSP-61s/-62s and DSP-73s/-74s are presented to Customs at time of exit/entry. Commerce licenses do not need to be lodged with Customs. Freight forwarders have various procedures for handling controlled shipments. Consult with the freight forwarder to determine that their particular procedures are being properly followed to ensure that the shipment is handled correctly.

Diversion Clauses are required for all international shipments:
WPC’s Bill of Lading and Commercial Invoice on all international shipments must display one of the following two statements, depending on whether the items are governed by the ITAR (State) or by the EAR (Commerce).

**per ITAR 123.9 (b)**

> “These commodities are authorized by the U.S. Government for export only to [country of ultimate destination] for use by [end-user] under [license or other approval number or exemption citation]. They may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption.”

**per EAR § 758.6**

> “These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.”

Moreover, the classification of the goods (either USML category or ECCN) must appear on a document such as our Bill of Lading that accompanies the shipment all the way to the end-user.

### 9.3 IN ALL SHIPPING MATTERS

Sometimes, exports are drop-shipped for WPC by other U.S. manufacturers.\(^7\) Of course, WPC also makes export shipments directly. When WPC exports directly, the following rules apply, with supporting forms in the back of this manual.

- For each customer and/or project, an End-Use / End-User statement must be filled out and signed prior to shipping, if that information is not already included in the Purchase Order. The corresponding Purchase Order must be cited on separate End-Use/End-User statements.  *(See sample document, below, at ¶ 16.1)*

- A Customer / Project Shipping Authorization *(See sample document at ¶ 16.4)* must be properly detailed and signed by all parties for approval. Any required licenses (Commerce or State Dept.) must accompany these authorizations and must be attached in hard copy form to this authorization.

- All shipments must have a packing list detailing all components. Such Packing List must have the proper warning language as detailed above. If the item is classified as a 600-series ECCN, the ECCN must be printed on all shipping documents. *See sample Packaging Slip, below, at ¶ 16.5.* A copy of the Package Slip is set up to serve as a checklist to confirm in a written record that only the authorized items were shipped. *See this modified sample form at ¶ 16.6, below.*

- The above is mainly for hardware. Analogous documentation and procedures for exporting technical data by any method is described in ¶ 9.5, below. Note that even in exempted exports of tech data, all such exports must be logged and records kept.

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\(^7\) WPC is still responsible for export violations made by others manufacturers or freight-forwarders on behalf of WPC. Therefore, WPC’s empowered official is responsible for insuring that all such exports are conducted in compliance with all U.S. export laws and regulations.
and the first tech data export under any license or exemption must also be notified in writing to State/DDTC. The forms at ¶ 16.5 and ¶ 16.6 apply.

9.4 AES FILING REQUIREMENTS

The Automated Export System (AES) is the system used by U.S. exporters to electronically declare their international exports to the Customs and Border Protection. Formerly, this declaration was only made by the paper form called Shipper's Export Declaration (SED). An exporter can file the export declaration electronically via AES, using AESDirect online, AESPCLink, or other software or have the freight forwarder do it. Currently WPC generally relies on its freight forwarders to make needed AES filings; however, all WPC personnel need to have a basic understanding of when AES filings are required.

• When is the AES information required? On all licensable shipments (EAR or ITAR), shipments made using an ITAR exemption, plus some others.
• AES entries are not required when exporting technical data – only for hardware.
• An AES record must be filed for exports of physical goods valued at more than $2,500 per commodity classification code (OR ANY VALUE WHEN BIS LICENSE, DDTC LICENSE or DDTC LICENSE EXEMPTION IS REQUIRED), when shipped as follows:
  • From U.S. to foreign countries,
  • Between the U.S. and Puerto Rico,
  • From Puerto Rico to foreign countries,
  • From Puerto Rico to U.S. Virgin Islands,
  • From the U.S. to the U.S. Virgin Islands, and
  • Licensable commodities (regardless of value).
• The AES filing must be made only after any related ITAR export license is lodged with Customs. And the following lead times are required, depending on method of shipment and whether the items are under ITAR/USML or EAR jurisdiction:

USML shipments AES lead times, per ITAR ¶ 123.22(b)(1):
• Air or Truck – 8 hours prior to departure
• Vessel or Rail – 24 hours prior to departure

Non-USML shipments AES lead times, per AES Best Practice Manual:
• Vessel – 24 hours prior to departure from U.S. port where cargo is laden
• Air & Courier – 2 hours prior to departure from U.S.
• Rail – 2 hours prior to arrival at the border
• Truck – 1 hour prior to crossing the border
• Mail/Other – 2 hours prior to exportation

9.5 EXPORTING TECHNICAL DATA USING EXEMPTIONS

There are numerous exemptions in the ITAR and EAR for exporting technical data. At WPC, for example, we make extensive use of certain tech data exemptions every time we get an approved TAA. Our policy is to document each use of tech data exemptions following the “certification” requirements in § 125.6 of the ITAR, which reads as follows:

§ 125.6 Certification requirements for exemptions.
(a) To claim an exemption for the export of technical data under the provisions of this subchapter (e.g., §§125.4 and 125.5), the exporter must certify that the proposed export is covered by a relevant section of this subchapter, to include the paragraph and applicable subparagraph. Certifications consist of clearly marking the package or letter containing the technical data “22 CFR [insert ITAR exemption] applicable.” This certification must be made in written form and retained in the exporter's files for a period of 5 years (see § 123.22 of this subchapter).

(b) For exports that are oral, visual, or electronic the exporter must also complete a written certification as indicated in paragraph (a) of this section and retain it for a period of 5 years.

9.6 RECORDKEEPING

9.6.1 Export Records:
All records relating to export shipments from WPC must be maintained for a period of the greater of five years from the date of expiration of the license that authorized shipment or nine (9) years from the date of shipment. Each export shipment should include: an Air Way Bill, a Commercial Invoice and a Packing List. In addition, any materials used to self-classify a product, any emails from vendors indicating an ECCN, or any screening process, need to be documented and maintained with the above-mentioned shipping documents.

9.6.2 Import Records:
All records relating to incoming shipments to WPC must be maintained for a period of at least five (5) years. It may be necessary at some point in the future to ship items back for repair or exchange at which time the proof of entry into the U.S. may be required.

NOTE: You must inspect the packaging, inside and out, for shipping documentation.

If the export or import was done under the auspices of an ITAR or EAR license, the retention period is five (5) years from the date of expiration of the related license.

9.6.3 Record Retention Specifics:
In order to comply with WPC's record retention obligation, the following records must be maintained for five (5) years after the last date of export or report:

1. Records concerning the political contributions, fees, or commissions furnished or obtained by WPC employees.
2. Records concerning CCL and USML item classifications and classification requests;
3. Commercial invoices, bills of lading, air waybills and contracts that evidence or document export transactions; and
4. Copies of AES or SED filings.
5. Records need to be easily available for inspection and copying by the appropriate government agency with jurisdiction.
6. Records stored in electronic form must be capable of being printed on paper and must be stored in a manner that none of it may be altered once it is initially recorded without recording all changes, who made them and when they were made.
7. In addition, whenever one is required to make any of the various reports under ITAR part 130, those records must be kept for a period of five years following the date of the report.

8. The original, signed versions of all required documents should be kept with the master set. In the event of a State or Commerce compliance audit, they will need to see the originals.

9. Records retention rule-of-thumb is 9 years, based on the typical term of DDTC licenses. However, 5 years from date of expiration of any license or last export activity under the license is required. Certain licenses must be returned by WPC to the DDTC after they expire, either by date or when the total value or quantity authorized is expended. This applies to DSP-61 and DSP-73 form licenses. DSP-5 licenses that are required to be lodged with Customs are not your responsibility to return to DDTC. You are responsible, however, for returning DSP-5 licenses that are not required to be lodged with Customs, such as certain tech data/marketing licenses.

10. When an exemption is claimed for the export of unclassified technical data, the exporter must comply with the procedures in ITAR section 124.3 or 125(b). At a minimum, records must be maintained for each such export to include a description of the unclassified technical data, the name of the recipient, end-use, the date and time of the export, and the method of transmission.

11. As described above, shipping records are required, to include AES files, invoices, waybills, etc. To summarize, the minimum records in the document-retention system should be:

- Export License or Other Approval
- Documents Supporting the Approval Request
- Invoice
- Packing Slip
- Bill of Lading
- Airway Bill
- Purchase Order
- DSP-83
- Delivery Verification
- Foreign Import Certificate
- Technical Data Exemption
- Other Exemptions and Exceptions
- Visits and Tours by Non-US Persons

9.6.4 Tickler System

- A tickler system must be established regarding certain license provisos, renewal dates of DTC registration & digital certificates, and so on. Other required notifications that are event-based, such as material changes to the data in the DS-2032 or various prior notifications, are also needed in the system.

- The tickler system must also track certain export licenses that must be returned by WPC to the DDTC after they expire, either by date or when the total value or quantity authorized is expended. This applies to DSP-61 and DSP-73 form licenses. DSP-5 licenses that are required to be lodged with Customs are not the responsibility of WPC to return to DDTC. WPC is responsible, however, for returning DSP-5 licenses that are not required to be lodged with Customs, such as certain tech data/marketing licenses.
9.6.5 Recordkeeping Responsibilities:
The Export Compliance Officer is ultimately responsible for maintaining all of these documents, in written or electronic form consistent with the EAR and the ITAR. The Export Compliance Officer has established procedures with relevant personnel for the appropriate generation, forwarding and retention of these documents. For more information about WPC’s record retention procedures please contact the Export Compliance Officer.

10 ITEM CLASSIFICATION – IS IT UNDER COMMERCE OR STATE RULES?
The level of control, requirements, restrictions, and potential license exceptions or exemptions that are applicable to a proposed export Item are determined by the item’s classification. WPC’s exports and imports are classified on either the ITAR’s United States Munitions List (USML), 22 C.F.R. § 121.1, or on the EAR’s Commerce Control List (“CCL”).

**USML classifications** are typically identified by a roman numeral and sub-heading, *e.g.*, Category XI(c). Items on the USML are controlled because they are specially designed for military end use.

**CCL classifications** are referred to as Export Control Classification Numbers, or ECCNs and consist of a number, the letters A through E, and three additional numbers, *e.g.*, 9A991. Items that are not classified on the USML list will be classified on the CCL, or have the designation EAR 99. Items on the CCL are controlled as “dual use” items, items that are predominantly for commercial use, but which are known to have military applications. Additionally, the Export Control Reform (initial implementation started October 15, 2013) moved some items from the USML to the CCL. These items are military items controlled by the EAR. They are classified as “600-series” items and have some special rules and procedures.

**Order of Review** – when classifying commodities, the following order of review should be followed:

1. Always begin with the ITAR – review the USML for enumerated commodities and if necessary do the specially designed analysis.

2. If not on the USML or caught by the specially designed definition, move to the EAR.
   a. First review the 600 series for enumerated commodities and if necessary do the specially designed analysis.
   b. If not in the 600 series ECCN or caught by the specially designed definition move the remaining CCL
   c. If not in the CCL, the item is EAR99.

It is WPC’s policy to obtain in writing from the manufacturer the USML and/or CCL classification of the items it is asked to broker, export or import. In the event a manufacturer provides you with a classification that does not seem correct, please contact the Export Compliance Officer or Empowered Official to determine the correct classification.
10.1 **USML CLASSIFICATION**

As a general rule of thumb, if an item is specially designed as a defense article, or to be component of a defense article, it is controlled as a defense article. The comprehensive listing of these is found in Part 121 of the ITAR, and is known as the U.S. Munitions List (“USML”)

In order to determine the USML classification of an item, you must read through each of the USML Category and sub-category descriptions contained in 22 C.F.R. § 121 of the ITAR. Items will be classified under one of Categories I through XXI on the USML. The USML also include interpretive notes for several of these categories at 22 C.F.R. §§ 121.2-121.15 and the Missile Technology Control Regime Annex at 22 C.F.R. § 121.16.

### USML Categories (from the ITAR) (United States Munitions List)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Firearms, Close Assault Weapons &amp; Combat Shotguns</td>
<td>XII</td>
<td>Fire Control, Range Finder, Optical and Guidance and Control Equipment</td>
</tr>
<tr>
<td>II</td>
<td>Guns and Armament</td>
<td>XIII</td>
<td>Materials &amp; Misc. Articles</td>
</tr>
<tr>
<td>III</td>
<td>Ammunition/Ordnance</td>
<td>XIV</td>
<td>Toxicological Agents, Including Chemical Agents, Biological Agents, Associated Equip.</td>
</tr>
<tr>
<td>IV</td>
<td>Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines</td>
<td>XV</td>
<td>Spacecraft Systems and Associated Equipment</td>
</tr>
<tr>
<td>V</td>
<td>Explosives and Energetic Materials, Propellants, Incendiary Agents and Their Constituents</td>
<td>XVI</td>
<td>Nuclear Weapons, Design and Testing Related Items</td>
</tr>
<tr>
<td>VI</td>
<td>Surface Vessels of War and Special Naval Equipment</td>
<td>XVII</td>
<td>Classified Articles, Data &amp; Services Not Otherwise Enumerated</td>
</tr>
<tr>
<td>VII</td>
<td>Ground Vehicles</td>
<td>XVIII</td>
<td>Directed Energy Weapons</td>
</tr>
<tr>
<td>VIII</td>
<td>Aircraft &amp; Associated Equip.</td>
<td>XIX</td>
<td>Gas Turbines &amp; Assoc.</td>
</tr>
<tr>
<td>IX</td>
<td>Military Training Equipment</td>
<td>XX</td>
<td>Submersible Vessels &amp; Related Articles</td>
</tr>
<tr>
<td>X</td>
<td>Protective Personnel Equip.</td>
<td>XI</td>
<td>Military Electronics</td>
</tr>
<tr>
<td>XI</td>
<td>Military Electronics</td>
<td>XXI</td>
<td>Articles, Data &amp; Services Not Otherwise Enumerated</td>
</tr>
</tbody>
</table>

**Significant Military Equipment (“SME”)** is identified by an asterisk preceding the USML category. Technical data directly related to the manufacture or production of any defense articles enumerated in any category designated as SME is also designated as SME. SME items require a DSP-83 to be executed.

**Missile Technology Control Regime ("MTCR") Annex** is identified with the parenthetical “(MT)” at the end of a U.S. Munitions List paragraph. MTCR is a treaty-like policy instrument among the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on the MTCR Annex, and any amendments thereto. 34 countries are Partners in the MTCR, per http://www.mtcr.info/english/partners.html.

**Specially Designed definition** will catch some commodities not enumerated on the USML. See the ITAR § 120.41 for the details of the specially designed definition. DDTC’s website also offers a decision tool on their website at http://www.pmddtc.state.gov/licensing /decision_tools.html.
10.2 **CCL / ECCN CLASSIFICATION**

If you have already determined that the item is not under the USML, then it is necessary to determine whether the item is subject to the Commerce Department jurisdiction under the EAR. The following logic flow chart can be useful here.

![Flow Chart]

A key in determining whether an export license is needed from the Department of Commerce is knowing whether the item you are intending to export has a specific Export Control Classification Number (ECCN). The ECCN is an alpha-numeric code, e.g., 9A610, that describes a particular item or type of item, and shows the controls placed on that item. All ECCNs are listed in the Commerce Control List (CCL) (Supplement No. 1 to Part 774 of the EAR) which is available on the BIS Website. Items that are not identified on CCL are referred to with the ECCN “EAR 99.”
Once determined to be subject to the EAR, per the previous page graphic, one can follow the above decision tree (together with the “country charts” in the EAR) to decide Commerce Department licensing issues. A common ECCN for our purposes is 9A610, for military aircraft that transitioned from the ITAR to the EAR under Export Control Reform (“ECR”).

The CCL is divided into ten broad categories, and each category is further subdivided into five product groups.

Unlike most defense articles (i.e. State Department or “ITAR” items), whether a CCL-classified item requires an export license depends upon the policy under which it is controlled, (e.g., Anti-Terrorism or AT), and the destination. The Commerce Department regulations require companies to consult the Commerce Country Chart, 15 C.F.R. § 738 Supplement No. 1, to determine whether a particular ECCN is controlled for export to a
particular country. This process is counterintuitive, prone to subtleties, and the regulatory rules are constantly under revision. So in WPC, all item classifications will be performed by the Export Compliance Officer.

License Exemptions / Exceptions

If a license is required for your transaction, a license exemption or exception may be available. License Exceptions (Commerce), and the conditions on their use, are set forth in 15 C.F.R. Part 740 of the EAR. License Exemptions are noted in a number of places in the ITAR. Your Export Compliance Officer must approve in writing the use of any license exemption or exception (State Department and Commerce Department terms, respectively).

10.3 Notification of Freight Forwarders

ITAR and Commercial items can both be included the same shipment or even crate, with a single invoice, waybill, etc., provided that each line item is appropriately designated with the classification. Similarly, the AES entry to go with this shipment is created on a line-item basis that should match the listing on the shipping documents.

• WPC should inform the freight forwarder of the USML classification and the license number or license exemption that applies to its shipments.

and/or

• WPC should inform the freight forwarder of the ECCN of the items that are being exported as well as if the export of the item is eligible for a license exception, as the designation for a license exception is required on the export documentation filed with the U.S. Government.

WPC should maintain copies of all shipping documentation filed by its freight forwarders. (See details of records retention ¶ 9.6, above.)
## 11 EXPORT CONTROL REFORM GENERAL INFORMATION AND PROCEDURES

The Export Control Reform revises some categories on the USML and moves some items to the 600-series in the EAR and is incrementally being implemented. As of the date of this manual revision, the following information is current:

### Revised Export Categories per the ECR

<table>
<thead>
<tr>
<th>USML</th>
<th>CCL</th>
<th>Description</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>0Y601</td>
<td>Firearms</td>
<td>TBD</td>
</tr>
<tr>
<td>II</td>
<td>0Y602</td>
<td>Artillery</td>
<td>TBD</td>
</tr>
<tr>
<td>III</td>
<td>0Y603</td>
<td>Ammunition</td>
<td>TBD</td>
</tr>
<tr>
<td>IV</td>
<td>9Y604</td>
<td>Launch Vehicles/Missiles</td>
<td>Jul 1, 2014</td>
</tr>
<tr>
<td></td>
<td>0Y604</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>1C608 - 1E608</td>
<td>Explosives/Propellants</td>
<td>Jul 1, 2014</td>
</tr>
<tr>
<td>VI</td>
<td>8Y609</td>
<td>Vessels of War</td>
<td>Jan 6, 2014</td>
</tr>
<tr>
<td>V</td>
<td>0Y606</td>
<td>Tanks/Military Vehicles</td>
<td>Jan 6, 2014</td>
</tr>
<tr>
<td>VIII</td>
<td>9Y610</td>
<td>Aircraft and Associated Equipment</td>
<td>Oct 15, 2013</td>
</tr>
<tr>
<td></td>
<td>7Y610 (Avionics)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX</td>
<td>0Y614</td>
<td>Training Equipment</td>
<td>Jul 1, 2014</td>
</tr>
<tr>
<td>X</td>
<td>1Y613</td>
<td>Personal Protective Equipment</td>
<td>Jul 1, 2014</td>
</tr>
<tr>
<td>XI</td>
<td>3Y611</td>
<td>Electronics (“Interim Final Rule”)</td>
<td>Dec 30, 2014</td>
</tr>
<tr>
<td></td>
<td>3Y620</td>
<td></td>
<td></td>
</tr>
<tr>
<td>XII</td>
<td>TBD</td>
<td>Fire Control/NV</td>
<td>TBD</td>
</tr>
<tr>
<td>XIII</td>
<td>0Y617 - 6Y617 - 8Y617</td>
<td>Miscellaneous</td>
<td>Jan 6, 2014</td>
</tr>
<tr>
<td>XIV</td>
<td>1C607</td>
<td>Toxicological Agents</td>
<td>TBD</td>
</tr>
<tr>
<td>XV</td>
<td>9Y515</td>
<td>Spacecraft/Satellites</td>
<td>Jul 1, 2014</td>
</tr>
<tr>
<td></td>
<td>3Y611 - 9Y604</td>
<td></td>
<td>11/10/2014 (All others)</td>
</tr>
<tr>
<td>XVI</td>
<td>0B618 - 0A607</td>
<td>Nuclear Weapons</td>
<td>Jul 1, 2014</td>
</tr>
<tr>
<td>XVII</td>
<td>N/A</td>
<td>Classified Articles, Data, Services</td>
<td>Oct 15, 2013</td>
</tr>
<tr>
<td>XVIII</td>
<td>N/A</td>
<td>Directed Energy Weapons</td>
<td>TBD</td>
</tr>
<tr>
<td>XX</td>
<td>8Y620</td>
<td>Submersible Vessels</td>
<td>Jan 6, 2014</td>
</tr>
<tr>
<td>XXI</td>
<td></td>
<td>Items Not Otherwise Enumerated</td>
<td>Oct 15, 2013</td>
</tr>
<tr>
<td>ITAR</td>
<td>§120.41</td>
<td>EAR Part 772.1 “Specially Designed” Definition</td>
<td>Oct 15, 2013</td>
</tr>
</tbody>
</table>

Once a final rule is published in the Federal Register for a particular category, the implementation will become effective 6 months later. The effective dates are shown in the chart above, and the changes already in effect are also color-coded green.
11.1 NOTES ON ITAR LICENSING IN TRANSITION

11.1.1 Grandfathering Old Licenses

<table>
<thead>
<tr>
<th>Contains Only Items Transitioning to the CCL</th>
<th>Contains Both Transitioning and Non-Transitioning Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSP-5</td>
<td>Valid for all items until expiration. May amend after effective date on case-by-case basis.</td>
</tr>
<tr>
<td>DSP-61&lt;br&gt;DSP-73</td>
<td>May use for up to 2 years after effective date of transition unless license expires or returned. May amend after effective date on case-by-case basis.</td>
</tr>
<tr>
<td>TAA&lt;br&gt;MLA&lt;br&gt;WDA</td>
<td>Valid until expiration. May amend after effective date on case-by-case basis.</td>
</tr>
<tr>
<td></td>
<td>May use for up to 2 years after effective date of transition unless agreement expires. Agreement may be kept valid beyond the 2-year period by submitting amendment to authorize transitioning items under § 120.5(b)</td>
</tr>
</tbody>
</table>

11.1.2 For items that transition but were previously authorized for export

- Any limitation, proviso, or other requirement imposed on the DDTC authorization will remain in effect if the DDTC authorization is relied upon for the export.
- Inactive/Expended Authorizations: Reexport/retransfer authorizations will be under Commerce authorizations.
- Active Legacy Authorizations: If the exporter chooses to no longer use the legacy authorization to export EAR controlled items, the exporter must upload a statement into the additional documentation for the DDTC license in D-Trade. The statement should indicate that the DDTC authorization will no longer be used (identify items on the license by their new ECCN) and identify the relevant BIS license number or license exception which replaces the DDTC license.
- If using a legacy license, the AES entry should correspond to the information on that license.
- Minor amendments (DSP-6, -62 and -74) are permitted to legacy licenses but any other change requires a replacement license under the new licensing procedures.

11.2 USML PARAGRAPH .X

To address the concern of “dual licensing,” a .x sub-category has been created for each revised USML category.

You will see .x in the ITAR as follows: (x) Commodities, software, and technical data subject to the EAR (see 120.42 of this subchapter) used in or with defense articles controlled in this category. Note to paragraph (x): Use of this paragraph is limited to license applications for defense articles controlled in this category where the purchase documentation includes commodities, software or technical data subject to the EAR (see 123.1(b) of this subchapter.

To use:

- The purchase documentation must include both USML defense articles and CCL items.
• The items subject to the EAR must be used in or with the USML defense articles
• If used, the exporter must provide the end user and all consignees the appropriate ECCN

11.3 **CJ Determinations**
CJs that determined a commodity is subject to the EAR remain valid. However, CJs that determined a commodity is USML may be superseded by the revisions. A re-classification may be needed per the new rules.

11.4 **Notes on 600-Series ECCNs**
• If exporting 600-series items, the ECCN of those items must be printed on all shipping documents.
• Restrictions on use of License Exceptions for 600-series items – Refer to §740.2 BEFORE using a license exception for any 600-series item. Most 600-series items may use the following license exceptions if all applicable requirements are met:
  - LVS
  - TMP
  - RPL
  - TSU
  - GOV
  - STA

12 **Temporary Imports for Maintenance, Replacement and Repair**
WPC is sometimes required to make arrangements on behalf of its overseas customers, or U.S. manufacturers, for the maintenance and repair of defense articles. The temporary import of these items into the United States is exempt from licensing under 22 C.F.R. §123.4. However, incorrect use of the exemption can result in violations of the ITAR or Export Administration Regulations (EAR). Following are the correct procedures.

12.1 **Temporary Imports of Non-ITAR-Controlled Dual-Use Items (Commerce CCL)**
These are governed by the Export Administration Regulations (EAR), in terms of licensing (or exceptions to licensing). Compared to ITAR shipments, this is little more than, figuratively, putting a stamp on the crate and shipping, as in most cases they are conducted under an exception called RPL. But there are a few points of importance to reduce your customs/duty exposure, as outlined below. Key highlights of the process are set out below, but consult your Export Compliance Officer for more detailed instruction and information

12.1.1 **Inbound (i.e. receiving something for repair):**
1. Our customer should be sure to ship as “American goods returned.” The HTS number (the first 6 digits of the Schedule B number) for inbound commercial items that are coming for repair or replacement, whether under warranty or not, is 980110.
2. The customer’s shipping documents should say specifically something like “American goods returned” or “U.S.-origin goods being returned for repair or replacement.” The HTS code 9801.00.1012 is specifically for this characterization, so it will help US Customs do the right thing if that HTS is also specified. Note: the 6-digit HTS code is internationally agreed upon, but each participating country is allowed to tailor an additional 4 digits.
3. If this is not clear to Customs in the customer’s documentation, you may be assessed duties on the whole shipment.

12.1.2 Outbound (i.e. returning the repaired item to your customer):

1. Our shipping documents, waybill, invoice or whatever should have a phrase like “U.S. goods repaired under warranty.”

2. The value of the shipment for Customs purposes will be just the value of the repair or replacement.

3. This procedure applies only to 2nd exports, i.e. if the part exited the U.S. before and duties were paid once.

4. **The Schedule B number for all these items is 9801.10.0000.**

5. The Schedule B number for the item is not required if the value of the line item is under $2500. AES filing is likewise not required. Commerce-licensed goods are an exception, and AES is mandatory. (Note: outbound defense articles always require an AES filing, whether shipped under license or exemption.)

6. An AES filing is required for:
   
   (i) All export shipments valued at or over $2500 per Schedule B entry from the U.S. to foreign countries (except Canada);
   
   (ii) All licensed shipments regardless of value, including those to Canada;
   
   (iii) All exports valued at or over $2500 from the U.S. through Canada destined to a country other than Canada; and
   
   (iv) All export shipments over $2500 to/from Puerto Rico and to the U.S. Virgin Islands.

7. Classification. Make sure you use the correct ECCN. For your paperwork on these commercial shipments, and especially any AES (electronic SED system) filings you may make, the ECCN for commercial imports and exports could be EAR99, or for aircraft parts 9A991, and so on. Also in the AES filing, enter the Commerce Department export license number for the shipment, or if no license is required then NLR (no license required). Note that AES filings are required for commercial shipments valued at $2,500 or more.

8. For higher ECCN classification number items that would normally require a license to export back to the customer, you can probably use license exception known as “RPL,” saving yourself the time and expense of securing a Commerce Department license. Always coordinate with the Export Compliance Officer on this question.

9. Duties, tariffs and taxes may apply, though whether WPC or our customer pays them is a separate question. One can look these up at this Website: http://discoveeraai.com/ or call 800-872-8723 and some very knowledgeable people will help you.

12.2 TEMPORARY IMPORTS OF DEFENSE ARTICLES (STATE USML)

The International Traffic in Arms Regulation (ITAR) govern these imports. See http://www.pmddtc.state.gov/regulations_laws/itar.html.

1. First, the export and the temporary import of all defense articles require either a State Department license or an exemption therefrom. For temporary imports, there
is an exemption that applies to unclassified U.S.-origin goods. It’s from § 123.4 of the ITAR.

2. WPC cannot enhance performance while the goods are temporarily here – no upgrades.

3. The items must go back to the same entity listed on the import documents.

4. HTS and Schedule B numbers are the same as for commercial: 980110 and 9801.10.0000, respectively.

5. This is critically important: on the way inbound, our customer must have properly cited “22 CFR 123.4(a)(1)” as the authority to import, using the appropriate Customs form (see below). When clearing the goods through Customs, our Customs broker or freight-forwarder must insure that he cites this in the entry document. Otherwise this exemption may not be used. Here is a quote from the ITAR:

(1) At the time of temporary import—

(i) File and annotate the applicable U.S. Customs and Border Protection document (e.g., Form CF 3461, 7512, 7501, 7523 or 3311) to read: “This shipment is being imported in accordance with and under the authority of 22 CFR 123.4(a) (identify subsection),” and

(ii) Include, on the invoice or other appropriate documentation, a complete list and description of the defense article(s) being imported, including quantity and U.S. dollar value.

6. Put another way, if a defense article arrives for repair without proper import credentials, you cannot ship it back to the customer without applying for and securing a permanent export license (DSP-5) from the State Department.

7. Possible ITAR Violation. The event described in the previous paragraph may in fact count technically as a violation of the ITAR, depending on details. While permanent imports of defense articles do not require an ITAR license at all, temporary imports (which repairs by definition are) cannot be made without a license (DSP-61) or a perfected § 123.4(a)(1) exemption, except from Canada, which uses the exemption in § 126.5(a). Contact the Compliance Officer immediately if this happens.

12.3 TEMPORARY IMPORTS OF DEFENSE ARTICLES FROM CANADA (“CANADIAN EXEMPTION”)

Repairs of defense articles inbound from Canada are covered by a different part of the ITAR, § 126.5(a). The shipping documents should state this on the inbound. And outbound you must do so, too – not just in your invoice or waybill etc., but also in your AES filing. (Permanent exports to Canada under license exemption are a bit more complicated and are not detailed here. See your Export Compliance Officer.)

The ITAR rule governing Canadian temporary import from Canada is this:

“... the temporary import and return to Canada without a license of any unclassified defense articles (see § 120.6 of this subchapter) that originate in Canada for temporary use in the United States and return to Canada ….”

There is really no more to it than that. There is not even a requirement to use certain forms (e.g., Form CF 3461, 7512, 7501, 7523 or 3311), such as is required for § 123.4 temporary imports from countries other than Canada. So the only real procedural requirements come from outside § 126.5 altogether, i.e. the shipping label verbiage required by ITAR 123.9 (b). Still, every cross-border transaction of controlled goods,
import or export, under license exemption or license exception, must be recorded and documented, with files created and maintained on a transaction basis. This is because even no-license-required (“NLR”) imports/exports can be "trumped" by prohibited parties, end-uses, end-users or ultimate destinations. And without proper records, one cannot know (or prove to regulators) that a given shipment did not contravene such prohibitions.

**Shipment Label “Placard”**. There is a minimum phrase that must be placed on the paperwork for all outbound (export) shipments. We recommend you put it on the invoice, bill of lading, air waybill, etc. for all exports of defense articles, including the return leg of a § 126.5(a) temporary import from Canada.

"These commodities are authorized by the U.S. Government for export only to [insert country of ultimate destination] for use by [insert end-user]. They may not be transferred, transshipped on a non-continuous voyage, or otherwise be disposed of in any other country, either in their original form or after being incorporated into other end-items, without the prior written approval of the U.S. Department of State."

**EXCEPTIONS TO THE RULE.**

Defense articles inbound temporarily from Canada, repaired, then outbound to third country: Get a DSP-61 temporary import license from DTC (see ITAR § 123.3).

Defense articles inbound temporarily from Canada, improved or upgraded, then outbound to third country: (i) import using § 123.4(b) to make the improvement and (ii) export using a new DSP-5. Note: § 123.4(b) is not for the permanent import of goods. Also, read the “requirements” in § 123.4(c).
12.4 PERMANENT IMPORTS OF DEFENSE ARTICLES

PERMANENT IMPORTS NORMALLY DO NOT REQUIRE ANY state department LICENSE since state has no jurisdiction over them (cf. ITAR § 120.5). It is BATF that has jurisdiction over permanent imports of defense articles. But their "import certificate", called "form 6", is only required for a subset of categories of goods found on the U.S. munitions import list, which in turn is a subset of the USML. Under the Export Control Reform initiative, eventually the USML will gain an autonomous status, as opposed to being defined only in terms of the USML. But for now this graphic shows the USML.

US Munitions Import List is a subset of the ITAR’s USML

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Firearms, Close Assault Weapons &amp; Combat Shotguns</td>
</tr>
<tr>
<td>II</td>
<td>Guns and Ammunition</td>
</tr>
<tr>
<td>III</td>
<td>Ammunition/Ordnance</td>
</tr>
<tr>
<td>IV</td>
<td>Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs and Mines</td>
</tr>
<tr>
<td>V</td>
<td>Explosives and Energetic Materials, Propellants, Incendiary Agents and Their-Constituents</td>
</tr>
<tr>
<td>VI</td>
<td>Vessels of War and Special Naval Equipment</td>
</tr>
<tr>
<td>VII</td>
<td>Tanks and Military Vehicles</td>
</tr>
<tr>
<td>VIII</td>
<td>Aircraft &amp; Associated Equip</td>
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<tr>
<td>IX</td>
<td>Military Training Equipment</td>
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<tr>
<td>X</td>
<td>Protective Personnel-Equip</td>
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<tr>
<td>XI</td>
<td>Military-Electronics</td>
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</tbody>
</table>

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<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>XII</td>
<td>Fire-Control, Range-Finder, Optical and Guidance and Control Equipment</td>
</tr>
<tr>
<td>XIII</td>
<td>Auxiliary Military-Equip</td>
</tr>
<tr>
<td>XIV</td>
<td>Toxicological Agents, Including Chemical Agents, Biological Agents, Associated Equip</td>
</tr>
<tr>
<td>XV</td>
<td>Spacecraft Systems and Associated-Equipment</td>
</tr>
<tr>
<td>XVI</td>
<td>Nuclear Weapons, Design and Testing Related Items</td>
</tr>
<tr>
<td>XVII</td>
<td>Classified Articles, Technical Data and Defense Services Not Otherwise Enumerated</td>
</tr>
<tr>
<td>XVIII</td>
<td>Directed-Energy-Weapons</td>
</tr>
<tr>
<td>XX</td>
<td>Submersible Vessels, Oceanographic and Assoc. Equipment</td>
</tr>
<tr>
<td>XXI</td>
<td>Miscellaneous Articles</td>
</tr>
</tbody>
</table>

12.5 SHIPPING PLACARDS

Note: All export shipments must carry certain warning labels or “placards,” also referred to as disclaimers.” See ¶ 16.15, below.

12.6 PURCHASING

• When procuring for the purpose of exporting material overseas, always make sure to ask for the ITAR or ECCN classifications from the manufacturer. Additionally, ask for the Schedule “B” Harmonized code. If any issues arise concerning this requirement, refer the matter to the Empowered Official.

• Always allow ample time in the case of license needs to assure approval from the appropriate Federal agency.

• If certain controlled hardware is brought into the U.S. on a temporary basis (for a demonstration, development or testing), a Temporary Import license may be required (DSP-61) for the purpose of returning same equipment to its overseas origin.
12.6.1 Always Seek Written Classifications Of Goods

When we export, we must know whether our goods are under the jurisdiction of the ITAR or the EAR, and the detailed USML or CCL classification. If we export something we buy in the U.S., or if we incorporate those U.S. goods in a larger system that we then export, the manufacturer or vendor of those items is the best source of product classification information. Certainly manufacturers are the best source of USML/CCL identification. If we are buying from distributors or vendors rather than the OEM, it is less likely, but still possible, that these intermediaries will know the classification of the good. That is why our policy, when buying anything that we may later export, or incorporate into a system that we may export, is always to ask the source of the item for its classification.

- If the product’s source knows the classification, get it in writing from that source. An email is as good as a formal product brochure for this purpose, provided the source or OEM is identified. Likewise, if the source of the item advertises, say, “USML Cat. VIII(h)” or maybe “EAR99” in its catalog or on its Website, that is fine – but print and keep a copy. Your notes from a telephone call are not credible, since an export problem later on would turn those phone notes into a he-said/she-said validity. As with most export-compliance issues, “if you don’t have it in writing, it didn’t happen”.

12.6.2 How to Deal With Overly-Curious OEMS or Vendors When Purchasing Items

When any entity in the U.S. exports licensable goods, it is mandatory to know the USML or CCL classification, so that proper licensing and security for the export can be arranged. And for all exports – even of low-sensitivity EAR99 items – we must always document the end-use and end-user of the goods as well as the item classifications. This is why we routinely and formally ask our overseas customers about the end-use and end-user for every export transaction, and of course we get it in writing. But if we sell ITAR goods to a “U.S. Person” here in the U.S., this is not an export, and therefore that information is not required.²

- Along this line, occasionally, a manufacturer or vendor in the U.S. from whom we purchase goods may ask detailed questions about the end-use of the items we are buying. Usually, this is just the OEM trying to exercise his due-diligence, just as we do. For ITAR or sensitive EAR items he is entitled to satisfy himself that selling to WPC will not count as an export. Even if we are reselling the OEM’s item to our overseas customers, this is still not an export transaction from the OEM’s perspective, provided the OEM is delivering to WPC in the U.S.

- Sometimes that OEM may ask unwarranted and intrusive details about our use of the item, whether we will in turn export it, and if so to whom and for what purpose. Normally this circumstance is just due to overzealousness or ignorance of US export control rules on the part of the OEM. Other times, however, an OEM or vendor may be misusing reference to export rules to conduct business intelligence. Either way, intentional or misguided, once we provide the correct assurances in writing to the OEM to demonstrate that for them this transaction is not an export, they are not

² There are certain exceptions, such as selling or shipping licensable goods to a foreign embassy, a freight-forwarder or customs broker, all of which are presumptive exports, or to a foreign person in the U.S., which counts as an export. When in doubt, consult WPC’s Export Compliance Officer.
entitled under the ITAR or EAR to further details about our business plans. Please report any such unwarranted or suspicious inquiries to WPC’s Export Compliance Officer.

13 TRAINING

• Periodic yearly training for Export Compliance will be done by division heads or the Export Compliance Officer for all individuals with supervisory or shipping responsibilities.

• All newly hired employees will be provided a special training session which will be conducted no later than one week from the actual start date. Training classes will be offered on a frequency determined by the ECO.

• Focused training will be made available as it becomes necessary. Employees and Department heads are encouraged to request special training on the specific issues that they may be facing.

• The company maintains an export training website that is used for periodic update training and testing of all employees in ITAR and EAR procedures.

• A log sheet with all attendees’ names and signatures will be forwarded and retained in the ECO’s file following each training session.

14 VIOLATIONS

14.1 AUDITING

The company ECO will organize periodic audits to insure compliance with the export rules that affect WPC. An audit of one scope or another may also be appropriate if the ECO has determined there have been possible violations.

The audit process involves a review of ITAR/EAR-related procedures and includes examination of organizational structure, reporting relationships, and individuals assigned to export/import controls process.

Internal export-compliance audits will emphasize verification and validation of full ITAR/EAR compliance, including adherence to license provisos and other requirements. Audits will also include random reviews of recordkeeping and related document transfer, maintenance and retention practices.

Internal audits will use a “process” auditing approach that traces export compliance processes to their functional roots. This approach documents existing deficiencies, and permits the focused remediation of policies, processes and practices to prevent violations from occurring.

Continuous export control self-assessment by business unit or function is a best practice that complements and ensures a successful ITAR/EAR compliance program.

14.2 PROCEDURES REGARDING SUSPECTED VIOLATIONS

All violations or suspected violations of the above referenced policy and procedures must be reported at once to your direct supervisor and the company Export Compliance Officer, Cesar Garza at (817) 536-2861, or e-mail at cgarza@crowcomponents.com.

Reports may be submitted via email or hard copy with the following details:

• Your full name and department where you work
• Your work telephone number and extension
• A brief description of the potential violation, the date of occurrence and the people involved
• Any additional relevant information relating to this potential violation

In the event of emergency, reports can be submitted telephonically by contacting our Export Compliance Officer. In addition, any report may be submitted anonymously, although please be advised that e-mail or telephonic submissions may reflect the e-mail address or telephone number from which they are originated.

In addition to reporting a problem, you must:
• **Hold the Transaction.** Stop processing the transaction if it has not already been completed and suspend all communications with foreign nationals in connection with the transaction.
• **Notify Compliance Personnel.** Contact the Export Compliance Officer or Empowered Official.
• **Preserve Documentation.** Pull together the relevant records or files, then forward them to the Export Compliance Officer. *Do not destroy any related electronic or physical communications.*
• **Maintain Confidentiality.** Do not discuss the matter with third parties or other employees. Communications between WPC and its outside legal counsel are generally protected from discovery (access to the information by outsiders) under the attorney-client privilege. We can waive (or lose) this privilege, however, if the communications are revealed to non-WPC personnel or even to WPC personnel who do not have a need to know the information. Therefore, it is critical that you keep strictly confidential your communications with Export Compliance Officer regarding possible violations of U.S. law. *Under no circumstances may you share privileged communications with other WPC employees or with non-WPC personnel. Do not email anyone about these situations except the Export Compliance Officer or WPC’s legal counsel.*

In the event you receive a visit from a government investigator or law enforcement agent, or receive a subpoena, contact the Export Compliance Officer immediately and await further instructions.

**Upon receipt of a report of a suspected violation, the Export Compliance Officer will initiate several steps:**
• The ECO will immediately advise the COO and CEO of such reports.
• The ECO will perform an initial investigation and will take ‘ad-hoc’ measures to correct the problem or violation.
• The ECO will convene an Incident Review Board (IRB) to further review the violation. The IRB will comprise of COO, CEO and all department heads.
• The IRB will further investigate the violation and will recommend a remedial course of action.
• The ECO will incorporate the corrective action into the Export Compliance Manual when appropriate, as an Addendum.

14.3 Voluntary Disclosures ("VD") and Voluntary Self-Disclosures ("VSD")

When it comes to export-related activities, even with the best of intentions, companies sometimes make mistakes. When exporters discover such errors, the regulators encourage companies to report this to the appropriate authorities on their own initiative, and to take needed corrective actions, instituting new procedures as necessary to prevent such mistakes from recurring.

The ECO, in concert with WPC management and, as needed, company legal counsel, will make a determination whether a deviation from our internal export compliance procedures rises to a level that warrants either a Voluntary Disclosure ("VD") under § 127.12 of the ITAR to State/DDTC, or a Voluntary Self-Disclosure ("VSD") under § 764.5 of the EAR to Commerce/BIS, or both.

15 Red Flags

Red Flags are pieces of information coming from various sources that indicate that a problem may exist. If something irregular gets your attention, assess the situation, gather details and inform the proper authority.

You must look at the information presented by each customer, their address, shipping instructions, country of destination, and the potential for diversion of the product. In all instances be alert, discriminating and vigilant.

This list is from Part 732 of the EAR, but these common-sense rules of thumb serve as red flags when it comes to ITAR-jurisdiction goods, as well.

Examples:

1. The customer or purchasing agent is reluctant to offer information about the end-use of a product.
2. The product's capabilities do not fit the buyer's line of business; for example, a small bakery places an order for several sophisticated lasers.
3. The product ordered is incompatible with the technical level of the country to which the product is being shipped. For example, semiconductor manufacturing equipment would be of little use in a country without an electronics industry.
4. The customer has little or no business background.
5. The customer is willing to pay cash for a very expensive item when the terms of the sale call for financing.
6. The customer is unfamiliar with the product's performance characteristics but still wants the product.
7. Routine installation, training or maintenance services are declined by the customer.
8. Delivery dates are vague, or deliveries are planned for out-of-the-way destinations.
9. A freight-forwarding firm is listed as the product's final destination.
10. The shipping route is abnormal for the product and destination.
11. Packaging is inconsistent with the stated method of shipment or destination.
12. When questioned, the buyer is evasive or unclear about whether the purchased product is for domestic use, export or reexport.

13. You receive an order for “parts” or “components” for an end item in the “600 series.” The requested “parts” or “components” may be eligible for License Exception STA, another authorization, or may not require a destination-based license requirement for the country in question. However, the requested “parts” or “components” would be sufficient to service one hundred of the “600 series” end-items, but you “know” the country does not have those types of end items or only has two of those end items.

14. The customer indicates or the facts pertaining to the proposed export suggest that a “600 series” item may be reexported to a destination listed in Country Group D:5 (see Supplement No. 1 to part 740 of the EAR).
16 DOCUMENTS AND FORMS

16.1 END-USER / END-USE STATEMENT

**THIS FORM MUST BE COMPLETED**

**IN ORDER TO PROCESS YOUR SHIPMENT/PURCHASE ORDER**

<table>
<thead>
<tr>
<th>Date:</th>
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</thead>
<tbody>
<tr>
<td>Company:</td>
</tr>
<tr>
<td>Address:</td>
</tr>
</tbody>
</table>

[No Post Office Box allowed in address, please]

Reference your Purchase Order or Contract # _____________________

It is our policy to verify the end-use and end-user in all product sales/shipments to ensure compliance with applicable U.S. export control laws and regulations. Because the products you are purchasing/receiving may be exported and used outside the United States, please confirm the following:

1. Country of ultimate end-use [if not for export, enter N/A]: __________________________________________________________
2. End-User Name/Address: __________________________________________________________
3. Your Customer Name: __________________________________________________________
   [If different from End-User]
4. Intermediate Consignee: __________________________________________________________
   [Name / Address / Telephone of any entities between your customer and the End-User]
5. Intended end-use: __________________________________________________________
   [Include the all-up system (e.g. specific aircraft name), plus the immediate subsystem into which our item(s) installs]

Also please certify to the following:

1. I (We) understand and agree that these commodities, software and technology (collectively, “Items”) are authorized by the U.S. Government for export only to the stated country of ultimate destination for use by the stated end-user. They may not be transferred, transshipped on a non-continuous voyage, or otherwise be disposed of in any other country, either in their original form or after being incorporated into other end-items, without the prior written approval of the U.S. Department of State, or the U.S. Department of Commerce, as appropriate.
2. I (We) will not sell, transfer, export or re-export any item for use in activities, which involve the development, production use or stockpiling of nuclear, chemical or biological weapons or missiles, nor use products in any facilities which engage in activities relating to such weapons.
3. I (We) acknowledge that U.S law prohibits the sale, transfer, export or re-export or other participation in certain transactions involving products with individuals or companies listed in the U.S Commerce Department's table of Denial Orders, the U.S Department of State’s list of individuals debarred from receiving Munitions List items, the OFAC Specially Designated Nationals and other Blocked Persons list or other similar lists published by agencies of the U.S Government.
4. I (We) will abide by all applicable U.S export control laws and regulations for any products purchased from Crow Precision Components, LLC d/b/a W. Pat Crow, and will obtain any licenses or prior approvals required by the U.S Government before exporting or re-exporting I (We) will safeguard such Items in a reasonable manner that will exhibit full control.
5. I (We) agree that all the export control requirements in No. 1-4 above shall survive the completion, early termination, cancellation or expiration of the applicable purchase order, agreement or contract.

_________________________  ___________________________  ___________________________
Signature  Print Name and Title  Date

 Printed Copies are Uncontrolled Unless in a Controlled Binder
16.2 EXPORT-RELATED DISCLAIMER/ASSURANCE – FOR OVERLY CURIOUS US VENDORS

Export-Related Disclaimer/Assurance

Related Purchase Order or Invoice number: ________________

Thank you for your inquiry about such details as the end-use, end-user, destination, aircraft or weapon system, or similar, regarding the disposition of the item(s) we ordered from you.

All such information is proprietary to Crow Precision Components, LLC d/b/a W. Pat Crow (“WPC”). We appreciate that your inquiry is made in the spirit of your insuring compliance with the export-control provisions of the International Traffic in Arms Regulations (“ITAR”) and of the Export Administration Regulations (“EAR”). Accordingly, we hereby assure you that:

• WPC is a U.S. Person engaged in the lawful buying and selling of defense articles and commercial items.
• WPC is not a foreign embassy.
• With regard to this transaction, WPC purchasing the item(s) for resale, and is not acting as a freight-forwarder/customs-broker for any other entity.
• WPC maintains a current registration with the State Department’s Directorate of Defense Trade Controls, as well as current DDTC/D-Trade and BIS/SNAP-R licensing accounts.
• WPC creates and retains its records in accordance with provisions of the United States’ export-control regulations, including but not limited to § 122.5, § 123.26, and § 125.6 of the ITAR, and by Part 762 of the EAR.
• **WPC understands its obligations under the ITAR and EAR, and hereby assures you that, if WPC intends to sell or transfer these item(s) in a way that creates an export, WPC will secure any needed export license, or insure a perfected license exemption/exception. In any such case, WPC would be the exporter-of-record and USPPI, which, coupled with the above-listed disclaimers and assurances, would relieve you, the seller, of any residual export-related liability.**

If you have any further questions along this line, please feel free to contact me directly. Please fill in the box below my signature block.

Thank you,

Cesar Garza, WPC Empowered Official

___________

Date

As your inquiry suggests that the item(s) is export-sensitive, please list the USML category or ECCN for the item(s) in the following space, and return to us at your earliest convenience: ________________.

Note: If you list the item(s) as on the USML, and you are its manufacturer, then 22 CFR 122.1 requires that you maintain a current DTC registration. Please provide confirmation that you are so-registered by returning a copy of this form to WPC, signed and dated here by an Empowered Official:

________________________

________________________

___________

Printed name/title Signature Date
16.3 PRODUCT CLASSIFICATION PROCEDURES

Classification Flow Chart
(Procedure to be followed by Empowered Official)

First Stage:
Rule the ITAR In or Out

- Always start by asking your source / manufacturer (Get it in writing)
- If manufacturer gives you written classification, you normally never challenge it, unless you have strong reason to believe it is wrong. A CJ requires formal written permission and letter from the manufacturer.

Mild red flags:
• has an NSN
• made per a MilSpec etc.

Remember:
Intended end-use after export is irrelevant

Crucial ITAR indicator:
Was designed or modified for a military use

Google Part No./Name:
Look for military context in seller or part-description

If not ITAR jurisdiction, proceed to EAR classification - but if not sure, seek CJ from State/DDTC.

Second Stage:
Choose ECCN family(ies) and Rule ECCNs In or Out. If military, first check the 600-Series ECCNs.

- Always start by asking your source / manufacturer (Get it in writing)
- If manufacturer gives you written classification, you normally never challenge it, unless you have strong reason to believe it is wrong. “Ask the Manufacturer” is one of the three DOC-accepted methods of classification.

Find likely ECCNs by using the ECCN structure

Find ECCNs also via keyword-searching EAR

Review by ECCN family, high-to-low e.g. 3A001 → 3A101 → 3A201 → 3A991
If no ECCN captures the item → EAR99

CONCLUSION:
• If high confidence, then self-classify
• If in doubt, seek CCATS from Commerce
• Always document every classification.
### 16.4  CUSTOMER / PROJECT SHIPPING AUTHORIZATION

#### CUSTOMER/PROJECT SHIPPING AUTHORIZATION

**Date:** __________ / __________ /2015

<table>
<thead>
<tr>
<th>Project / Customer Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship-To Address:</td>
</tr>
</tbody>
</table>

Please describe the hardware, WPC software and 3\textsuperscript{rd} party software as detailed on the Packaging Slip:

________________________________
________________________________
________________________________

Please describe any special circumstances about this shipment:

________________________________
________________________________
________________________________

**COMPLETED PACKING LIST MUST ACCOMPANY THIS AUTHORIZATION**

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
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</table>

**AUTHORIZATIONS:**

<table>
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<tr>
<th>NAME</th>
<th>TITLE</th>
<th>DATE</th>
<th>SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cesar Garza</td>
<td>Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ben Eubanks</td>
<td>Export Compliance Officer</td>
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</tr>
<tr>
<td></td>
<td>Quality Manager/Empowered Official</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 16.5 Packaging Slip (Copy to Accompany Shipment)

**Packaging Slip**

Crow Precision Components, LLC  
d/b/a W. Pat Crow  
200 Luxton, Fort Worth TX 76104-1720  
PHONE: (817) 536-2861, FAX: (817) 531-2196  
WWW.WPATCROW.COM.

**DATE:** FEBRUARY 19, 2015

<table>
<thead>
<tr>
<th>SHIP TO</th>
<th>BILL TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Name]</td>
<td>[Name]</td>
</tr>
<tr>
<td>[Company Name]</td>
<td>[Company Name]</td>
</tr>
<tr>
<td>[Street Address]</td>
<td>[Street Address]</td>
</tr>
<tr>
<td>[City, ST ZIP Code]</td>
<td>[City, ST ZIP Code]</td>
</tr>
<tr>
<td>[Phone]</td>
<td>[Phone]</td>
</tr>
</tbody>
</table>

Customer ID [ABC12345]

<table>
<thead>
<tr>
<th>ORDER DATE</th>
<th>ORDER NUMBER</th>
<th>EXPORT LICENSE # or EXEMPTIONS/EXCEPTIONS USED</th>
<th>JOB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>DESCRIPTION</th>
<th>USML or ECCN</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country of Ultimate Destination:</th>
<th>End-User and End-Use:</th>
</tr>
</thead>
</table>

**Important Notice to Intermediates and End-Users:**

**International Traffic in Arms Regulations §123.9(b)**

These commodities are authorized by the U.S. Government for export only to [country of ultimate destination] for use by [end-user] under [license or other approval number or exemption citation]. They may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption.

**Export Administration Regulations §758.6**

These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations or the International Traffic in Arms Regulations, as indicated above. Diversion contrary to U.S. law is prohibited.

Note if “600-series ECCN: the ECCN for each “600 Series” item being exported must be printed on the invoice and on the bill of lading, air waybill, or other export control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad.
### 16.6 Packaging Slip (Copy to verify contents; must be retained in file)

**Packaging Slip**
(Copy for inventory check. Must be signed by ECO and retained.)

Crow Precision Components, LLC  
d/b/a W. Pat Crow  
200 LUXTON, FORT WORTH TX 76104-1720  
PHONE: (817) 536-2861, FAX: (817) 531-2196, WWW.WPATCROW.COM.  

**DATE:** FEBRUARY 19, 2015

<table>
<thead>
<tr>
<th><strong>Ship To</strong></th>
<th>[Name] [Company Name] [Street Address] [City, ST ZIP Code] [Phone] Customer ID [ABC12345]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bill To</strong></td>
<td>[Name] [Company Name] [Street Address] [City, ST ZIP Code] [Phone] Customer ID [ABC12345]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Order Date</strong></th>
<th><strong>Order Number</strong></th>
<th><strong>Export License # or Exemptions/Exceptions Used</strong></th>
<th><strong>Job</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Item #</strong></th>
<th><strong>Item Description</strong> – 2 WPC employees must witness contents, checkmark &amp; sign</th>
<th><strong>USML or ECCN</strong></th>
<th><strong>QTY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**Country of Ultimate Destination:**  

**End-User and End-Use:**

<table>
<thead>
<tr>
<th>Important Notice to Intermediates and End-Users:</th>
<th>___ International Traffic in Arms Regulations §123.9(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>These commodities are authorized by the U.S. Government for export only to [country of ultimate destination] for use by [end-user] under [license or other approval number or exemption citation]. They may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any other person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption.</td>
<td></td>
</tr>
<tr>
<td>___ Export Administration Regulations §758.6</td>
<td></td>
</tr>
<tr>
<td>These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations or the International Traffic in Arms Regulations, as indicated above. Diversion contrary to U.S. law is prohibited. Note if “600-series ECCN: the ECCN for each “600 Series” item being exported must be printed on the invoice and the bill of lading, air waybill, or other export control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad.</td>
<td></td>
</tr>
<tr>
<td><strong>Export License #:</strong></td>
<td>Name/Sig/Date – ECO or Empowered Official:</td>
</tr>
</tbody>
</table>

Note: Witnesses must check off each line item in yellow column and sign to verify accuracy.
# 16.7 Export-Control Checklist

## Export-Control Checklist

(Required before any item is exported. Keep in the transaction file.)

### STEP# 1

<table>
<thead>
<tr>
<th>USML or ECCN</th>
<th>CHECK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If EAR99 CONTINUE TO STEP# 2

If ECCN, list Reason(s) for control:

If ECCN, consult Country Chart

License Required: YES NO

If No, USE “NLR”

If YES, Exceptions/Exemptions?

---

YES NO

* If one is available use it

* If there is none available, submit an application for a license

### STEP# 2

END - USER

END - USE

### STEP# 3


Or else you can check the 7 databases below (See ¶ 4.6, above, for more details on these checks)

1. STATE DEBAR (STATUTORY)
2. STATE DEBAR (ADMINISTRATIVE)
3. STATE EMBARGOED OR STRONGLY SANCTIONED COUNTRY LIST
4. BIS DENIED PERSONS
5. BIS ENTITY LIST
6. BIS UNVERIFIED
7. SYSTEM FOR AWARD MANAGEMENT (formerly “Excluded Parties List”)
STEP# 4

General Prohibitions  (per EAR Part 736.2(b), but also as best-practice to ITAR items)

1. You may not, without a license or License Exception export or reexport controlled items to listed countries.

2. You may not, without a license or license exception, export or reexport from abroad, foreign-made items containing more than a \textit{de minimis} amount of controlled U.S. content to listed countries.

3. You may not, without a license or license exception, export or reexport from abroad, foreign-produced items that are a direct product of U.S. technology and software.

4. You may not take any action prohibited by a denial order issued under part EAR Part 766.

5. You may not, without a license or license exception, export or reexport any item subject to the EAR to an end-user or end-use that is prohibited by EAR Part 744.

6. You may not without a license exception export or reexport items subject to U.S. jurisdiction to countries embargoed by the U.S. or otherwise made subject to controls. (Cuba, Iran, Syria, North Korea and Sudan) (other Sanction/ controls Iraq and Rwanda)

7. You may not without a license, knowingly export or reexport to an end-use or end-user prohibited by part 744 (Nuclear proliferation, Missile Technology, Chemical/Biological Weapons).

8. You may not export or reexport an item through or transit through certain countries unless authorized by a license or license exception, or export/reexport is eligible to such country without a license. (Armenia, Azerbaijan, Belarus, Cambodia, Cuba, Georgia, Kazakhstan, Kyrgyzstan, Laos, Mongolia, North Korea, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Vietnam).

9. You may not violate any term or condition of a license or license exception nor violate any order issued under or made part of the EAR [or ITAR].

10. You may not proceed with transactions with knowledge that a violation has occurred or is about to occur.

NAME:  __________________________________________

DATE:  __________________________________________

SIGNATURE:  ____________________________________
STEP# 5

14 Red Flags (EAR Part 732, Supplement No. 3)

Possible indicators that an unlawful diversion might be planned by your customer include the following:

1. The customer or purchasing agent is reluctant to offer information about the end-use of a product. The customer or purchasing agent is reluctant to offer information about the end-use of the item.

2. The product's capabilities do not fit the buyer's line of business; for example, a small bakery places an order for several sophisticated lasers.

3. The product ordered is incompatible with the technical level of the country to which the product is being shipped. For example, semiconductor manufacturing equipment would be of little use in a country without an electronics industry.

4. The customer has little or no business background.

5. The customer is willing to pay cash for a very expensive item when the terms of the sale call for financing.

6. The customer is unfamiliar with the product's performance characteristics but still wants the product.

7. Routine installation, training or maintenance services are declined by the customer.

8. Delivery dates are vague, or deliveries are planned for out-of-the-way destinations.

9. A freight forwarding firm is listed as the product's final destination.

10. The shipping route is abnormal for the product and destination.

11. Packaging is inconsistent with the stated method of shipment or destination.

12. When questioned, the buyer is evasive or unclear about whether the purchased product is for domestic use, export or reexport.

13. You receive an order for “parts” or “components” for an end item in the “600 series.” The requested “parts” or “components” may be eligible for License Exception STA, another authorization, or may not require a destination-based license requirement for the country in question. However, the requested “parts” or “components” would be sufficient to service one hundred of the “600 series” end-items, but you “know” the country does not have those types of end items or only has two of those end items.

14. The customer indicates or the facts pertaining to the proposed export suggest that a “600 series” item may be reexported to a destination listed in Country Group D:5 (see Supplement No. 1 to part 740 of the EAR).

NAME: ____________________________________________

DATE: ____________________________________________

SIGNATURE: ________________________________________
16.8 TECH DATA EXPORT LOG

<table>
<thead>
<tr>
<th>EXPORT or DISCLOSURE DATE</th>
<th>QTY</th>
<th>COMMODITY (Include USML or ECCN)</th>
<th>SHIPMENT VALUE ($US)</th>
<th>CUMULATIVE VALUE ($US)</th>
<th>EXPORTED OR DISCLOSED TO WHAT PARTY</th>
<th>SIGNATURE</th>
<th>PORT OF EXIT or TRANSMISSION METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTES OF INTEREST

THIS FORM IS NORMALLY FOR ONE TECH DATA LICENSE, OR FOR ONE AGREEMENT WITH ASSOCIATED "IN FURTHERANCE OF" DSP-LICENSES, OR FOR MANY LICENSE EXCEPTIONS OR EXEMPTIONS

- Line item shipment values must be aggregated in the "Cumulative Value" column, so as not to exceed authorized value of the license/agreement

KEEP THE ORIGINAL OF THIS FORM FOR AT LEAST FIVE YEARS AFTER EXPIRATION OR TERMINATION OF THE LICENSE OR AGREEMENT:

- If this form is used in a notification to an agency, send a copy only, and maintain the original in the related export transaction file.

COMMON ITAR EXEMPTIONS AND EAR EXCEPTIONS USED IN EXPORTING TECH DATA:

- ITAR § 123.22(b)(3) – Tech data under a technical data license (DSP-5), or in furtherance of a TAA or MLA, or exports under a specific exemption. NOTE: THE 1ST SUCH TECH DATA EXPORT MUST ALSO BE NOTIFIED IN WRITING TO DDTC, IN ADDITION TO MAINTAINING THIS ENDORSEMENT FORM. PENDING AVAILABILITY OF FORM DS-4071 IN THE D-TRADE SYSTEM, THIS FORM MAY BE USED FOR THAT NOTIFICATION OF INITIAL EXPORT, TOGETHER WITH A TRANSMITTAL LETTER.

- ITAR § 125.4 and § 123.22(b)(3)(ii) – Exports of technical data in furtherance of an agreement exported using a U.S. port

- ITAR § 125.4(b)(4) – Copies of tech data previously authorized for export to the same recipient, provided revisions (if any) are solely editorial and do not go beyond what was originally authorized for export.

- ITAR § 125.4(b)(5) – Basic O&M – basic operations, maintenance and training & related manuals regarding previously authorized defense articles

- ITAR § 125.4(b)(9) – Tech data sent by a U.S. corporation (including via e-mail) to a U.S. person employed by that corporation overseas (certain restrictions apply to all these exemptions, so the full ITAR section must be reviewed).

- EAR § 740.9(a) – "TMP" – Temporary exports, reexports and transfers, including software and tech data as employee "tools of the trade"

- EAR § 740.13 – "TSU" – This license exception is similar to the Basic O&M exemption, allowing training and manuals for normal maintenance and operations.

ALL TECH DATA EXPORTS MUST BE CERTIFIED IN WRITING, INCLUDING SPECIFYING THE LICENSE OR EXEMPTION (cf. § 125.6):

- For tech data physically sent, such as with drawings or on CD-ROM, the exporter must put in an envelope, then mark the envelope "License N or ITAR exemption N applicable. This export has also been notified directly to DDTC per ITAR § 123.22(b)." Include a copy of this form. This envelope then goes into a normal mailing envelope such as FedEx, UPS, or USPS. For now notify DDTC via paper, eventually DS-4071 via D-Trade.

- For tech data exports that are oral, visual or electronic, the exporter must memorialize this in writing. This form is suitable for that.

WHEN A TAA OR MLA REQUIRES SUBMITTING SIGNED DSP-83s:

- When a requirement is placed upon the applicant to execute DSP-83s for the transfer of classified technical data or technical data for the manufacture of SME abroad, the applicant must submit the original signed DSP-83s to DDTC along with the executed copy of the agreement or amendment.

- If the agreement involves the transfer of SME or classified defense articles, a DSP-83 must be submitted along with the DSP-5 or DSP-85 license request for shipment of hardware in furtherance of the agreement.

  A copy of each DSP-83 must be maintained by the applicant. Note: when a license request is submitted electronically via D-Trade, it is not possible to include the original DSP-83, so a scan PDF is included and the original DSP-83 maintained by the applicant.

Page 48 of 72

Printed Copies are Uncontrolled Unless in a Controlled Binder
16.9 NOTIFICATION OF INITIAL EXPORTS OF TECH DATA UNDER A TAA OR MLA

In addition to maintaining a comprehensive log of tech data exports under any approval or ITAR/EAR exemption, the first tech data export under an ITAR Agreement must also now be notified in writing to DDTC. WPC will use the form below as a transmittal letter, and attach a copy of the Tech Data Export Log in 15.5, above. This is an interim measure. DDTC plans eventually to make available a Form DS-4071 in D-Trade to be used for such notifications. On the other hand, plans for the DS-4071, including a draft form and guidelines, have been published since 2005, so we do not know how long a temporary solution this is.

Mr. Tony Dearth, Director
Office of Defense Trade Controls Licensing
Directorate of Defense Trade Controls
Bureau of Political Military Affairs
U.S. Department of State
2401 E Street, NW
Washington, DC 20037

REGISTRANT CODE:  M12155

SUBJ:  Notification of Initial Exports of Technical Data and/or Defense Services per 22 CFR 123.22(b)(3)

ENCL:  SELF-ENDORSEMENT OF EXPORT OF ITAR-COVERED TECH DATA BY LICENSE OR EXEMPTION

VIA FEDEX

Dear Mr. Dearth:

Pending the availability of Form DS-4071 in D-Trade, we hereby notify DDTC of the initial export of technical data under Agreement number TA ______-11. Details are in the enclosed form. [Attach the Tech Data Export Log from previous section]

Under penalty according to federal law (22 CFR 127.2; 22 USC 2278; 18 USC 1001) I, ________________, as authorized by MW Crow, Inc. d/b/a W. Pat Crow, warrant the truth of the statements made herein.

Sincerely,

[name]
16.10 TRACKING AND REPORTING THE VALUE OF EXPORT LICENSES

Decrementing cumulative authorized values of tech data licenses.

We have a system to track ongoing residual value of export licenses, including TAAs and licenses in furtherance of Agreements. This is often called decrementing.

On the left is an example of a format appropriate for a TAA. Below are sample formats for licenses such as a Commerce license and a State DSP-5 for permanent export. Our empowered official maintains these forms for all ongoing approvals.

Commerce has certain notification & tracking requirements. In certain other cases, notifications of initial tech data exports must also be filed with the State Department per § 123.22(b)(3) of the ITAR.

In addition to that initial notification to DDTC, all exports of tech data also requires a separate tech data exports log, and reporting requirements. We have transaction log forms for all that, as well.

<table>
<thead>
<tr>
<th>E/L NO.</th>
<th>EXP DATE</th>
<th>E/L AMOUNT</th>
<th>PARTS AND COMPONENTS FOR commercial aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>INT011-483</td>
<td>03/22/13</td>
<td>$3,397.95</td>
<td>76,602.05</td>
</tr>
<tr>
<td>INT011-487</td>
<td>04/02/13</td>
<td>$67.41</td>
<td>76,534.64</td>
</tr>
<tr>
<td>INT020-621</td>
<td>04/18/13</td>
<td>$14.14</td>
<td>19,634.50</td>
</tr>
<tr>
<td>INT020-625</td>
<td>04/18/13</td>
<td>$4,357.85</td>
<td>4,660.20</td>
</tr>
<tr>
<td>INT020-673</td>
<td>05/21/13</td>
<td>$499.97</td>
<td>4,101.29</td>
</tr>
<tr>
<td>INT020-769</td>
<td>05/25/13</td>
<td>$95.84</td>
<td>4,005.45</td>
</tr>
<tr>
<td>INT020-778</td>
<td>05/16/13</td>
<td>$59.84</td>
<td>4,005.45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E/L NO.</th>
<th>EXP DATE</th>
<th>E/L AMOUNT</th>
<th>PARTS AND COMPONENTS FOR F35 ISF</th>
</tr>
</thead>
<tbody>
<tr>
<td>INT011-483</td>
<td>03/22/13</td>
<td>$3,397.95</td>
<td>76,602.05</td>
</tr>
<tr>
<td>INT011-487</td>
<td>04/02/13</td>
<td>$67.41</td>
<td>76,534.64</td>
</tr>
<tr>
<td>INT020-621</td>
<td>04/18/13</td>
<td>$14.14</td>
<td>19,634.50</td>
</tr>
<tr>
<td>INT020-625</td>
<td>04/18/13</td>
<td>$4,357.85</td>
<td>4,660.20</td>
</tr>
<tr>
<td>INT020-673</td>
<td>05/21/13</td>
<td>$499.97</td>
<td>4,101.29</td>
</tr>
<tr>
<td>INT020-769</td>
<td>05/25/13</td>
<td>$95.84</td>
<td>4,005.45</td>
</tr>
</tbody>
</table>
16.11 EMPLOYEE DSP-5 MONTHLY REVIEW FORM

All WPC employees who are non-U.S. persons (i.e. foreign nationals without permanent residency status), must be “red-badged” and covered by a DSP-5 “employee license” and/or a DOC license for EAR "deemed exports) unless they are sequestered (including after-hours) from access to ITAR/EAR items or technical data associated therewith, including drawings, software, and other technical data, either electronic or hard copy. For all those employees covered by such DSP-5 or FNR licenses, the following form must be filled out and signed monthly by their supervisor. The forms must be turned in to the WPC Export Compliance Officer by the fifth business day of each month, who will maintain them for a period of at least 5 years following the expiration or termination of the associated DSP-5 or FNR.

EMPLOYEE DSP-5 AND/OR FNR MONTHLY REVIEW FORM

I hereby certify that as the Manager of the below-referenced Crow Precision Components, LLC d/b/a W. Pat Crow employees, I have reviewed their ITAR DSP-5 and/or EAR FNR "employee licenses", and found their work to be compliant with the Provisos as mandated by the US Department of State and/or any Riders & Conditions as mandated by the US Department of Commerce.

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>DSP-5 and/or FNR license number</th>
<th>Manager Name</th>
<th>Manager Signature</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

Crow Precision Components, LLC d/b/a W. Pat Crow

__________________________ /____________/__________
[Title] Date
### 16.12 Export Action Checklist (Checked Actions Must be Done in Precise Order)

<table>
<thead>
<tr>
<th>Export Action Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lodging ITAR export license</td>
</tr>
<tr>
<td>2. AES entries</td>
</tr>
<tr>
<td>3. Clearing Customs</td>
</tr>
</tbody>
</table>

**Note:** Only for exports directly from WPC to freight-forwarder; not needed if items are drop-shipped from other USA source to freight-forwarder for export.

<table>
<thead>
<tr>
<th>Name of Employee: _________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature: __________________ Date: ______</td>
</tr>
</tbody>
</table>

#### If available:

<table>
<thead>
<tr>
<th>Freight Forwarder: __________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature: __________________ Date: ______</td>
</tr>
</tbody>
</table>

(i) Must be prepared by the WPC Export Compliance Officer or designee, signed/dated above.

(ii) Employee preparing form must check all applicable line entries.

(iii) A copy of completed form must be kept in the associated WPC transaction file.

(Not: shipment can contain goods under the jurisdiction of both the ITAR and the EAR. Likewise, a single AES filing can have separate line items for ITAR and/or EAR goods. But the focus of this form is for ITAR goods.)

<table>
<thead>
<tr>
<th>State Department DSP-5 license number ____________, or ITAR exemption citation ____________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>And/Or</td>
</tr>
<tr>
<td>Commerce Department SNAP-R export license number ____________, or EAR exemption citation ____________</td>
</tr>
</tbody>
</table>

If export license(s) apply to this shipment, attach a copy.

<table>
<thead>
<tr>
<th>License must be lodged with Customs</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Note: if checked this must occur first, before the AES entry and before any attempt to present goods to Customs for exit clearance]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How was license lodged? [check appropriate line, below, and fill in “Date/Time”]</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Note: If available, attach Customs &amp; Border Protection Window Receipt or other proof of lodging/deposit of license]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date/Time: [include time if known]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Via: [e.g. FedEx, hand-carry, USPS]</td>
</tr>
</tbody>
</table>

**This entry by:**

**AES required, to be filed by ** WPC or ** Freight Forwarder**

**Note:** If AES filing is to be made must occur:

(i) only after DSP-5 lodged with Customs.

(ii) at least 8 hours before scheduled departure of truck or aircraft

(iii) at least 24 hours before scheduled embarkation of a vessel or by rail

<table>
<thead>
<tr>
<th>Defense Articles: AES is required for all exports of defense articles hardware, whether under license or exemption.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Articles: AES is required if value is &gt;2500 per line-item commodity code, if sent:</td>
</tr>
<tr>
<td>- From U.S. to foreign countries</td>
</tr>
<tr>
<td>- Between the U.S. and Puerto Rico</td>
</tr>
<tr>
<td>- From Puerto Rico to U.S. Virgin Islands</td>
</tr>
<tr>
<td>- From Puerto Rico to foreign countries</td>
</tr>
<tr>
<td>- Licensable commodities (regardless of value)</td>
</tr>
</tbody>
</table>

| ITN number: __________________ |

(Clear by: [name of WPC employee or Freight Forwarder])

<table>
<thead>
<tr>
<th>Shipment/commodities presented to Customs on ____________ (date/time as accurately as possible) at __________________ [location]</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Note: shipment can be presented to Customs ONLY AFTER all the above-checked items are satisfied]</td>
</tr>
</tbody>
</table>

---

**Page 52 of 72**

*Printed Copies are Uncontrolled Unless in a Controlled Binder***
16.13 SIGN – EXPORT CONTROLLED AREA...

EXPORT CONTROLLED AREA
NON-U.S. PERSONS MUST BE ESCORTED
16.14 SIGN – VISITOR NOTICE

ATTENTION:

ALL VISITORS WHILE ON THE PREMISES MUST:

☑ SIGN IN AND SIGN OUT
☑ PROVIDE PROOF OF U.S. CITIZENSHIP or GREEN CARD

AND/OR

☑ BE ESCORTED AT ALL TIMES

NO EXCEPTIONS!

Thank you, in advance, for your cooperation,
The Export Compliance Team
16.15 Additional “Placards” or Disclaimers to be Used as Appropriate

“Placards” are short disclaimers or notices that are useful—and sometimes required by law—to be inserted into various transaction documents.

The following two “placards” are the minimum export-control notice required by the ITAR and the EAR, respectively. Quoted below are the regulatory citations whence the requirement derives, followed by the placard language in italics.

**ITAR 123.9 (b)** The exporter, U.S. or foreign, must inform the end-user and all consignees that the defense articles being exported are subject to U.S. export laws and regulations as follows:

(1) The exporter, U.S. or foreign, must incorporate the following statement as an integral part of the bill of lading, air waybill, or other shipping document, and the purchase documentation or invoice whenever defense articles are to be exported, retransferred, or reexported pursuant to a license or other approval under this subchapter:

“*These commodities are authorized by the U.S. Government for export only to [country of ultimate destination] for use by [end-user] under [license or other approval number or exemption citation]. They may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption.*”

**EAR § 758.6** DESTINATION CONTROL STATEMENT AND OTHER INFORMATION FURNISHED TO CONSIGNEES

(a) General Requirement

The Destination Control Statement (DCS) must be entered on the invoice and on the bill of lading, air waybill, or other export-control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad. The person responsible for preparation of those documents is responsible for entry of the DCS. The DCS is required for all exports from the United States of items on the Commerce Control List that are not classified as EAR99, unless the export may be made under License Exception BAG or GFT (see part 740 of the EAR). At a minimum, the DCS must state:

“*These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.*”

(b) Additional requirement for “600 series” items

In addition to the DCS as required in paragraph (a) of this section, the ECCN for each “600 Series” item being exported must be printed on the invoice and on the bill of lading, air waybill, or other export-control document that accompanies the shipment from its point of origin in the United States to the ultimate consignee or end-user abroad.
Use this placard for all domestic U.S. shipments -- put on the quote, invoice, or waybill:

Unless otherwise noted, this quote, invoice or shipment may include U.S. Munitions List (USML) items or Commerce Control List (CCL) items. USML/CCL commodities are controlled under U.S. law and in many cases cannot be exported or otherwise transferred without a valid State/Commerce Department export authorization. It is the responsibility of the purchaser to determine what the applicable requirements may be and to obtain all necessary authorizations, licenses or approvals.

Use this as part of all quotes for international sales:

Unless otherwise noted, this quote may include U.S. Munitions List (USML) items or Commerce Control List (CCL) items. USML/CCL commodities are controlled under U.S. law and in many cases cannot be exported or otherwise transferred without a valid State/Commerce Department export or reexport authorization. If you issue a PO against this quote, please include the following information on the PO:

END USER NAME & ADDRESS: __________________

(Street address, please. Post box numbers will result in export license rejection)

END USE APPLICATION: _________________

Also, if you are not shipping directly to the End User but are shipping to any other entity which will then forward the material to the End User, then we require the name and address of said entity. In addition, if there will be more than 1 entity in the chain between you and the End User then we would likewise need the name and address of all said entities. In other words, and simply stated, we need the name and address of any and all entities in the chain of possession between you and the End User.

17 HELPFUL CONTACT INFORMATION

<table>
<thead>
<tr>
<th>Name</th>
<th>Contact</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of State Directorate of Defense Trade Controls</td>
<td><a href="http://www.pmdtct.state.gov">www.pmdtct.state.gov</a></td>
<td>The Response Team fields policy questions and status updates on registration renewals and Commodity Jurisdictions. The D-Trade help desk handles technical questions if you are having issues with D-Trade.</td>
</tr>
<tr>
<td></td>
<td>Response Team: (202) 663-1282; ddttcresponseteam.state.gov</td>
<td></td>
</tr>
<tr>
<td></td>
<td>D-Trade Help Desk: (202) 663-2838; <a href="mailto:dtradehelpdesk@state.gov">dtradehelpdesk@state.gov</a></td>
<td></td>
</tr>
<tr>
<td>Bureau of Industry and Security Department of Commerce</td>
<td><a href="http://www.bis.doc.gov/">http://www.bis.doc.gov/</a></td>
<td>Website has helpful information regarding exports including virtual training modules and seminar schedules. An export counselor can be reached at the phone number. They are very helpful.</td>
</tr>
<tr>
<td></td>
<td>(202) 482-4811 – Outreach of Educational Services Division</td>
<td></td>
</tr>
<tr>
<td>International Trade Administration</td>
<td><a href="http://www.trade.gov">http://www.trade.gov</a></td>
<td>Helpful information for exporters</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>----------------------</td>
<td>----------------------------------</td>
</tr>
</tbody>
</table>
| United States Census Bureau       | http://www.census.gov/foreign-trade/schedules/b/  
http://www.aesdirect.census.gov | Schedule B look up  
AES Filing Information |
| Identrust                         | http://identrust.com/  
(888) 248-4447 | Information for purchasing  
and maintaining digital  
certificate |
| Schedule B codes &  
HTSUS codes | HTSA (HTSUS) –  
http://www.usitc.gov/tata/hts/index.htm  
Schedule B –  
http://www.census.gov/foreign-trade/schedules/b/  
Schedule B help line –  
800-549-0595, then option 2 | Our company policy is to use  
Schedule B codes on all  
outbound hardware exports.  
HTSUS codes are to be used  
for inbound hardware imports.  
If your Schedule B lookup is  
not clear, call this Census  
help line. This is the only  
federal agency that gives  
classifications over the phone |
Enclosure: Technology Control Plan

Employee Name: [type name] Citizen of: [country]

I. SCOPE

The procedures contained in this plan apply to all elements of Crow Precision Components, LLC d/b/a W. Pat Crow ("WPC"), 200 Luxton, Fort Worth TX 76104-1720. Disclosure of classified or unclassified technical data to foreign persons, as defined by ITAR § 120.10 and by the EAR Part 734.2(b)(2), in the course of employment or on extended visitor status is considered an export under ITAR or EAR, respectively, and is subject to export authorization by the Department of State or Department of Commerce.

II. PURPOSE

The purpose of this Technology Control Plan is to delineate and inform employees and visitors of WPC the controls necessary to ensure that no transfer of controlled technical information or data or a defense service occurs unless authorized by an appropriate export license or license exception/exemption under terms of the ITAR or EAR.

III. BACKGROUND

WPC is a forger of metal components primarily for commercial and military aircraft based in Fort Worth, Texas. Founded in 1951, the company forges and machines primarily aluminum and steel into mission critical aircraft components, among other end markets. The Company focuses on structural aircraft components, such as landing gear, which have a need for frequent replacement over a relatively predictable replacement cycle. The majority of the components produced by WPC are aftermarket replacement parts for mature aircraft platforms that have been in production for several years or in some cases that are in active service and no longer being produced. In addition to its forging capabilities, WPC offers a full-range of services for the design and manufacturing process including tool design, prototyping, heat treatment, and final inspection. The Company holds various certifications that are generally required by customers as a standard across the aerospace industry including ISO 9001, AS-9100 and NADCAP. It maintains a current registration as a manufacturer/exporter with the State Department's Directorate of Defense Trade Controls, as well as electronic export-licensing accounts with both State (DTrade) and Commerce (SNAP-R).

IV. FOREIGN PERSONS

Human Resources ("HR") has the primary responsibility of determining the status of each WPC employee, identifying all as either "foreign person" or "U.S. person". Per ¶ 7.1 of our Export Compliance Manual, the use of I-9 or E-Verify procedures is not sufficient for this task, which must be based on documents that confirm that an

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9 Such authorization can take the form of a State or Commerce export license, or license exemption/exception, as determined by the firm's Export Compliance Officer.
employee counts as a U.S. person: U.S. passport; U.S. birth certificate (or the equivalent); or a current green card. Any "alternative" documentation or status (e.g. a "protected individual" per 8 U.S.C. 1324b(a)(3), must be approved by the WPC Empowered Official. HR must provide an up-to-date employee list to WPC’s IT manager to ensure that IT assigns the appropriate restrictive permissions to each employee’s login. No Foreign Person will be given access to unclassified and/or classified material on any project or program that involves the disclosure of technical data as defined in ITAR paragraph 120.10 until that individual’s license authority has been approved by the Office of Defense Trade Controls Licensing (DTCL).

WPC employees who have the supervisory responsibility for foreign persons must receive an export control/licensing briefing that addresses relevant ITAR requirements as they pertain to classified and controlled unclassified information.

Foreign persons employed by, assigned to (extended visit) or visiting WPC, shall receive a briefing that addressess the following items:

- Prior to the release of classified material or controlled unclassified information to a foreign person an export authorization issued by DTCL needs to be obtained by WPC.
- Ensure foreign persons adhere to the WPC’s security rules, policies and procedures and in-plant personnel regulations.
- Outline the specific information that has been authorized for release to them.
- Address WPC’s in-plant regulations for the use of facsimile, automated information systems and reproduction machines.
- Any classified information they are authorized to have access and need to forward overseas will be submitted to WPC’s security department for transmission through government-to-government channels.
- Information received at WPC for the foreign national and information that the foreign national needs to forward from WPC shall be prepared in English.
- Violations of security procedures and in-plant regulations committed by foreign nationals are subject to WPC sanctions.

V. ACCESS CONTROLS FOR FOREIGN NATIONALS

WPC has devised a set of controls to insure that foreign nationals do not obtain unauthorized access to any classified or controlled unclassified information. The principal features are:

- IT restrictive permissions: Using the employee list provided by HR, IT is responsible for assigning restrictive permissions as needed, to ensure that foreign persons have no unlicensed access to controlled data on our servers. ¶ 7.5 of the company Export Compliance Manual and § 1.5.1.8.3 of the attached FCP both contain additional detail on these responsibilities and procedures. IT’s being responsible for setting appropriate access permissions, guided by an informed HR perspective on what counts as a U.S. person (as opposed to mere authorization to work for hire), is part of our formal compliance training. All of this is under the direct supervision of the WPC Empowered Official.
• Badges: All visitors are required to wear a badge during their visit. Foreign-person badges shall be uniquely marked in Red. Foreign persons shall not be permitted access to restricted areas without security examination of this badge and visual verification that the badge belongs to the holder. Employees must be informed of the limitations and restrictions imposed for each different badge type.

• Escorts: It shall be the responsibility of the WPC host employee to escort, or arrange for an escort of a foreign person visiting WPC facilities at all times. The WPC escorting employee shall confirm with the Company Empowered Official the facility locations that the foreign person can visit and make sure that there shall be no exposure to controlled unclassified information. (NOTE: WPC supervisors of foreign persons shall ensure that foreign nationals are escorted in accordance with U.S. Government and WPC regulations.

• Segregated work area(s): WPC has secure, segregated and clearly labeled ITAR/EAR-Controlled areas. Entry to the ITAR/EAR-Controlled areas is strictly controlled. Access is only provided to employees that are US Persons. Non-US Persons are not allowed in this area unless they are approved and escorted by a WPC employee with access to the area, or unless they are properly licensed. At the WPC facilities, visitors shall sign the entry log-sheet and display proof of US citizenship or permanent residency. There shall be no exceptions to this rule. All visitors shall be escorted at all times.

VI. EXPORT-CONTROLLED INFORMATION

The specific elements of unclassified information (there is no classified information at WPC at the present time) will involve technical information about any item that has been defined as an ITAR defense article or a controlled-for-export EAR item, and similar systems being developed, including such items as Interface Control Documents, dimensioned parts drawings, etc.

VII. NON-DISCLOSURE STATEMENT

All foreign persons shall sign a non-disclosure statement that acknowledges that classified and controlled unclassified information will not be further disclosed, exported or transmitted by the individual to any foreign national or foreign country unless State/DDTC or Commerce/BIS authorizes such a disclosure and the receiving party is appropriately cleared in accordance with its government’s personnel security system.

VIII. SUPERVISORY RESPONSIBILITIES

Supervisors of cleared personnel and foreign-person employees and foreign-national visitors shall ensure that the employees and visitors are informed of and cognizant of the following:

• Technical data or defense services that require an export authorization is not transmitted, shipped, mailed, hand-carried (or any other means of transmission) unless an export authorization has already been obtained by WPC and the transmission procedures follow U. S. Government regulations.

• Individuals are cognizant of all regulations concerning the handling and safeguarding of classified information and controlled unclassified information.
• Individuals execute a technology control plan ("TCP") briefing form acknowledging that they have received a copy of the TCP and were briefed on the contents of the plan.
• U.S. citizen employees are knowledgeable of the information that can be disclosed or accessed by foreign nationals.
• The direct manager for each foreign-person employee must evaluate the performance of such employees on a monthly basis, during which the manager and his foreign-person employee(s) are also reminded of the limits and responsibilities to control access to controlled data. Special procedures, such as WPC disclosing which employees at meetings are foreign-persons, are also covered each month, and the manager must certify in writing that their work is compliant with any export-license Provisos as mandated by the US Department of State and/or any Riders & Conditions as mandated by the US Department of Commerce. WPC provides supervisors a certification form especially for this purpose. The manager must fill out a form attesting to this and submit each to the WPC Empowered Official.
• The direct manager is responsible for reporting to the Export Compliance Officer if a scope-increase is ever needed for a foreign-person employee.
• The audit procedures at §14.1 of the Export Compliance Manual shall specifically include an assessment of foreign-person employee compliance procedures.

Point of contact for this TCP:
Signature: __________________________
Name & Date: ________________________ ___/___/_____

Senior Management Official:
Signature: __________________________
Name & Date: ________________________ ___/___/_____
Signature: __________________________
Name & Date: ________________________ ___/___/_____
Signature: __________________________
Name & Date: ________________________ ___/___/_____

IX. EMPLOYEE RESPONSIBILITIES

All WPC employees who interface with foreign nationals shall receive a copy of the TCP and a briefing that addresses the following:
• Documents under their jurisdiction that contain technical data are not released to or accessed by any employee, visitor, or subcontractor who is a foreign national
unless an export authorization has been obtained by WPC in accordance with the ITAR or the EAR.

- If there is any question as to whether or not an export authorization is required, contact the company Export Compliance Officer promptly.

- Technical information or defense services cannot be forwarded or provided to a foreign national regardless of the foreign nationals location unless an export authorization has been approved by DDTC and issued to WPC.

By signature below I certify that I have read the above Technology Control Plan and have been briefed on its contents, and I agree to abide by the stated terms and conditions to the best of my ability.

Employee:

[** Insert name]

Signature and Date:_____________________   _____/_____/_______

Attachment A: Facility Control Plan
Attachment B: Non-Disclosure Agreement
Attachment C: Employee Monthly Review Record
Attachment D: New Employee Orientation Checklist
Attachment E: Employee Out-Processing Statement
Facility Control Procedures

Change History

<table>
<thead>
<tr>
<th>Date</th>
<th>Author</th>
<th>Summary of Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/25/2014</td>
<td>Cesar Garza</td>
<td>Initial release.</td>
</tr>
<tr>
<td>12/01/2014</td>
<td>Cesar Garza</td>
<td>Final Dec 1 2014 edition</td>
</tr>
<tr>
<td>02/15/2015</td>
<td>Cesar Garza</td>
<td>Clarifications of foreign-person employee procedures</td>
</tr>
</tbody>
</table>

1.1 **PURPOSE**

This document provides procedures for protecting export-controlled items and data while in-house at WPC, as well as guidelines for the marketing and sales of export-controlled items.

This Facility Control Procedures document ("FCP") delineates and informs employees of the controls necessary to ensure that no export of controlled items occurs unless authorized by the appropriate authorities.

1.2 **APPLICATION**

The procedures contained in this FCP apply to all WPC work locations.

**Responsibility**

It is the responsibility of the Export Compliance Officer to maintain this document and to ensure it is adhered to.

The Export Compliance Officer ("ECO") is responsible for implementation of this FCP and control of all export-related documents and forms. The ECO is also responsible for issuing keys, Access Cards, combinations and passwords to export-controlled areas of the facility.

All employees are responsible for understanding this FCP and for taking the necessary precautions to prevent disclosure of export-controlled items.

1.3 **DEFINITIONS**

The following definitions are applicable to this FCP.

**Defense Article** - Any item or technical data designated in the United States Munitions List ("USML") (ITAR paragraph 121.1). It includes technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated in the USML.

**EAR** - Export Administration Regulations

**Export** (according to the ITAR) - (1) sending or taking a defense article out of the U.S. in any manner, except by mere travel outside of the U.S. by a person whose personal knowledge includes technical data; or (2) transferring registration, control, or ownership to a foreign person of any aircraft, vessel, or satellite covered by the USML, whether in the U.S. or abroad; or (3) disclosing (including oral or visual disclosure) or transferring in the United States any defense article to an embassy, any agency or subdivision of a foreign government (e.g.,...
diploaptic missions); or (4) disclosing (including oral or visual disclosure) or transferring technical data to a foreign person, whether in the U.S. or abroad; or (5) performing a defense service on behalf of, or for the benefit of, a foreign person, whether in the U.S. or abroad.

Export (according to the EAR) - actual shipment or transmission of items subject to the EAR out of the U.S., or release of technology or software subject to the EAR to a foreign person in the U.S.

Export-Controlled Item - any items subject to the controls of the ITAR or EAR.

Foreign Person - Any natural person who is not a US Citizen or a lawful permanent resident of the U.S. or who is not a protected individual (political asylee). It also means any foreign corporation, business association, partnership, trust, society or any other entity or group that is not incorporated or organized to do business in the U.S., as well as international organizations, foreign governments and any agency or subdivision of foreign governments (e.g., diplomatic missions).

ITAR - International Traffic in Arms Regulations

Significant Military Equipment - Articles for which special export controls are warranted because of their capacity for substantial military utility or capability (see items in section 121.1 of the ITAR).

Technical Assistance Agreement ("TAA") – U.S. State Department approved document that allows the export of technical information, services, and possibly some equipment.

Technical Data - information which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance, or modification of defense articles; classified information related to defense articles; information covered by an invention secrecy order; software directly related to defense articles.

U.S. Person - Any natural person who is US Citizen, a lawful permanent resident of the U.S. (Green Card holder), or who is a protected individual. It also means any corporation, business association, partnership, trust, society or any other entity, organization or group that is incorporated to do business in the U.S. It also includes any governmental (federal, state or local) entity.

1.4 REFERENCES

Export Administration Regulations ("EAR")

Export Briefing Acknowledgement (in New Employee Orientation Checklist)

International Traffic in Arms Regulations (ITAR) (22 CFR 120-130)

1.5 PROCESS

1.5.1.1 INTERNAL PROCEDURES

1.5.1.2 PERSONNEL IDENTIFICATION

1.5.1.2.1 All WPC employees, on-site contractors and visitors are required to wear badges at all times while on WPC premises. Badges shall be displayed at the waist or above and be visible at all times so that identification is easily determined. A full escort is required while in a WPC ITAR/EAR restricted area. Please check with the Company Empowered Official.
1.5.1.2.2 A WHITE badge with facility access indicates that an individual is a WPC employee U.S. person as defined above. This badge allows for full access to ITAR/EAR controlled technical information relating to all projects.

1.5.1.2.3 A YELLOW badge with NO facility access indicates that an individual is a WPC visitor U.S. person as defined above. This badge allows for full access to ITAR/EAR controlled technical information relating to all projects. Escort is still required while at WPC facilities.

1.5.1.2.4 A RED badge with NO facility access indicates that an individual is a WPC visitor foreign person as defined above. This badge does not allow any access to ITAR/EAR controlled technical information and requires full escort while at WPC facilities.

1.5.1.2.5 A BLUE badge with facility access indicates that an individual is a WPC employee foreign person working under an approved DSP-5 from the US State Department and/or an approved EAR deemed-export license from the US Commerce Department. Such badge will be clearly marked with the words “ITAR Approved” and/or "EAR Approved, as appropriate. This badge allows access to ITAR/EAR controlled technical information as specifically approved by the individual license(s). Please check with the Company Empowered Official.

1.5.1.2.6 A BLUE badge with NO facility access will be issued to an individual that is a WPC visitor foreign person who is covered by an approved State Department TAA. Such badge will be clearly marked with the words “TAA Approved”. This badge allows access to ITAR controlled technical information as specifically approved by a TAA and relating to a specific project only. Full escort is still required while at WPC ITAR/EAR restricted facility areas. Please check with the Company Empowered Official.

1.5.1.3 VISITORS
All visitors are required to sign in upon arrival and obtain an appropriate badge from the reception desk. It is the responsibility of a visitor's host to ensure the visitor is a U.S. person prior to disclosing export-controlled information. Although the badge is assigned based on the citizenship indicated on the sign in card, the visit host or receptionist may request proof of citizenship and/or permanent resident status if deemed necessary. Visitors must be escorted at all times.

1.5.1.4 EXPORT-CONTROL DETERMINATION
The Export Compliance Manager, with guidance from Contracts Administration and the Project Manager, shall determine what, if any, export regulations are applicable to a project. This determination will be based on specific contract language and using the ITAR and EAR. Any engineering data or designs created from items determined to be export-controlled shall also be considered export-controlled.

1.5.1.5 FOREIGN PERSONS POLICY
Foreign persons will not be employed on any work that involves the disclosure of export-controlled information until license authority has been granted by the appropriate government agency.

1.5.1.6 NON-DISCLOSURE STATEMENT OF ACKNOWLEDGMENT
Foreign persons to whom technical data will be disclosed under license by DDTC, will be required to sign an appropriate non-disclosure statement. A signed and dated copy of that non-
disclosure statement will be kept on file with the company empowered official, noting the referenced license number.

1.5.1.7 EMPLOYEE AWARENESS

Employees shall be briefed during the new employee orientation that some of the company's work is subject to export controls and unless there is an export license in place, this information shall not be disclosed to foreign persons.

All employees shall sign an export-briefing acknowledgement to indicate they understand the company policy on handling export-controlled items.

The Empowered Official is available as a resource to company employees for answering questions and clarifying this FCP, the ITAR and the EAR regulations.

1.5.1.8 WORK AREAS

Work on export-controlled items shall be performed in an area that excludes unauthorized foreign persons. Signs shall be posted stating that export-controlled work is in progress. If a foreign person needs to enter an export-controlled area, they shall coordinate with the project manager responsible for that area. The project manager shall ensure all export-controlled items are out of sight and all conversation relating to export-controlled items has ceased prior to allowing access to the foreign person.

1.5.1.9 TECHNICAL DATA

1.5.1.9.1 MARKING

Each page of export-controlled technical data shall be marked with appropriate statements to indicate export-control sensitivity.

1.5.1.9.2 STORAGE AREAS

Areas used for storing export-controlled items shall be marked as such. These areas shall be protected from unauthorized personnel at all times.

1.5.1.9.3 NETWORK

Access to areas on WPC's network containing export-controlled information is limited to authorized personnel only. Permissions will be communicated by the company Empowered Official to WPC's IT department on a case-by-case basis.

1.5.1.10 RECEIPT OF EXPORT-CONTROLLED ITEMS

All incoming export-controlled items will be brought to the attention of the appropriate project manager. The project manager is responsible for maintaining/tracking export-controlled items related to his project. At the end of a project, retention/disposal of export-controlled items will be determined at contract closeout.

1.5.1.11 TRANSMITTAL OF EXPORT-CONTROLLED ITEMS

No employee or other person acting on behalf of WPC shall ship, mail, carry or transmit export-controlled items from the U.S. or within the U.S. with the knowledge or intent that the item/information will be shipped or transmitted from the U.S. to a foreign destination without proper government approvals/licenses. Obtaining appropriate governmental approval for all exports or disclosures shall be coordinated through the ECO.
1.5.1.12 BUSINESS DEVELOPMENT ACTIVITIES

1.5.1.12.1 PUBLICITY

Publicity for WPC’s technology comes in many forms - web-site postings, product information and presentations to customers, and air show data sheets, handouts, and the display booth. Technical data and pictures should be reviewed by the ECO prior to posting or dissemination.

Note that, although WPC may be involved with programs that are not specifically classified or ITAR/EAR sensitive, they may be competition sensitive or company proprietary. WPC must be cognizant of this and exercise conservatism where appropriate when making announcements, posting pictures on the web site, and preparing presentations.

1.5.1.12.2 PUBLIC SHOWS

Participation in public shows is an excellent opportunity to introduce WPC and their technology to a significant number of potential customers. In addition, relationships can be built and fostered in an environment not as formal. Competitor information can also be gathered, however, this is equally true for WPC’s technology and product development activities.

In support of public shows, WPC may take product models or mock-ups to display and show potential customers. These models and mock-ups may be subject to export restrictions and procedures for carrying or sending these models/mock-ups out of the country must be followed. Any exports should be coordinated through the ECO.

1.5.1.12.3 SALES AND MARKETING

If any foreign company approaches WPC, discussions can take place, however it must be made clear that WPC’s technology is subject to export restrictions and detailed technical discussions will only take place subsequent to approvals by the U.S. State Department or Commerce Department under a license or exemption/exception, as appropriate. Contact the ECO for details if there is any doubt as to whether adequate disclosure authorization is in place.

1.5.1.13 VIOLATIONS

Any perceived violations of this FCP or other export-control regulations (ITAR, EAR) shall be immediately reported to the ECO, who will generate a report and provide it to the Export Compliance Officer for final disposition.

1.5.1.14 DOCUMENTATION

The ECO shall maintain all forms and documentation related to exporting activities.
Non-Disclosure Agreement

Access to ITAR or EAR-Controlled Hardware or Technology by Foreign Person Employees

I, [name of foreign person], acknowledge and understand that any technical data related to a defense article covered by the U.S. Munitions List, or hardware/technology covered by the Commerce Control List (“CCL”), to which I have access per authorization by the U.S. Government under [state relevant export license/authorization number] and disclosed to me in my employment by Crow Precision Components, LLC d/b/a W. Pat Crow (“WPC”), is subject to the export controls of the International Traffic in Arms Regulations (“ITAR”) (Title 22, Code of Federal Regulations, Parts 120-130), particularly the 22 CFR 124.8 clauses, or to the export controls of the EAR.

1. This authorization shall not enter into force, and shall not be amended or extended, without the prior written approval of the Department of State or the Department of Commerce of the U.S. Government, as appropriate.

2. This authorization is subject to all United States laws and regulations relating to exports and to all administrative acts of the U.S. Government pursuant to such laws and regulations.

3. The parties to this authorization agree that the obligations contained in this authorization shall not affect the performance of any obligations created by prior contracts or subcontracts which the parties may have individually or collectively with the U.S. Government.

4. No liability will be incurred by or attributed to the U.S. Government in connection with any possible infringement or privately owned patent or proprietary rights, either domestic or foreign, by reason of the U.S. Government’s approval of this authorization.

5. The technical data or defense services exported from the United States in furtherance of this authorization and any defense article which may be produced or manufactured from such technical data or defense service may not be transferred to a person in a third country or to a national of a third country except as specifically authorized in this authorization unless the prior written approval of the Department of State, or the Department of Commerce, as appropriate, has been obtained.

6. All provisions in this authorization which refer to the United States Government, the Department of State, or the Department of Commerce will remain binding on the parties after the termination of the authorization.

During my employment with Crow Precision Components, LLC d/b/a W. Pat Crow (“WPC”), I am authorized to interact and participate in discussions with other U.S. and foreign persons, and disclose technical data as necessary, while performing my job duties covered under U.S. Government export license N^o. _____________ or other authorizations that may from time to time be approved. It will be the responsibility of my employer, WPC, to notify other U.S. and foreign persons of my status as a foreign national employee prior to my interaction.

I also acknowledge and understand that should I inadvertently receive technical data or defense articles or other controlled goods for which I have not been granted access
authorization by DDTC or BIS, or if I inadvertently export technical data or defense articles
received during my employment to an unauthorized recipient, I will report such unauthorized
transfer and acknowledge the transfer to be a violation of U.S. Government regulations.

In furtherance of the above, I hereby certify that all defense articles or other controlled goods,
including related technical data, to which I have access will not be used for any purpose other
than that authorized by State/DDTC or Commerce/BIS and will not be further exported,
transferred, disclosed via any means (e.g., oral disclosure, electronic, visual access, facsimile
message, telephone) whether in its original form, modified, or incorporated in any other form, to
any other foreign person or any foreign country without the prior written approval of DDTC or
BIS.

_________________________________    _______________
Signature – Foreign Person (Employee)   Date

_________________________________    _______________
Signature – U.S Person (Employer)       Date

Please leave sufficient space to enter the DDTC case number once approval is received.
Employee License Monthly Review Form

All WPC employees who are non-U.S. persons (i.e. foreign nationals without permanent residency status), must be “red-badged” and covered by a DSP-5 “employee license” and/or a DOC license for EAR "deemed exports) unless they are sequestered (including after-hours) from access to ITAR/EAR items or technical data associated therewith, including drawings, software, and other technical data, either electronic or hard copy. For all those employees covered by such DSP-5 or EAR deemed-export licenses, the following form must be filled out and signed monthly by their supervisor. The forms must be turned in to the WPC Export Compliance Officer by the fifth business day of each month, who will maintain them for a period of at least 5 years following the expiration or termination of the associated DSP-5 or EAR deemed-export license.

EMPLOYEE DSP-5 AND/OR DEEMED-EXPORT MONTHLY REVIEW FORM

I hereby certify that as the Manager of the below-referenced Crow Precision Components, LLC d/b/a W. Pat Crow employees, I have reviewed their ITAR DSP-5 and/or EAR deemed-export "employee licenses", and found their work to be compliant with the Provisos as mandated by the US Department of State and/or any Riders & Conditions as mandated by the US Department of Commerce.

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>DSP-5 and/or EAR license number</th>
<th>Manager Name</th>
<th>Manager Signature</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

Crow Precision Components, LLC d/b/a W. Pat Crow

________________________   __/______/_______
[Title]                     Date
New Employee Orientation Checklist

<table>
<thead>
<tr>
<th>Task</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide copy of the Employee Handbook including Drug Free Workplace Program and Equal Employment Policy</td>
<td>☐</td>
</tr>
<tr>
<td>Intranet Tutorial</td>
<td>☐</td>
</tr>
<tr>
<td>Company Management Procedures &amp; Policies (MPPs), System Level Procedures</td>
<td>☐</td>
</tr>
<tr>
<td>Corporate Information</td>
<td>☐</td>
</tr>
<tr>
<td>Timesheets</td>
<td>☐</td>
</tr>
<tr>
<td>Contacts/Schedules: Phone list, Telephone &amp; Voicemail instructions</td>
<td>☐</td>
</tr>
<tr>
<td>Human Resources: Benefit Summary Plan Descriptions, EAP, 401K, Payroll forms, Training Forms, Performance Review forms</td>
<td>☐</td>
</tr>
<tr>
<td>Export Compliance: Dedicated Intranet ITAR/EAR training modules, new employee and annual updates</td>
<td>☐</td>
</tr>
<tr>
<td>Explain the company procedure regarding the following:</td>
<td>☐</td>
</tr>
<tr>
<td>Timesheets - completion on a daily basis</td>
<td>☐</td>
</tr>
<tr>
<td>Overtime</td>
<td>☐</td>
</tr>
<tr>
<td>How and to whom to report absences</td>
<td>☐</td>
</tr>
<tr>
<td>Vacation scheduling</td>
<td>☐</td>
</tr>
<tr>
<td>Early departures</td>
<td>☐</td>
</tr>
<tr>
<td>Signature Authority List (see Intranet)</td>
<td>☐</td>
</tr>
<tr>
<td>Explain Performance Reviews now include a focus on export compliance</td>
<td>☐</td>
</tr>
<tr>
<td>Senior management with ITAR-related responsibilities: ITAR compliance is a critical element of review.</td>
<td>☐</td>
</tr>
<tr>
<td>All other employees involved in export compliance: ITAR compliance is considered in performance review.</td>
<td>☐</td>
</tr>
<tr>
<td>Explain hours of work:</td>
<td>☐</td>
</tr>
<tr>
<td>Normal working hours</td>
<td>☐</td>
</tr>
<tr>
<td>Definition of Company workweek</td>
<td>☐</td>
</tr>
<tr>
<td>Lunch time:</td>
<td>☐</td>
</tr>
<tr>
<td>Amount of time</td>
<td>☐</td>
</tr>
<tr>
<td>Time scheduled</td>
<td>☐</td>
</tr>
<tr>
<td>Introduce employee to mentor; explain mentor program</td>
<td>☐</td>
</tr>
<tr>
<td>ITAR/EAR/Security Briefings</td>
<td>☐</td>
</tr>
<tr>
<td>(signature Export Compliance Officer)</td>
<td>☐</td>
</tr>
<tr>
<td>Note: Special export compliance briefing for foreign-person officers, managers</td>
<td>☐</td>
</tr>
<tr>
<td>(initials Export Compliance Officer)</td>
<td>☐</td>
</tr>
<tr>
<td>Employee has read the Technology Control Plan provided by company, and has discussed the procedures with company, understands procedures and agrees to comply with its requirements.</td>
<td>☐</td>
</tr>
<tr>
<td>Quality Assurance Briefing</td>
<td>☐</td>
</tr>
<tr>
<td>(sig. Quality Systems rep)</td>
<td>☐</td>
</tr>
<tr>
<td>Shop Safety Briefing (if applicable)</td>
<td>☐</td>
</tr>
<tr>
<td>(sig. Director of Manufac.)</td>
<td>☐</td>
</tr>
<tr>
<td>The above was accomplished by</td>
<td>☐</td>
</tr>
<tr>
<td>(HR Rep) on</td>
<td>☐</td>
</tr>
<tr>
<td>(Date)</td>
<td>☐</td>
</tr>
</tbody>
</table>
Employee Out-Processing Statement

Date: _______ /________/ 2015

ITAR / EAR Out-Processing Statement

RE: Employee Name: ____________________________

I certify that I have returned to WPC any and all items belonging to WPC, specifically including technical data, in any form, regarding defense articles. I understand that I am still bound by rules of confidentiality after employment by WPC. Furthermore, I understand that the restrictions against unauthorized disclosure of technical data regarding defense articles are a function of U.S. law, not just of the Non-Disclosure Statement I signed with WPC. I have been advised that the International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR") provide for civil and criminal sanctions for such unauthorized disclosures.

Signature: ____________________________ Date: _______ / ________ / 2015
Employee

Signature: ____________________________ Date: _______ / ________ / 2015
Cesar Garza
Company Empowered Official