

## CL2 – Export/Import Controls and Compliance

### Vertex Aerospace LLC

Madison, Mississippi

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#### Policy & Procedure: CL2.001

#### Subject: EXPORT/IMPORT CONTROLS and COMPLIANCE

Initial Issue Date: July 31, 2018

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Revision:

Responsible Department: **Global Trade Compliance (GTC)**

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#### 1. Policy and U.S. Federal Jurisdictions

The primary U.S. Government agencies which oversee and manage United States trade controls are the Department of Commerce, Department of State, Department of Treasury, Department of Homeland Security and the Department of Justice. The policy of Vertex, including domestic and foreign subsidiaries owned or controlled by Vertex, is to comply with all U.S. and local Government Export/Import Laws and Regulations that govern international business activities with foreign commercial, government customers and International Consultants, Distributors and Representatives who market Vertex's products and services. Violations of this policy and U.S. Government and local Export/Import Laws and Regulations may result in civil fines and penalties, criminal charges, loss of export privileges and termination of employment.

Accordingly, the following rules must be observed:

- 1.1 The export/import of hardware, technical data, software and services by any officer, employee, or other person/entity acting on behalf of Vertex, by any means, shall comply with all Vertex policies and procedures and U.S. and Local Country Government Export/Import Laws and Regulations.
- 1.2 Employment, assignment or termination of Foreign Nationals shall be in compliance with this policy and [Appendix 1](#) – Procedure for Foreign National Access to Controlled Technical Data.
- 1.3 All operating locations will implement Technology Control Plans (TCP) to establish procedures to protect export-controlled technical data, software and hardware.
- 1.4 All exports/imports in which Vertex is designated as the United States Principal Party in Interest (USPPI) or U.S. Importer of Record, shall be in compliance with this policy and [Appendix 2](#) – Customs/Traffic Compliance Program.
- 1.5 All Vertex export/import activities must identify a specific end user for a specific end use in applications for a relevant license, agreement, permit, or when applicable, claiming an exception or exemption.

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2. **APPLICABILITY:** This procedure applies to all Company employees In Madison, Mississippi, CONUS locations, and OCONUS locations.

3.. **RESPONSIBILITIES:**

- 2.1 The President, Vice-Presidents, General Managers, and Program Managers are responsible for ensuring compliance with this Policy and Procedure (P&P) and are accountable to the Company for violations of U.S. export control laws in connection with their programs.
- 2.2 The Export/Import Controls and Compliance Office shall lead Export/Import Control Training required under Section 3.16 and in accordance with Policy 707.
- 2.3 Internal audits will be performed periodically to determine compliance with this procedure.
- 2.4 The Export/Import, Senior Manager is responsible for reviewing and updating this P&P on an annual basis as a minimum.

3. **PROCEDURAL ACTIONS:**

- 3.1 Compliance with United States Export/Import Control Laws and Regulations is the responsibility of every employee of the Company. It is an integral part of the challenges of achieving the Company's sales and revenue goals, and requires every employee's full commitment.
- 3.2 For exports/imports pursuant to the International Traffic in Arms Regulations (ITAR), 22 CFR § 120-130 and/or the Export Administration Regulations (EAR), written authorization must be received from the Export/Import Controls and Compliance Office before exporting/importing the item. All exports shall be reviewed by the Export Compliance Office for applicability to the ITAR and/or the Export Administration Regulations (EAR). The following constitutes an export:
  - 3.2.1 Sending or taking defense articles out of the United States in any manner; or
  - 3.2.2 Transferring registration or control to a foreign person of any aircraft, vessel, satellite, on the United States Munitions List (USML), components, parts of such articles and other defense articles whether in the United States or abroad; or

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- 3.2.3 Sending or taking Technical Data outside of the United States in any manner except by mere travel outside of the United States by a person whose technical knowledge includes Technical Data; or
- 3.2.4 Disclosing or transferring Technical Data to a foreign person, regardless of physical location (i.e., in the United States or on foreign soil); or
- 3.2.5 The performance of a defense service on behalf of or for the benefit of a foreign person, whether in the United States or abroad.
- 3.3 All briefings to foreign nationals, whether stateside or overseas, shall be reviewed by Export/Import Controls and Compliance Office prior to the briefing.
- 3.4 Copies of all documentation for imports and exports subject to ITAR and EAR must be provided to the Export/Import Controls and Compliance Office.
- 3.5 Each Company Department shall coordinate with the Export Compliance Coordinator (ECC) assigned to their area to provide advice and assistance in export compliance. An ECC is located in each of the following departments: Procurement, Supply Chain Management and Shipping/Transportation.
- 3.6 In compliance with Corporate Policy 707, the EO/ECC must approve the foreign national employees prior to hiring. The documentation regarding the hiring of the foreign national employees is to be coordinated through the Human Resources for adherence to Policy and Procedure # HR7.001.
  - 3.6.1 Human Resources will inform the EO/ECC and the Security Manager of the intent to hire or assign a Foreign National (including Permanent Resident Aliens, Temporary Resident Aliens, Asylees, Refugees and any other person who is not a U.S. Citizen) and any changes in the employment/assignment process including termination.
  - 3.6.2 Human Resources will maintain specific records for the Foreign National Employee Audit for export compliance including start and end dates, visa information, permanent/temporary resident status, updated renewal expiration dates, and citizenship, and communicate any changes to the EO and the Security Manager.
  - 3.6.3 Human Resources will provide the EO/ECC with a copy of any U.S. Government issued documentation regarding the person's status as a Foreign National, e.g. front and back of the Permanent or Temporary Resident Cards, copies of Visas, etc.
  - 3.6.4 The Supervising Manager will notify EO/ECC of any changes in the scope of information to be accessed by the Foreign National (including Permanent Resident Aliens, Temporary Resident Aliens, Asylees, Refugees and any other person who is not a U.S. Citizen) and provide job description and responsibilities and summary of information to be accessed.

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- 3.6.5 The EO will evaluate the intending Foreign National (including Permanent Resident Aliens, Temporary Resident Aliens, Asylees, Refugees and any other person who is not a U.S. Citizen), job description and the scope of work described in the Hiring Program's contract or Statement of Work/Performance Work Statement. The EO will determine eligibility for hire. If the intending Foreign National is eligible for hire, the EO will approve the intending employee. If the intending Foreign National is not eligible for hire, the EO will reject the intending Foreign National's eligibility for hire. The EO will inform Human Resources of the results of its evaluation.
- 3.6.6 Once the foreign national is hired, Human Resources will contact the EO/ECC, Security and Information Technology.
- 3.6.7 The EO will determine if a DSP 5 License or TAA (Technical Assistance Agreement) is needed and approve the potential Foreign National's eligibility for hire.
- 3.6.8 The EO/ECC must complete and maintain current Foreign National Employee Audit Information Forms (Attachment A) for all non-U.S. Citizens employed or temporarily employed by Vertex in the United States and in other countries.
- 3.6.9 The EO/ECC must train all responsible personnel of U.S. Government Authorization scope, limitations and provisos.
- 3.6.10 If the Foreign National (including Permanent Resident Aliens, Temporary Resident Aliens, Asylees, Refugees and any other person who is not a U.S. Citizen) will be contracted offsite, the EO/ECC will provide the work location with written notification that the employee is a Foreign National.
- 3.6.11 The EO/ECC will notify Vertex of any changes applicable to maintenance of current Foreign National Employee Audit Information Forms. For Foreign Nationals, for example, change in citizenship status, termination, change in technology accessed, licensing requirements, visa renewal confirmation, etc. For other non-U.S. Citizens, including Permanent Residents, Asylees and Refugees, for example, provide change in citizenship status, termination, updated renewal card expiration dates, etc.
- 3.7 In compliance with Corporate Policy 707, Access to Vertex controlled technical data must be approved and maintained by the EO/ECC. The documentation regarding foreign national employees is to be coordinated through the Human Resources for adherence to Policy and Procedure # HR8.006.
- 3.8 In compliance with Corporate Policy 707, Procedures for Foreign Nationals with Access to Controlled Technical Data are as followed:

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3.8.1 The Supervising Manager, with assistance from the HR Manager, shall provide a copy of the controlled technical data and all U.S. Government Required Information.

3.8.2 The Security Manager shall

3.8.2.1 Review the provided information to determine if access to U.S. or Foreign Government classified information is involved and follow the NISPOM to ensure compliance.

3.8.2.2 Establish a Technology Control Plan (TCP) to control and monitor the access of the Foreign National with specific information provided by the EO/ECC, Supervising Manager and IT Manager.

3.8.2.3 Obtain approval from Cognizant Security Authority (CSA) if required.

3.8.2.4 Obtain executed Non-Disclosure Statement from Foreign National.

3.8.2.5 Provide TCP and executed Non-Disclosure Statement to the EO/ECC for inclusion for U.S. Government Authorization requirements.

3.8.3 The EO/ECC shall

3.8.3.1 Determine the appropriate U.S. Government Authorization, e.g. Department of State License, Agreement, or Exemption, or Department of Commerce License or Exception.

3.8.3.2 Submit a draft License or Agreement application to GTC for review and approval to consist of the following:

3.8.3.2.1 License or Agreement

3.8.3.2.2 A cover letter with required enclosures identifying the Foreign National, a description of the controlled technical data to be accessed, the company where the controlled technical data transfer will take place, and a job description.

3.8.3.2.3 Completed License Application or Proposed Agreement.

3.8.3.2.4 Copy or description of controlled technical data to be accessed.

3.8.3.2.5 U.S. Government Required Information.

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3.8.3.2.6 Technology Control Plan (TCP) with executed Non-Disclosure Statement.

3.8.3.3 Or submit written justification why a License or Agreement is not required and which EAR Exception or ITAR Exemption authorizes the release of the controlled technical data.

3.8.4 GTC shall

3.8.4.1 Review the Foreign National Employee Audit Information Form and all referenced Documentation.

3.8.4.2 Review the draft License or Agreement application.

3.8.4.3 Submit the License or Agreement application request to the applicable U.S. Government agency upon resolution of all issues.

3.8.4.4 Return the processed (Approved, Denied or Returned without Action) license or agreement to the EO/ECC.

3.8.4.5 Approve or disapprove the use of an EAR Exception or ITAR Exemption.

3.8.5 The EO/ECC shall

3.8.5.1 Brief the Supervising Manager, Security Manager, and IT Manager of receipt of U.S. Government Authorization, its scope and any limitations and provisos.

3.8.5.2 Conduct a meeting comprised of the Foreign National, Supervising Manager, Security Manager, HR Manager, and the IT Manager to notify the Foreign National of the scope of the U.S. Government Authorization and clarify any limitations and provisos.

3.8.6 The Security Manager shall explain the Technology Control Plan (TCP) to ensure compliance with Vertex and U.S. Government requirements.

3.8.7 The Foreign National shall acknowledge the scope of controlled technical data to be accessed, all U.S. Government limitations and provisos, and any GTC restrictions by executing the Certificate of Acknowledgement.

3.8.8 The IT Manager shall:

3.8.8.1 Institute access controls to limit access by the Foreign National to the Vertex Company's internal network to information within the public domain or which has been approved for release by U.S. Government Authorization to include its scope, limitations and

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provisos as determined by the EO/ECC.

3.8.8.2 Identify the Foreign National as a Foreign National (FN) within the Vertex Global Address List.

3.8.8.3 Institute the following disclaimer statement for all e-mails originating from the Foreign National located within the U.S.:  
"[Name], a citizen of [Country], employed by [Company], is subject to compliance with United States Export/Import Laws and Regulations."

3.8.8.4 Implement screen savers on all accessible PC's with a maximum of 5 minute activation.

3.8.9 The Security Manager and EO/ECC shall organize a meeting comprised of the Foreign National, Supervising Manager, HR Manager, and the IT Manager to review and explain the Technology Control Plan (TCP) to ensure compliance with Vertex policy and U.S. Government requirements.

3.8.10 The Foreign National shall acknowledge understanding of the U.S. Government Authorization requirements for access to controlled technical data by executing the Non-Disclosure Statement and the Certificate of Acknowledgement.

3.8.11 The HR Manager shall communicate any changes regarding the Foreign National's visa information, status as a Foreign National, or employment status to the EO/ECC and Security Manager who shall take appropriate steps to include updating, amending, replacing or returning U.S. Government Authorization and TCP.

3.9 In compliance with Corporate Policy 707, Procedures for Foreign Nationals with NO Access to Controlled Technical Data are as followed:

3.9.1 Human Resources (HR) Manager shall:

3.9.1.1 Maintain copy of EO/ECC determination that no controlled technical data is required by (nor approved for) the Foreign National.

3.9.1.2 Communicate any changes regarding the Foreign National's status to the EO/ECC and Security Manager who shall take appropriate steps to include updating, amending, replacing or returning U.S. Government Authorization and TCP.

3.9.1.3 Ensure the Foreign National maintains his/her documentation with USCIS. If the documentation authorizing the Foreign National to work in the U.S. expires prior to being renewed or extended, the individual must be suspended until his/her legal right to work is verified.

3.9.2 EO/ECC shall provide written notification that no controlled technical

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data is required by (nor approved for) the Foreign National.

3.9.3 Security Manager shall establish a Technology Control Plan (TCP) to control and monitor the access of the Foreign National in regards to specific information provided by the EO/ECC, Supervising Manager and IT Manager. The TCP must include distinctive identification badging (or another approved method of positive control) and facility controls where needed to prevent unauthorized access to controlled technical data and specific areas, such as cypher locks or restricted access.

3.9.4 The IT Manager shall:

3.9.4.1 Institute access controls to limit access by the Foreign National to the Vertex Company's internal network (this is the division's local area network) to information within the public domain as determined by the EO/ECC.

3.9.4.2 Designate the Foreign National within the Vertex Global Address List as a Foreign National (FN).

3.9.4.3 Institute the following disclaimer statement for all e-mails originating from the Foreign National located within the U.S.:  
"[Name], a citizen of [Country], employed by [Company], is subject to compliance with United States Export/Import Laws and Regulations."

3.9.4.4 Implement screen savers on all accessible PC's with a maximum of 5-minute activation.

3.9.5 The Security Manager and EO/ECC shall organize a meeting comprised of the Foreign National, Supervising Manager, HR Manager, and the IT Manager to review and explain the Technology Control Plan (TCP) to ensure compliance with Vertex internal Policies and U.S. Government regulations.

3.9.6 The Foreign National shall acknowledge that no controlled technical data is to be accessed by executing the Non-Access Statement and the Certificate of Acknowledgement.

3.10 New foreign vendors shall be provided to the Procurement ECC for review of their status on the debarred entity list, denied person list, etc.

3.11 Vertex Aerospace LLC personnel who travel internationally on company business must work with their EO/ECC before departure to help ensure that the anticipated activities and transactions associated with their travel are in full compliance with U.S. Government Export/Import laws and regulations and Vertex Corporate policies.

3.11.1 The EO/ECC will ensure that Restricted Party Screening is accomplished through MSR Visual Compliance for all persons and entities involved with the traveler's anticipated itinerary. A copy of the results of such screening should be maintained in the business travel record.

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3.11.2 The EO/ECC will work with the traveler to identify any hardware, software or technical data that must be exported either prior to the trip or hand-carried by the traveler.

3.11.3 The EO/ECC will work with the traveler to determine the correct ITAR or EAR export jurisdiction and classification for such hardware, software or technical data.

3.11.4 The EO/ECC will work with the traveler to identify any applicable ITAR export exemptions and/or EAR exceptions.

3.11.4.1 If there are no exemptions or exceptions available for the export requirements of the trip, the EO/ECC will apply for the required Department of State or Department of Commerce license.

3.11.4.2 The EO/ECC will ensure that the traveler understands any and all limitations or provisos under the export license issued in support of his/her trip.

3.11.5 The EO/ECC will ensure that the traveler intends to carry a company laptop computer, iPhone, Blackberry device or other form of Personal Digital Assistant (PDA), or other Tools of the Trade on the international trip. If so, the EO/ECC will consult the *Hand-Carry Procedures for Tools of the Trade Outside of the U.S. (EXPT039)* found under the EAR Section on the GTC web site and ensure that he/she is provided a **Tools of Trade- License Exception letter** to present to U.S. Customs and Border Protection. (Attachment C)

3.11.6 The EO/ECC should complete Section 4 of Security's Business Travel Authorization Form and approvals from the EO/ECC and relevant manager(s) should be recorded in Section 6. (Attachment D)

3.11.7 The EO/ECC should ensure that the Traveler reads and signs the International Traveler's Awareness Statement. (Attachment E)

3.11.8 Export documents must confirm EEI filings are completed for all hardware exports under the ITAR, for those requiring a license under the EAR, for all 600 Series items, and for permanent EAR shipments over \$2,500. The EO/ECC or the company's Customs/Traffic Compliance Official (C/TCO) will cite confirmation of Automated Export System (AES) Electronic Export Information (EEI) on commercial invoices and "Temporary Export of Hand-Carried Items Letter," and ATA Carnets (see EXPT010), and within 48 hours of the departure, shall arrange for U.S. Customs clearance of the hand-carried materials.

3.12 All Program Managers shall coordinate new part identification with the Procurement ECC and/or SCM ECC for verification from the vendor regarding its applicability to the USML and/or EAR and proper classification in the inventory management system database and for non-inventory commodities.

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- 3.12.1 When the jurisdiction of a commodity, software and/or technology, is unknown or when there is a belief that the commodity may be commercial and subject to the U.S. Department of Commerce (DOC), Vertex must complete and submit an Internal Commodity Jurisdiction Evaluation (**ICJE**) form for review and approval by the GTC.
- 3.12.2 The PMO Material Specialist is required to complete the ICJE Form which includes the necessary technical information and a completed Vendor Commodity Form from the Original Equipment Manufacturer identifying the export trade information of the commodity/part/article being reviewed.
- 3.12.3 Once the Material Specialist completes the ICJE form they will provide to Vertex's or it's affiliates DER for review and signature. Then the Material Specialist submits the ICJE for review and signature to the EO.
- 3.12.4 The ICJE will be reviewed by Vertex's affiliates' EO who then sends it forward to GTC for final determination of its jurisdiction controls as the U.S. Department of Commerce, Export Administration Regulations (EAR) or the U.S. Department of State, International Traffic In Arms Regulations (ITAR). In the event that GTC cannot positively determine the jurisdiction, or if there is sufficient justification to request a change in ITAR jurisdiction, then an official Commodity Jurisdiction (CJ) request will be submitted to the U.S. Department of State by Vertex's affiliate through GTC. Or in the event that GTC thinks it is EAR but may request that a Commodity Classification Request (CCR) is submitted to the U.S. Department of Commerce by Vertex's affiliate through GTC.
- 3.12.5 Vertex is prohibited from making self-determinations of the Export Control Classification Number for DOC controlled commodities, software, and/or technology. An official Commodity Classification (CCATS) issued by DOC is required prior to any exports unless specifically authorized in writing by GTC.
- 3.13 All Program Managers shall assure that overseas site locations are utilizing the VTX\_Ship program to obtain a Return Material Authorization (RMA) number before returning any items to Madison CDC, or any other approved ship to location. Program Managers must also assure that their OCONUS sites are in full understanding of the RMA process.
- 3.14 All Program Managers shall assure that overseas sites are prohibited from shipping to sites or shipping to the United States without the oversight, and approval of the GTC team in Madison, MS.
- 3.15 All Program Managers shall assure that overseas site location addresses are current in SAP Enterprise System and the VTX\_SHIP database system and work with the Shipping/Transportation ECC, and GTC team to assure proper documentation for all EAR/ITAR exports and imports are used.

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- 3.16 Export Control Training will be provided as required to all Company employees, including executive management, program management, business development, contracts, human resources, operations, legal, information technology, inventory data control, procurement, and finance.
- 3.17 All Program Managers are responsible for reviewing the embargoed Countries List on a periodic basis to determine if sales to that country are allowable. This list can be viewed at:  
[http://www.pmddtc.state.gov/embargoed\\_countries/index.html](http://www.pmddtc.state.gov/embargoed_countries/index.html)
- 3.18 Every Company employee shall promptly report any incident of potential export control violations to an Export Compliance Coordinator, the Export Compliance Office, or the Legal Department.
- 3.19 The Company's Human Resources Department shall take appropriate disciplinary actions, including reprimand, suspension, demotion and termination of employment, with respect to employees and their management responsible for export control violations.

4. **RELATED POLICY and DOCUMENTATION:**

- 4.1 **Vertex Corporate Policy 707 – Export/Import Controls and Compliance**
- 4.2 **Vertex Policy HR7.001 – Employment – Hiring, Transfers and Promotions**
- 4.3 **Vertex Policy HR8.006 – Foreign National Employees Access to Technical Data**
- 4.4 **Vertex Corporate Policy 707 – Foreign National Employee Audit Information Form – Attachment A**
- 4.5 **Vertex Corporate Policy 707- vertex Procedure for FN Access to Controlled Technical Data – Attachment B**
- 4.6 **Tools of Trade- License Exception letter – Attachment C**
- 4.7 **Vertex Security Business Travel Authorization Form – Attachment D**
- 4.8 **INTERNATIONAL TRAVELER'S AWARENESS STATEMENT document – Attachment E**

(Signature on File)

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Nydia Rosado  
Vice President Global Trade Compliance (GTC)

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