



Day & Zimmermann

We do what we say.®

Policy: Compliance with Laws/Regulations Governing Imports/Exports

Policy No.: 1505

Responsible Officer: Senior VP, General Counsel and Corporate Secretary

1.0 Purpose

Company must comply with U.S. laws and regulations that govern the export and import of goods and services. These laws and regulations include:

- **ITAR:** The International Traffic in Arms Regulations (ITAR) that govern the export and temporary import of items on the United States Munitions List, the transfer of “technical data” related thereto to foreign persons (whether in the U.S. or overseas, and whether by oral or visual presentation or in writing), and the performance of “defense services” (i.e., training in the use, operation, repair, or maintenance of defense articles). ITAR matters are administered by the Office of Defense Trade Controls, Department of State.
See https://www.pmdc.state.gov/ddtc_public?id=ddtc_kb_article_page&sys_id=24d528fddbfc930044f9ff621f961987;
- **EAR:** The Export Administration Regulations that control the export of dual use and commercial items and which are administered by the Bureau of Export Administration, Department of Commerce.
See <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>;
- **OFAC Sanctions:** The regulations administered by the Office of Foreign Assets Control of the Treasury Department that enforces economic trade sanctions against targeted foreign countries, terrorism-sponsoring organizations and international narcotics traffickers based in U.S. foreign policy and national security goals. See <https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>;
- **ATF:** The Importation of Arms, Ammunition and Implements of War Regulations that govern the permanent import of items on the United States Munitions Import List and that are administered by the Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury. <https://www.atf.gov/rules-and-regulations>; and
- **TSCA:** The Toxic Substances Control Act (TSCA) that controls the import of potentially toxic substances into the United States. See <https://www.epa.gov/laws-regulations>.

2.0 Employee Responsibilities

Employees must become thoroughly familiar with the applicable portions of the above referenced laws and regulations before becoming involved in any transaction that contemplates either the export or import of goods and services.

Employees must refer to and follow the procedures set forth in the Day & Zimmermann [Export and Import Control Manual](#).

3.0 Director of Compliance (Exports)

Company Business Groups actively involved with exporting or importing goods and/or services shall have a designated Director of Compliance (Exports) with expertise in the foregoing laws and regulations, which may be a shared resource with other Business Groups. The Director of Compliance shall be hired by the Business Group only after review, interview, and approval with the Senior Vice President, General Counsel and Secretary or other designated member of the Law Department.

The Director of Compliance will conduct regular training of all Business Group personnel, with a special focus on those employees who are responsible for the export or for the provision of defense products and/or services, and those employees who prepare and submit licenses and other requests for permission to engage in the foregoing activities.

The Director of Compliance or another Empowered Official must approve and submit any license or request to the State Department or Department of Commerce. The Director of Compliance is further authorized to apply for licenses and provide any required certifications to other U.S. Government agencies, to include, but not limited to, the Department of Transportation or Drug Enforcement Agency, as necessary to ensure compliance with the handling of hazardous materials or controlled substances.

4.0 Potential or Actual Violations

Violations of any export regulations can result in serious consequences both for the Company and any individual involved. Substantial fines and/or criminal sanctions may be levied and export privileges may be denied. Employees who violate the export regulations may be subject to disciplinary action, up to and including, termination.

To mitigate the risks of violations and sanctions, the Company requires all of its employees to report potential or actual violations of export regulations to any of the following: an Empowered Official, the Compliance Committee, the Law Department, an Ethics Officer, or the Ethics Helpline/Hotline. There will be no reprisals for reports made in good faith.