



1.0 Management Policy Statement

DATE: 12/02/2011

TO: All Employees and Contractors

FROM: Peter Barnhart, CEO

SUBJECT: Export Compliance Policy Statement

The United States has a statutory and regulatory system for controlling and monitoring the movement of certain goods, information, and technologies. Among other things, the system is designed to minimize the risk of diverting such items to locations that are not in the best interests of the United States.

It is of the utmost importance to Xact Spec Industries LLC that the laws and regulations governing the movement of these goods, information, and technologies be followed. This will allow Xact Spec Industries LLC to maintain its good corporate citizenship status, avoid inadvertent violations, costly errors, and the possible disruption of business.

It is the policy of Xact Spec Industries LLC to comply fully with all laws and regulations governing the export of its products, services, software, and technical data. Each employee, therefore, must be dedicated to ensuring such compliance with government regulations. All sales, service, shipping, engineering, accounting, and other personnel are required to be familiar with, and review regularly, the Xact Spec Industries LLC **Export Management and Compliance Program**. In addition, all contractors and consultants are required to be familiar with, and review, the Xact Spec Industries LLC **Export Management and Compliance Program**. Take particular attention when releasing technical information to foreign nationals, electronic transmission of data and/or software, and the shipment of products outside the United States.

No transactions are to be conducted by or on behalf of Xact Spec Industries LLC contrary to U.S. export control laws and regulations, including the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). Under no circumstances shall these laws and regulations be compromised for commercial gain. Neither sales nor shipments are to be made to any individual or firm appearing on any of the Denied Parties Lists, or to any firms owned by or associated with the individuals or firms therein listed.



EXPORT MANAGEMENT AND COMPLIANCE PROGRAM

Some of Xact Spec Industries LLC goods, information, and technologies can be adapted or used for military purposes. Other goods, information, and technologies have both civilian and military applications. The U.S. export regulations govern many of these items. These regulations are in place to prevent the distribution of goods, information, and technologies that can compromise national security. In some cases, even the unauthorized transfer of low-level goods, information, or technology can potentially jeopardize national security or further the development of weapons of mass destruction.

The regulations are very precise, and compliance with them is mandatory, not voluntary. No employee, consultant, or contractor has the authority to act contrary to this program, nor direct, authorize, or condone violations of the program by any other employee, consultant, or contractor.

Export compliance is a daily exercise. Noncompliance is very costly. All Xact Spec Industries LLC employees, consultants and contractors are required to comply with the policies and procedures outlined in this Export Management and Compliance Program. **Any employee, consultant or contractor who has knowledge of facts or incidents, which he or she believes may violate U.S. export regulations or this program, whether intentional or accidental, is required to report the matter promptly to the Export Compliance Officer.**

Violations of U.S. export laws can subject Xact Spec Industries LLC and its employees, consultants and contractors individually to severe penalties, including fines, denial of export privileges, and even imprisonment. Any employee, consultant, or contractor who violates such laws, or who knowingly permits a subordinate to violate such laws, will be subject to appropriate disciplinary action, up to and including termination.

It is important to recognize that terms like “classification” and “classified,” when used in conjunction with this program **do not** refer to military designations for Classified, Secret, or Top Secret work. Instead, “classification” in this program is used to describe the process by which Xact Spec Industries LLC identifies the status of work being performed, relative to U.S. export regulations. Take separate controls and precautions when handling Classified, Secret or Top Secret work.

All questions regarding export compliance and how it impacts your job, as well as any question concerning the legitimacy of any transaction, violation, or potential violation should be immediately referred to the Export Compliance Officer, Virginia Joseph.

I ask each of you to take this matter very seriously and support me in this effort.



EXPORT MANAGEMENT AND COMPLIANCE PROGRAM



SIGNATURE

Date 12/1/11

Peter Barnhart
Chief Executive Officer
Xact Spec Industries LLC, LLC

Note: This Export Compliance Policy Statement is issued on an annual basis or as necessitated by personnel or company policy changes, changes in management, or regulatory changes. This statement is disseminated throughout the organization, incorporated into appropriate training and presentations, and is posted on the company's intranet and/or website. In addition, this statement is communicated to all contractors, consultants, interns, freight forwarders, distributors, sales representatives, joint venture partners or any other entities or persons doing business on the company's behalf, as a condition of doing business with Xact Spec Industries LLC.