

**AGRI AFRICA FZE t/as AG Aviation Africa
Export Administration Regulations
(EAR)
Compliance Manual**



**VERSION 2.0
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1. Managing Director's Message on Export Compliance to All Employees

[DATE: [30/10/2017]
TO: Ag Aviation Africa personnel
FROM: Matt Kritzinger

SUBJECT: Directive on Export Compliance

A critical success factor for Ag Aviation Africa is our ability to establish an infrastructure capable of serving our customers. A key element in this infrastructure is Ag Aviation Africa's ability to export, re-export or otherwise deal in products while complying with U.S. export control laws and regulations, and other laws and regulations that are relevant to Ag Aviation Africa's business. To achieve compliance with those laws and regulations, Ag Aviation Africa has developed an export management and compliance program, which is formulated to assure that Ag Aviation Africa exports and re-exports are not made contrary to company policies and procedures and the Export Administration Regulations.

Export compliance is the responsibility of all Ag Aviation Africa personnel. Ag Aviation Africa is committed to export compliance by ensuring that compliance is an important aspect of our corporate culture and that the requirements and disciplines to comply are integrated into every employee's job and our business processes. It is expected that Ag Aviation Africa employees and contract personnel will be trained in the requirements, policies, and procedures to ensure Ag Aviation Africa compliance to prevent even inadvertent violations.

Failure to comply with these regulations may result in the imposition of criminal and/or civil fines and penalties, including jail time and monetary penalties, and employees will be subject to disciplinary action and/or termination.

I ask each of you to take this matter very seriously and to support me in this effort. If you have any questions concerning the legitimacy of a transaction or potential violations, please contact:

Mrs. Helga Atagana, ECO, +27213003276, compliance@agaviationafrica.com / Helga@agaviationafrica.com

Note: This message will be issued on an annual basis or if necessitated by personnel changes, changes in management, or regulatory changes.

The Compliance Manager is responsible for disseminating this Statement throughout the organization through Ag Aviation Africa's Export Management and Compliance Program Manual updates from time to time and incorporation into training and presentations, and posting on the Ag Aviation Africa Intranet and Web site.

Matt Kritzinger (SIGNATURE)  (DATE) 30th of October 2017

Managing Director

2. EXPORT REGULATIONS

2.1 Introduction

Export controls govern the shipment, transmission or transfer of certain sensitive items, information or software to sanctioned persons and destinations.

The U.S. export control system generally requires export licensing for defense articles, technical data or services, items that have both commercial and military applications, exports, and items with restricted end use. It is intended to help protect the United States against acts of terrorism and to prevent designated products and technology from falling into the hands of individuals, companies and countries determined to have interests hostile to the interests of the United States.

As a company that trades and supplies certain products that are covered by U.S. regulation, Ag Aviation Africa is affected by these U.S. laws and regulations.

All Ag Aviation Africa personnel, agents and sub-agents must pay particularly close attention to the following U.S regulations:

- Export Administration Regulations (EAR)
- Foreign Trade Statistics Regulations International Traffic in Arms Regulations (ITAR)
- Foreign Corrupt Practices Act (FCPA)
- The anti-boycott laws: (i) the 1977 amendments to the Export Administration Act (EAA), as implemented by the EAR and (ii) the Ribicoff Amendment to the 1976 Tax Reform Act (TRA).
- Foreign Assets Control Regulations

Three principal agencies regulate exports from the United States:

1. **The U.S. Department of State, Directorate of Defence Trade Controls (DDTC)** administers the International Traffic in Arms Regulations (ITAR);
2. **The U.S. Department of Commerce Bureau of Industry and Security (BIS)** administers the Export Administration Regulations (EAR); and
3. **The U.S. Department of the Treasury Office of Foreign Assets Control (OFAC)** administers economic sanctions and embargoes.

Each agency has its own procedures for enforcement, but violations of any of these regulations can result in significant institutional and personal penalties, including fine and the incarceration of individuals. Other sanctions could include the denial of export privileges and/or the forfeiture of the property.

Some other key agencies that may issue penalties for export violations are the U.S. Department of State and the Securities and Exchange Commission (SEC).

There may also be a number of Local Laws which are triggered in any export transaction. It is of the utmost importance for all Ag Aviation Africa employees to respect and adhere to comply with all relevant laws and regulations.

2.2 Purpose

This Ag Aviation Africa Export Compliance Management manual provides an overview of U.S. export controls and how they apply to the activities of Ag Aviation Africa personnel. It also outlines our export compliance program at Ag Aviation Africa.

Questions with regard to this Manual should be referred to the Compliance Manager.

2.3 Scope

This Manual cannot anticipate every export compliance issue that may arise. Where you have any doubt, you should seek guidance from Ag Aviation Africa's Compliance Manager, especially in the following circumstances:

- Conducting testing or research that involves defense, military, weapons, or space technologies;
- Whenever documents from other parties refer to the EAR, the ITAR, or export controls generally;
- Before receiving export-controlled technical information from an outside party;
- Before partnering/collaborating with a foreign person or company;
- Whenever foreign persons/foreign nationals/foreign visitors are proposing to train or work at our facilities containing export-controlled items;
- Before accepting hardware, software, technology, or technical data from an outside party (such as a customer or supplier) to be used in a project as part of an instructional course;
- Before exporting to another country any technology, equipment, materials, or chemical on the EAR's Commerce Control List (e.g., laptops, GPS equipment, other hand-held mobile devices, or other devices containing encrypted software);
- Before handling or exporting any hardware, software, technical data, or services subject to the ITAR;
- Before attending a conference overseas, or planning or participating in a conference where foreign colleagues may be present;
- Before supplying certain technologies or data at a meeting abroad;
- Before providing anything of value to someone from a sanctioned country, or on the entity list, denied persons list, debarred or excluded parties lists, or any other restricted parties' lists; and
- Before any international travel, and especially before travel to an embargoed country such as Iran, North Korea, Sudan, or Syria.

2.4 Management of the Export Compliance Manual

This manual will be updated periodically to ensure that the policies and procedures are current and consistent with United States and internal export control laws and Ag Aviation Africa's own policies and procedures.

Ag Aviation Africa's Compliance Manager is the lead responsible person for overseeing the day-to-day operational management of Ag Aviation Africa's export compliance program and ensuring that this document is kept up to date.

Ag Aviation Africa's Compliance Manager is responsible for sending notices of updates or revisions to this Manual. Each such update or revision will include information as to a) where the new information is included in the Manual and ii) the substitution and disposition of any provisions of the Manual that been replaced or deleted.

It is each Ag Aviation Africa employee's responsibility to refer to the current version of this Manual as each employee will sign an acknowledgement that they have read and understood the manual updates provided. Questions with regard to maintaining or updating this Manual should be referred to the Compliance Manager.

2.5 Abbreviations / Definitions

Various abbreviations and/or definitions generally used in export control have been used throughout this document. Below is a quick reference of these abbreviations and/or definitions:

- AES** the U.S. Automated Export System
- BIS** the U.S. Bureau of Industry & Security which administers the EAR
- CCL** Commerce Control List which are the categories covered by the EAR
- CJ** Commodity Jurisdiction – a written request to classify an item under ITAR
- CM** Compliance Manager – the Ag Aviation Africa Compliance Manager from time to time
- CNC** Computer Numerically Controlled equipment
- DCS** Destination Control Statement – a written statement and warning which appears on shipping documentation describing the item's ITAR or EAR classification.
- DDTC** the U.S. Directorate of Defence Trade Control – which administers the ITAR
- DOC** the U.S. Department of Commerce
- DOD** the U.S. Department of Defence
- DOJ** the US Department of Justice
- DOS** the U.S. Department of State
- DOT** the U.S. Department of Treasury which runs the Office of Foreign Assets Control and implements the FCPA
- DPL** Denied Persons List
- EAA** the U.S. Export Administration Act
- EAR** the U.S. Export Administration Regulations which control dual use (civilian/military) items
- EAR99** items covered by EAR but not on the CCL list
- ECCN** Export Control Classification Number – a number given to EAR controlled items

- EO** Empowered Office under ITAR
- FCPA** the U.S. Foreign Corrupt Practices Act which is the legislation covering bribery and other such illegal practices
- IT** Information Technology - computers and networks
- ITAR** the U.S. International Traffic in Arms regulations controlling the export of military equipment
- Local**
- Laws** all federal and local statutes, rules, bye-laws, codes of practice, guidelines, policies and regulations in any territory within which members of Ag Aviation Africa act or operate.
- MLA** Manufacturing Licence Agreement
- MOU** Memorandum of Understanding
- NLR** No License Required – no licence necessary under EAR regulations
- OFAC** Office of Foreign Asset Control – administers economic sanctions and embargoes.
- SDN** Specially Designated Nationals – SDN list – list of banned/blocked persons
- STTCP** Security Technology Transfer Control Plan
- TAA** Technical Assistance Agreement
- TCP** Technology Control Plan – a plan documenting how export controlled items will be protected
- U.S.** United States of America
- USCBP** United States Customs & Border Protection
- USML** United States Munitions List – lists categories of defense items under the ITAR

3. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

3.1 Export of Defence Articles and Services

The International Traffic in Arms Regulations (ITAR) controls exports, temporary imports and re-export of defense articles, services and data from the United States to any foreign destination – or to any foreign person, whether located in the United States or abroad. The Department of State Directorate of Defence Trade Controls (DDTC) administers the ITAR.

The ITAR controls not only end items – such as radar and communications systems, military encryption, and associated equipment – but also the parts and components that are incorporated into the end item. For example, a commercial radio that normally would not be controlled under the ITAR becomes a controlled defense article if it contains an ITAR-controlled microchip.

Certain non-military items, such as commercial satellites – and certain chemical precursors, toxins, and biological agents – also are controlled.

3.2 Items, Controlled Under the ITAR

The ITAR uses three different terms to designate export-controlled items: defense articles, technical data, and defense services.

- **Defence Article:** Any item or technical data specifically designed, developed, configured, adapted, or modified for a military, missile, satellite, or other controlled use listed on the USML. Defence article also includes models, mock-ups, or other items that reveal technical data relating to items designated in the USML.
- **Technical Data:** Any information for the design, development, assembly, production, operation, repair, testing, maintenance, or modification of a defence article. Technical data may include drawings or assembly instructions, operations and maintenance manuals, and email or telephone exchanges where such information is discussed.
- **Service:** Providing assistance, including training, to a foreign person in the United States or abroad in the design, manufacture, repair, or operation of a defence article, as well as providing technical data to foreign persons. Defence services also include informal collaboration, conversations, or interchanges concerning technical data.

3.3 ITAR Definition of Export

The ITAR defines the term “export” broadly. Again, the term applies not only to exports of tangible items from the U.S., but also to transfers of intangibles, such as technology or information.

The ITAR also defines as an “export” the passing of information or technology to foreign nationals even in the United States (“deemed export”). The following are examples of exports:

- **Exports of articles from U.S. territory:**
 - shipping or taking a defence article out of the United States

- transferring title or ownership of a defence article to a foreign person, inside or outside the United States
- **Extra-territorial transfers:**
 - the re-export or re-transfer of defence articles from one foreign person to another, and not previously authorized (i.e., transferring an article that has been exported to a foreign country from that country to a third country)
 - transferring the registration, control, or ownership to a foreign person of any aircraft, vessel, or satellite covered by the USML, whether the transfer occurs in the United States or abroad
- **Export of intangibles:**
 - disclosing technical data to a foreign person, whether in the United States or abroad, through oral, visual, or other means
 - performing a defence service for a foreign person, whether in the United States or abroad

3.4 ITAR Classification

While DDTC has jurisdiction over deciding (“jurisdictional determination”) whether an item is ITAR-or EAR-controlled, it encourages exporters to self-classify the item. If doubt exists as to whether an article or service is covered by the USML, upon written request in the form of a Commodity Jurisdiction (“CJ”) request, DDTC will provide advice as to whether a particular article is a defence article subject to the ITAR, or a dual-use item subject to Commerce Department licensing.

Determinations are based on the origin of the technology (i.e. as a civil or military article), and whether it is predominantly used in civil or military applications.

The process of ensuring that all defence articles, technical data, and defence services are properly identified and treated as such is fundamental to Ag Aviation Africa’s export controls compliance program.

ITAR determinations govern licensing and authorization requirements for access by foreign nationals/foreign persons.

In the event a clear jurisdictional determination cannot be made from the available relevant information (i.e., there is ambiguity as to whether the item may be alternatively controlled by the Department of Commerce as “dual-use,” or not controlled at all), **Ag Aviation Africa’s Compliance Manager, will apply for a CJ from DDTC.** (Note: CJs are potentially complex documents that require significant time and preparation, the results of which can have significant implications for Ag Aviation Africa’s current and future endeavours.)

Contact Ag Aviation Africa’s Compliance Manager when classifying an item under the ITAR

Outbound ITAR exports will ALWAYS trigger a licence requirement analysis.

The requirement to determine whether an item meets the definition of a defence article may be triggered at numerous phases of the sales process, beginning with the earliest stages of customer meetings. Many Ag Aviation Africa activities and functions – such as Purchasing, Sales, Maintenance and even Human Resources and IT Services – are directly affected by this requirement. Therefore, all affected Ag Aviation Africa personnel must be aware of the jurisdiction determination process,

as assisted by the Compliance Manager, and remain aware of all locations where such items are being used or stored.

Once a jurisdiction determination has been made, this information shall be provided by the Compliance Manager to all affected parties.

3.5 ITAR: The United States Munition List (USML) Categories

Once an item has been determined to fall under ITAR jurisdiction, its USML category must be identified.

The USML designates particular categories and types of equipment as defence articles and associated technical data and defence services. The USML divides defence items into 21 categories:

- I. Firearms, Close Assault Weapons, and Combat Shotguns
- II. Guns and Armament
- III. Ammunition/Ordnance
- IV. Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs, and Mines
- V. Explosives, Propellants, Incendiary Agents, and their Constituents
- VI. Vessels of War and Special Naval Equipment
- VII. Tanks and Military Vehicles
- VIII. Aircraft and Associated Equipment
- IX. Military Training Equipment
- X. Protective Personnel Equipment and Shelters
- XI. Military Electronics
- XII. Fire Control, Range Finder, Optical, and Guidance and Control Equipment
- XIII. Auxiliary Military Equipment
- XIV. Toxicological Agents, Including Chemical Agents, Biological Agents, and Associated Equipment
- XV. Spacecraft Systems and Associated Equipment
- XVI. Nuclear Weapons, Design, and Testing Related Items
- XVII. Classified Articles, Technical Data, and Defence Services Not Otherwise Enumerated
- XVIII. Directed Energy Weapons
- XIX. [Reserved]
- XX. Submersible Vessels, Oceanographic, and Associated Equipment
- XXI. Miscellaneous Articles

The USML is available at:

http://pmdotc.state.gov/regulations_laws/documents/official_itar/2016/ITAR_Part_121.pdf

3.6 Licences and Export Authorizations Under the ITAR

Items and activities controlled under the ITAR may require licensing or other authorization from the DDTC. **Unless otherwise authorized, ITAR items of any kind must not be exported, or accessed by a non-U.S. person, without proper licensing or authorization from the U.S. Department of State.**

The specific type of licence or authorization required depends on the type of export transaction subject to control (for example, temporary versus permanent export licences). ITAR authorizations also include Technical Assistance Agreements (TAAs) and Manufacturing License Agreements (MLAs). For more information on ITAR authorizations, please refer to the DDTC web site.

Each type of licence requires its own specific set of data points that DDTC collects through its DTrade application process and associated documentation, such as Transmittal Letters. A Transmittal Letter describes the transaction in detail, including end use, end user profile, and ultimate disposition of the item, amongst other things. Therefore, data requirements are specific to the type of licence/authorization being used.

Before Ag Aviation Africa applies for an ITAR licence, it must comply with all DDTC requirements pertaining to registration as an ITAR exporter, Empowered Official (EO) designation, and DTRADE User status.

Ag Aviation Africa in the past has been registered as an ITAR Broker. Following a change in regulations in 2013 it was deemed that Ag Aviation Africa was no longer required to maintain that status. The new definition of a “broker” for ITAR purposes is any person (individual, company or organization) engaging in brokering activities. The person described in the definition may be a U.S. person located anywhere, a foreign person located in the U.S., or a foreign person outside the U.S. who is owned or controlled by a U.S. person (such as a subsidiary).

Brokering activities have been defined to include “any action on behalf of another to facilitate the manufacture, export, permanent import, transfer, re-export, or retransfer of a U.S. or foreign defence article or defence service, regardless of its origin.” Examples of brokering activities include “financing, insuring, transporting, or freight forwarding defence articles or defence services” and “soliciting, promoting, negotiating, contracting for, arranging, or otherwise assisting in the purchase, sale, transfer, loan, or lease of a defence article or defence service.” That is a pretty broad definition but as it has been defined now Ag Aviation Africa is no longer required to be registered as a broker.

Since 2013, the only foreign persons required to register as brokers are those that are in the United States and those foreign persons outside the United States that are owned or controlled by a U.S. person.

Ag Aviation Africa’s Compliance Manager will endeavour to remain current on changes to regulations to ensure our business remains compliant.

3.7 ITAR Prohibitions: Embargoes Countries Under DDTC Regulations

In general, no ITAR exports may be made either under licence or licence exemption to countries proscribed in 22 C.F.R. § 126.1, such as China, Cuba, Iran, North Korea, Sudan and Syria.

Additional restrictions apply to other countries.

A complete list of U.S. arms embargoes is available at

http://pmddtc.state.gov/regulations_laws/documents/official_itar/2016/ITAR_Part_126.pdf

4. EXPORT ADMINISTRATION REGULATIONS (EAR)

4.1 Background

The Export Administration Regulations (EAR), regulate the export of “dual-use” items, or items designed for potentially commercial purposes that can have military applications. The EAR covers both exports of these commodities to and from the U.S., as well as the transfer of technical data about them to a foreign national both inside and outside the U.S. It also covers the re-export of foreign commodities incorporating controlled U.S. commodities. The Department of Commerce, Bureau of Industry and Security (“BIS”) administers the EAR.

Details on the EAR are available at <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>

4.2 “Dual Use” Items Subject to EAR

The term “dual use” is used to refer to products or technologies having both civilian and military applications.

Dual use export licences are required in certain situations involving national security, foreign policy, nuclear non-proliferation, missile technology, chemical and biological weapons, regional stability, or terrorist concerns.

The licence requirements are dependent upon an item's technical characteristics, the destination, the end-use, the end-user, and other activities of the end-user.

Even if a licence is not required, there may be additional requirements you must satisfy prior to exporting, including:

- the item is NOT being shipped to a sanctioned destination;
- the item is NOT being shipped to a denied person, sanctioned entity, or to any restricted party, or being shipped for a prohibited end-use; and
- the item will NOT be used for a specific end-use that is subject to higher controls.

Before shipping your product, make sure you understand the concept of dual use and the basic export control regulations, including end-user and end-use based controls.

4.3 Items Controlled Under the EAR

The following summarizes the types of items controlled under the EAR:

- **Commodities:** includes finished or unfinished goods ranging from high-end microprocessors to airplanes to ball bearings
- **Manufacturing Equipment:** includes equipment specifically for manufacturing or testing controlled commodities, as well as certain generic machines, such as computer numerically controlled (“CNC”) manufacturing and test equipment
- **Materials:** includes certain alloys and chemical compounds
- **Software:** includes software specifically associated with particular commodities or manufacturing equipment, as well as any software containing encryption and the applicable source code

- **Technology:** As defined in the EAR, technology includes both technical data and services.

Unlike the ITAR, generally there is no distinction between the two. However, the EAR may apply different standards to technology for “use” of a product versus for the “design” or “manufacture” of the product. Examples of technical data/technology include: blueprints, plans, diagrams, models, formulae, tables, engineering designs, and specifications; and manuals and instructions written or recorded on other media or devices, such as discs

4.4 Definition of Export and Re-export Under the EAR

- **Export.** An export is defined as the actual shipment or transmission of items subject to the EAR out of the United States. The EAR is similar to the ITAR in that it covers intangible exports of “technology,” including source code – as well as physical exports of items.
- **Deemed Export.** Under the EAR, the release of technology to a foreign national (including foreign national employees such as our own) in the U.S. is “deemed” to be an export, even though the release might take place entirely within the U.S. on U.S. soil. Deemed exports may occur through such means as a demonstration, oral briefing, visual inspection, as well as through an electronic transmission of non-public data that is received abroad.
- **Re-export.** Similarly to the ITAR, the EAR attempts to impose restrictions on the re-export of U.S. goods – i.e., the shipment or transfer to a third country of goods or technology originally exported from the United States.
- **Deemed Re-export.** Finally, the EAR defines “deemed re-exports” as the release of technology by a foreign national, who has been licensed to receive it, to the national of another foreign country, who has not been licensed to receive the technology.

These activities may apply to Ag Aviation Africa and its staff under certain circumstances.

4.5 EAR: Commerce Control List (CCL) Categories

The CCL provides a list of very specific items that are EAR-controlled, divided into ten categories:

CATEGORIES:

1. Nuclear-related Items and Miscellaneous Items
2. Materials, Chemicals, Microorganisms and Toxins
3. Materials Processing
4. Electronics
5. Computers
6. Telecommunications and Information Security (Encryption)
7. Sensors and Lasers
8. Navigation and Avionics
9. Marine (Vessels, Propulsion, and Equipment)
10. Propulsion Systems and Aerospace (Includes Aircraft and Aircraft Engines)

In addition to these ten categories, each category is subdivided into five groups, designated by the letters A through E:

- (A) Equipment, Assemblies, and Components;
- (B) Test, Inspection and Production Equipment;
- (C) Materials;
- (D) Software; and
- (E) Technology.

The CCL is available at <https://www.bis.doc.gov/index.php/regulations/commerce-control-list-ccl>.

4.6 Licences and Export Authorizations Under the EAR

Under the EAR, exports of controlled items that do not meet certain license exceptions require prior authorization (licensing), before export, from the Bureau of Industry and Security (BIS).

This requirement applies to outbound shipments of items or data; re-exports of items or data; and export of a non-controlled item to a person or entity identified on one of the Government's restricted entity lists.

As with the ITAR, there are several different types of BIS licenses required (e.g. individual licenses, deemed export licenses, etc.), depending on the type of transaction. However, all license templates may be found in the BIS SNAP-R licensing system (an on-line system to request licenses and authorization), which will specify the required range of data necessary for each application type.

All BIS/EAR licence applications or other Government approvals must be submitted by Ag Aviation Africa's Compliance Manager. Contact Ag Aviation Africa's Compliance Manager for assistance with EAR and/or ITAR licensing

5. ANTI-BOYCOTT LAWS

5.1 Background

The anti-boycott laws were adopted to encourage, and in specified cases, require U.S. firms to refuse to participate in foreign boycotts that the United States does not sanction. These laws apply to all boycotts imposed by foreign countries that are not sanctioned by the United States.

Certain situations may possibly arise where an act or omission that is regarded as being compliant with Local Laws might actually be considered to be a breach of anti-boycott laws.

5.2 Export Administration Act (EAA)

The anti-boycott provisions of the EAR apply to all U.S. Persons (individuals, companies located in the U.S. and their foreign affiliates). U.S. Persons are subject to the EAA when their activities relate to the sale, purchase, or transfer of goods or services (including information) within the United States or between the United States and a foreign country. This also covers certain other transactions in support of such sale, purchase, or transfer even if the supporting activity takes place wholly offshore.

The EAR requires U.S. Persons to report quarterly to the BIS any requests they have received (i.e., requests from foreign entities or individuals) to take certain action to comply with, or to further or support an unsanctioned foreign boycott. The following are examples of reportable requests:

- Requests to refuse to do business with or in Israel or with blacklisted companies.
- Requests to discriminate against other persons based on race, religion, sex, national origin or nationality.
- Requests to furnish information about business relationships with or in Israel or with blacklisted companies.
- Requests to furnish information about the race, religion, sex, or national origin of another person.

Reportable requests are not always evident on their face. In certain cases seemingly harmless verbiage such as “allowed to enter Arab ports” indicates a reportable request. This potentially impacts some of Ag Aviation Africa’s key suppliers and consequently also has a potential impact on Ag Aviation Africa as a result of contractual arrangements with such suppliers. Any potential violative requests or language should be reported to the Compliance Manager, who will then, in consultation with Ag Aviation Africa management and/or external counsel, jointly make a determination as to how to deal with such requests.

5.3 The 1976 Tax Reform Act (TRA)

Generally, the TRA applies to all U.S. taxpayers and their related companies. The TRA requires some of Ag Aviation Africa's key suppliers to report quarterly to the IRS any operations in, with, or related to a boycotting country or its nationals. Such suppliers are also required to report any requests received to participate in or cooperate with an international boycott (e.g. against Israel). If Ag Aviation Africa's suppliers request any such information, it must be reported to the Compliance Manager, who will then, in consultation with Ag Aviation Africa management and/or external counsel, jointly make a determination as to how to deal with such requests,

The following are examples of activities that may be prohibited under the EAR or penalized under the TRA:

- Any agreements made by U.S. entities or individuals to refuse, or actual refusal, to do business with or in Israel or with a blacklisted company or group of companies unless such activity is pursuant to sanctions imposed or recognized by the U.S. Government.
- Agreements to furnish or actual furnishing of information about business relationships with or in Israel or with blacklisted companies.
- Agreements to discriminate or actual discrimination based on race, religion, sex, national origin or nationality.
- Agreements to furnish or actual furnishing of information about the race, religion, sex, or national origin of another person.
- Implementing letters of credit containing prohibited boycott terms or conditions.

All inquiries that are potentially violative of the anti-boycott laws should be directed to the Compliance Manager who may consult with Ag Aviation Africa's legal trade counsel or outside experts.

5.4 Our Responsibilities

All AG employees must comply with the following:

- (i) Any requests for boycott information may not be answered until or unless prior clearance from the Compliance Manager is obtained.
- (ii) Every contract, letter of credit, bid invitation, licence, registration, questionnaire or other written or oral communication that contains a request for any boycott-related action, agreement or information must be reported to the Compliance Manager immediately. This mandate applies even if Ag Aviation Africa declines the order or does not pursue the business. Note that requests are most likely to be received in the form of letter of credit language.
- (iii) Any documents pertaining to any request for any boycott-related action, agreement or information may not be destroyed without prior clearance from our legal counsel.

6. FOREIGN CORRUPT PRACTICES ACT (FCPA)

6.1 Background

The FCPA is the key U.S. anti-bribery law concerning bribery of foreign public officials. It is enforced by the SEC and the U.S. Department of Justice.

The FCPA prohibits any payment to a foreign official for the purpose of influencing that official to assist in obtaining or retaining business for a company. Payment" covers not only the actual payment of money, but also an offer, promise or authorization of the payment of money and an offer, gift, promise or authorization of the giving of "anything of value."

Foreign officials include foreign political parties, officials of foreign political parties and candidates for foreign political office.

The prohibitions apply to both public and private U.S. companies and their officers, directors, shareholders, employees and agents, as well as to individual U.S. citizens and residents. It also applies to foreign nationals and entities that may also be liable under the FCPA where they aid and abet, conspire with, or **act as agent** for issuers or domestic concerns – even if the action did not take place in the U.S.

The FCPA has three principal components:

- **Anti-bribery provisions**, which prohibit payments, offers of payments or authorization of payments by U.S. persons (or their representatives including individuals and organizations, eg. Ag Aviation Africa and its agents) to foreign officials for the purpose of obtaining or retaining business or any improper advantage.
- **Internal accounting controls provisions**, which require companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that companies execute transactions in accordance with management's general and specific authorization.
- **Books and records provisions**, which require companies to maintain their books and records such that they accurately and fairly reflect the transactions and dispositions of their assets.

Violations of the FCPA potentially carry severe criminal and civil penalties.

6.2 Anti-Corruption Policy (FA PL006)

Ag Aviation Africa does not tolerate any form of bribery or corruption. Bribery and corruption involve the giving – including promise to give - or receiving money, gift or other favors directly or indirectly in order to influence or persuade a person's view or conduct, retain business or gain an improper advantage.

We aim to comply with all applicable anti-bribery and corruption laws in countries where we operate.

6.3 Improper Exchanges – Offering and Receiving

Employees must not offer, promise or receive – or engage another party to offer, promise or receive – anything of value (cash, loan, gift, hospitality,

personal/family/social/sporting/cultural favour or other financial or non-financial advantage) for the purpose of inducing or rewarding a discretionary favourable action or the exercise of influence, regardless of country, public or private sector or person concerned. The payment or receipt of secret or undisclosed commissions is strictly prohibited.

Payments to government officials or other intermediaries to facilitate or accelerate a routine non-discretionary activity (otherwise known as facilitation payments), such as obtaining a licence or a permit, are also prohibited.

Employees will not suffer adverse consequences for refusing to make an improper payment even if this may result in Ag Aviation Africa losing business.

6.4 Gifts, Discounts and Hospitality

Exchanges of gifts, discounts or hospitality (including customer travel and accommodation) made in the ordinary course of business may compromise – or appear to compromise – the exercise of objective business judgment. These may also give rise to conflicts between the personal interests of employees and the interests of Ag Aviation Africa.

No payment or gift or other benefit of any kind whatsoever may be promised, offered or made to any foreign official except where these are:

- Token: valued at under US\$250
- Promotional gifts: branded with Ag Aviation Africa logo and brands
- Seasonal or customary in nature
- In line with accepted business practice; and
- Not seen to impair independent business judgment, particularly in connection with an anticipated or pending business transaction or regulatory approval.

In some jurisdictions where we operate there are strict restrictions on exchanging gifts and hospitality with government officials and the reimbursement of government officials' expenses. Employees must consult with the Compliance Manager to ensure such gifts and hospitality are in line with Local Laws.

Multiple exchanges of gifts and hospitality with the same person should also be avoided. Where in doubt, employees must consult with the Managing Director who has absolute discretion to approve hospitality or gifts if appropriate and permissible by law. Such gifts and hospitality are to be recorded in the company accounts.

6.5 Intermediaries, Indirect Payments

Employees may not authorize any representative of Ag Aviation Africa or any other third party to make, promise, or offer to make any payment, gift, or other benefit of any kind whatsoever to any foreign official. In situations where a third-party intermediary is engaged to represent Ag Aviation Africa to current and potential private or government business partners (such as a sales agent, a customs clearing agent or a lobbyist), the employee responsible for the engagement must complete appropriate due diligence and have a documented basis for ensuring the integrity of the intermediary, in accordance with Ag Aviation Africa's policies regarding intermediaries and agents.

6.6 Grease Payments

In certain parts of the world, it is common for government employees to receive so-called "grease", "facilitating," or "expediting" payments to expedite or secure the performance of routine governmental action by a foreign official. These payments are used to motivate government officials simply to complete duties already assigned to them. Such payments may be the result of low economic standards, common local practice, or other circumstances. Grease payments are permitted under U.S. law, however due care must be taken to verify the legality of such payments under Local Laws as well.

Examples include payments for the timely processing of permits, licences or other legal paperwork, or payments to move products off the loading dock. The grease payment exception does not include any payment intended to influence the decision or action of a foreign official concerning the awarding of new business or continuation of existing business.

As of the date of this Manual, even small payment amounts may be aggregated over time such that the DoJ may consider them significant payments in violation of the FCPA. These amounts are difficult to track for purposes of aggregation. Therefore, it is Ag Aviation Africa policy to discourage payments to government officials regardless of the amount. If you believe such a payment is necessary or advisable, you should know the circumstances involved in the proposed payment and request prior written approval from the Compliance Manager.

6.7 Charitable Donations

Ag Aviation Africa may support a number of charitable causes including by making charitable donations, without expectation or acceptance of favourable action or the exercise of influence. In limited circumstances, a charitable donation may pose a risk of corruption, for example by being made to an artificial charitable organisation, or ultimately benefiting a third party such as a government official.

Authorisation of charitable donations must only be made within relevant authority limits, and is subject to Managing Director approval.

6.8 Sponsorships

Sponsorships include providing a benefit to the organisation, event or activity being sponsored and are also aimed at obtaining a marketing benefit for Ag Aviation Africa.

Sponsorships can create problems where they are seen to improperly induce or reward a discretionary favourable action or the exercise of influence.

Authorisation of sponsorship arrangements must only be made within relevant authority limits, and is subject to Managing Director approval.

6.9 Maintaining Records

All Ag Aviation Africa employees are required to maintain complete and accurate records that accurately and fairly reflect all transactions and dispositions of Ag Aviation Africa's assets. These records include financial, human resources, payroll and environmental records,.

All applicable control and approval procedures must be followed.

All expenses relating to gifts and hospitality provided by Ag Aviation Africa must be accurately recorded, with reasonable detail, in the business records of the company.

6.10 Reporting

All AG employees must promptly report to the Compliance Manager any transaction that may potentially give rise to a violation of the FCPA. All such reports will be treated as confidential and the information provided will be used for the purpose of determining if an FCPA violation has or will occur. Such reports will be shared by Ag Aviation Africa's management and other authorized individuals only on a need-to-know basis.

As long as a report is made honestly and in good faith, Ag Aviation Africa will take no adverse action against any person for making such a report. Any failure to report known or suspected wrongdoing of which you have knowledge may subject you to disciplinary action up to and including termination. Designated personnel engaged in marketing, sales, business development or similar responsibilities outside the U.S. may be required to certify annually that they have reported any such transaction of which they have become aware.

6.11 Communication

Ag Aviation Africa regularly communicates our anti-corruption policy to employees at Ag Aviation Africa through our established communication channels. Employees will also receive regular training on supporting this policy in the scope of their employment with Ag Aviation Africa

7. OTHER US EXPORT RESTRICTIONS

7.1 OFAC Sanctions Program & Barred Entities / Restricted Parties' Lists

The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury administers and enforces economic and trade sanctions, based on U.S. foreign policy and national security goals, against targeted foreign countries and regimes; terrorists; international narcotics traffickers; those engaged in activities related to the proliferation of weapons of mass destruction; and other threats to the national security, foreign policy, and/or economy of the United States.

Current OFAC sanctions and embargoes apply to a number of different countries. The list is available on the OFAC website at:

<http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>

7.2 Sanctioned Countries

U.S. economic sanctions broadly prohibit most transactions between a U.S. person and persons or entities in an embargoed country, including Cuba, Iran, North Korea, Syria, and Sudan.

This prohibition includes importation and exportation of goods and services, whether direct or indirect, as well as “facilitation” by a person of transactions between foreign parties and a sanctioned country. (For example, sending a payment to an individual in Iran could require an OFAC licence, or be prohibited.)

More limited sanctions may block particular transactions, or require licences under certain circumstances, for exports to a number of countries, including, but not limited to, Burma, Liberia, and Zimbabwe.

The OFAC sanctions list of countries is subject to change frequently so it is important to check it on a regular basis.

7.3 Terrorist and Other Barred Entity Lists

Various U.S. Government agencies also maintain a number of lists of individuals or entities barred or otherwise restricted from entering into certain types of transactions with U.S. persons. Such lists must be screened to ensure that Ag Aviation Africa does not engage in a transaction with a barred entity.

Examples of barred entity lists include:

- ***Specially Designated Nationals and Blocked Persons List*** (“SDN List”). Maintained by OFAC, this is a list of barred terrorists, narcotics traffickers, and persons and entities associated with embargoed regimes. Generally, all transactions with such persons are barred.
- ***List of Debarred Parties***. The U.S. Department of State bars certain persons and entities from engaging in the export or re-export of items subject to the USML. Note: The number of countries subject to a U.S. arms embargo is much broader than those subject to OFAC embargoes.
- ***Denied Persons List***. These are individuals and entities that have had their export privileges revoked or suspended by BIS.

- **Entity List.** These are entities identified as being involved in proliferation of missile technology, weapons of mass destruction, and related technologies.
- **Unverified List.** These are foreign persons and entities for which BIS has been unable to verify the nature of their operations. While transactions with these entities are not barred, special due diligence is required.
- **Non-proliferation Sanctions.** These lists are maintained by the U.S. Department of State.

8. OTHER EXPORT MARKETS

8.1 Background

Ag Aviation Africa's primary re-export markets are South Africa and Nigeria. Specific export / import control regulations apply for the import of Ag Aviation Africa products by Ag Aviation Africa into each country and, where applicable, for the re-export of those goods from Nigeria or South Africa, as the case may be.

8.2 Nigeria

Importation and Exportation of Goods.

Documentation Requirements for Clearance of Goods

- Single Good Declaration Form
- Form M
- Airway Bill/Bill of Lading
- Commercial Invoice • Packing List
- Combined Certificate of Value and Origin (CCVO)
- SONCAP Certificate (If Required)
- Insurance Certificate

Shipping Process:

1. Prior to shipping, the consignee in Nigeria completes and applies for Form M electronically (Form M is like an import license). This is done online through the Federal Inland Revenue Service (FIRS) /Nigeria Customs Service (NCS) Trade Portal and is then transmitted to his/her bank with the following attachments:

- a. Proforma Invoice
- b. Insurance Certificate
- c. SON Product Certificate/SONCAP (If Required)

2. The Bank approves the Form M and generates a bank code otherwise known as a BA Number, and then sends/transmits the Form M to the Scanning Agent.

3. The Scanning Agent approves the Form M. 14 4. The Consignee forwards the Form M & BA Numbers to the Shipper. These numbers are to be shown on the Airway Bill/ Bill of Lading (AWB/BL).

5. Once shipped, the shipper provides the AWB/BL to the consignee for the processing of the Pre-Arrival Assessment Report (PAAR). The Report shows the duty rate /classification of the cargo. This document guides you while computing the Duty & Taxes.

6. The consignee's customs agent prepares the Customs Entry and approaches customs for the Customs Assessment Notice.

7. The Consignee or his Customs agent pays the duty at the Bank. The Consignee or Agent pays the Local Charges such as Airliners Documentation Fee, Shipping & Terminal Company Local Charges. Other examples include: a. Airfreight: NAHCO and SAHCOL Charges b. Sea freight: Port & Cargo, PTML, ENL Terminal, etc.

8. Customs examination is carried out.

9. Customs release and Exit notes are obtained. For Sea freight, Terminal Delivery Order (TDO) is also obtained. For Airfreight shipment, NAHCO/SAHCOL Gate Pass is also obtained. 10. The agent then positions his van/truck to take delivery of the shipment.

11. After loading, the van/truck proceeds to the customs exit gate for security check and final exit.

Exportation:

After completion of the contract, cargo earlier imported separately on a temporary basis can be exported. Your instruction to that effect should be given to the Agent, who will make the necessary arrangement, either by air or by sea. The Agent will also issue the export Bill of Entry as well as export documentation.

Acronyms

Acronym	Description
CAC	Customs Area Comptroller
CCVA	Combined Certificate of Value and Origin
CG	Comptroller General
DC	Deputy Comptroller
DCG	Deputy Comptroller General
DPR	Department of Petroleum Resources

FIRS	Federal Inland Revenue Service. (Department of Nigeria government that collects national taxes.)
NCS	Nigeria Customs Service
NPA	Nigerian Ports Authority
PAAR	Pre-Arrival Assessment Report. [Automated reports issued by the Nigeria Customs Service. Automation was implemented to help improving process and turnaround time for issuance of the assessment reports, and clearing of consignments at the ports. The previous reports were known as Risk Assessment Reports (RAR).]
SON	Standard Organization of Nigeria. (Government agency that ensures that shipments imported into Nigeria conforms to required standards. They work with some oversea agencies to ensure that regulated products conform and are imported with SON Product Certificate and SONCAP.)
TIP	Temporary Import Permit
TWP	Temporary Work Permit

8.3 South Africa

Importation and Exportation of Goods.

Documentation Requirements for Clearance of Goods

- For customs purposes in South Africa, one negotiable and two non-negotiable copies of the Bill of Lading are required. The Bill of Lading may be made out either "straight" or "to order".
- A Declaration of Origin Form, DA59, is to be used in cases where a rate of duty lower than the general rate is claimed as well as for goods subject to antidumping or countervailing duty. DA59 is a prescribed form with stipulated format, size and content. This form does not require Chamber of Commerce certification. One original signed copy of the form must be attached to the original commercial invoice covering goods, which require such a declaration.
- Four copies and one original Commercial Invoice are required. Suppliers must give, in their invoices, all data necessary for the importer to make a valid entry and for the South African Customs to determine value for duty purposes.
- Invoices from suppliers will not be accepted as satisfying the requirements of the customs regulations unless they state, in addition to any proprietary or trade name of the goods, a full description of their nature and characteristics together with such particulars as are required to assess the import duty and to compile statistics.
- One copy of the insurance certificate is required for sea freight. Follow the importer's and/or insurance company's instructions in other matters.
- Three copies of the Packing List are required. Data contained in this document should agree with that in other documents.

To reduce the likelihood of a dutiable assessment of samples, the shipper must state the following: "Sample: Of no commercial value / Value for customs purposes is USD xxx." Zero-value invoices are not accepted by South African customs authorities; the correct value must be stated of the shipment in question.

Import licenses are required for restricted items. Importers must possess an import permit prior to the date of shipment. Failure to produce a required permit could result in the imposition of penalties. The permit is only valid in respect of the goods of the class and country specified. It is non-transferable and may only be used by the person to whom it was issued. Import permits are valid only for the calendar year in which they are issued.

Import permits required for specific categories of restricted goods are obtainable from the Director of Import and Export Control at the Department of Trade and Industry. These categories have been reduced, but still must be obtained for most used / second-hand items.

Department of Trade and Industry
[International Trade Administration Commission \(ITAC\)](#)
 Import Control
 Private Bag X753
 Pretoria, 0001
 Tel: +27 (0)12 394 3590/1; Fax: +27 (0)12 394 0517
 The [updated SARS import manual](#).

Exportation:

After completion of the contract, cargo earlier imported separately on a temporary basis can be exported. Your instruction to that effect should be given to the Agent, who will make the necessary arrangement, either by air or by sea. The Agent will also issue the export Bill of Entry as well as export documentation.

Ag Aviation Africa exclusively use the following agents:

1. FedEx Express South Africa (Pty) Ltd:

Contact person: Chantal Burt

Tel: +27 (0)87 742 8826; Fax: +27 (0)86 608 4621

Email: chantal.burt@fedex.com

2. Schenker South Africa (Pty) Ltd

Contact person: Brilliant Mphahlele

Tel: +27 (0)11 971 8659; Fax +27 (0)87 234 6981

Email: Brilliant.Mphahlele@dbschenker.com

Contact person: Richard Roodt

Tel: +27 (0)11 971 8668; Fax +27 (0)87 234 6982

Email: richard.roodt@dbschenker.com

9. PENALTIES FOR EXPORT VIOLATIONS

9.1 General

Any person or entity that brokers, exports/transfers, or attempts to export/transfer a controlled item without prior U.S. authorization or in violation of the terms of a licence is subject to penalties.

Violators may incur both criminal and civil penalties for both the company and individuals involved. Although there is a maximum amount for a civil or criminal penalty, the actual penalty imposed is often multiplied.

For instance, each shipment/transfer might be considered a separate violation, and the enforcement agencies will often find multiple violations of related restrictions in connection to each shipment (e.g. export without a licence, false representation, actions with knowledge of a violation, etc.). A series of violations occurring over a period of time may result in hundreds of thousand or even millions of dollars of penalties.

9.2 Violations of the ITAR

The U.S. Arms Export Controls Act and the ITAR provide that wilful violations of the defence controls can be fined up to \$1 million per violation, ten years of imprisonment, or both. ITAR regulations and prosecution extends to non-U.S. businesses, companies and individuals.

In addition, the U.S. Secretary of State may assess civil penalties, which may not exceed \$500,000 per violation. The civil penalties may be imposed either in addition to, or in lieu of, any other liability or penalty. The articles exported or imported in violation, and any vessel, vehicle, or aircraft involved in such attempt is subject to seizure, forfeiture, and disposition. Finally, the U.S. Assistant Secretary for Political-Military Affairs may order debarment of the violator, (i.e., prohibit the violator from participating in export of defence items or in U.S. federal government contracting opportunities).

While imposing criminal liability is fairly rare, many major companies have been assessed significant civil penalties in the millions of dollars.

IMMEDIATELY contact Ag Aviation Africa's Compliance Officer if you anticipate, suspect, or have knowledge of any Ag Aviation Africa noncompliance (past, present, or future) with U.S. export controls laws and regulations.

9.3 Violations of the EAR

Violations of the EAR are similarly subject to both criminal and administrative penalties. Fines for export violations, including anti-boycott violations, can reach up to \$1 million per violation in criminal cases, and \$250,000 per violation in most administrative cases. In addition, criminal violators may be sentenced to prison for up to 20 years, and administrative penalties may include the denial of export privileges.

In most instances, the BIS reaches negotiated settlements in its administrative cases, as a result of voluntary self-disclosures of violations by companies and individuals. Voluntary disclosures

10. INFORMATION NOT SUBJECT TO EXPORT CONTROLS

10.1 Publicly Available

The ITAR and the EAR do not control information that is published and/or generally accessible or available to the public (and hence, such information does not require export licensing). The scope of “publicly available” differs for the ITAR and the EAR.

- **ITAR provision:**

The ITAR describes such information as “information in the public domain”. The information in the public domain may be obtained through:

- sales at newsstands and bookstores;
- subscription or purchase without restriction to any individual;
- second-class mailing privileges granted by the U.S. Government;
- information at libraries open to the public;
- patents available at any patent office;
- unlimited distribution at a conference, meeting, seminar, trade show, or exhibition, generally accessible to the public, in the United States;
- public releases in any form after approval of the cognizant U.S. Government agency; or
- fundamental research within the U.S.

- **EAR provision:**

The EAR does not control publicly available technology if it is already published or will be published. Information is published when it becomes generally accessible to the interested public in any form, including:

- publication in periodicals, books, print, etc. – available for general distribution, free or at cost;
- readily available at libraries open to the public, or university libraries;
- patents and open patent applications available at any patent office; or
- releases at an open conference, meeting, seminar, trade show, or other gathering open to the public.

To maintain compliance, Ag Aviation Africa in its sales discussions with prospective 802U customers will limit discussions to covering only aspects of the aircraft and its systems which are publicly available.

11. ROLES & RESPONSIBILITIES

Every Ag Aviation Africa employee and contractor has the responsibility to comply with export control laws and regulations.

Details below are the key roles for export compliance at Ag Aviation Africa.

11.1 Managing Director

The Managing Director is Ag Aviation Africa's empowered official for export control matters. He has the authority to represent Ag Aviation Africa before any export control regulators in matters related to registration, licensing, commodity jurisdiction and classification requests, and voluntary or directed disclosures.

While certain oversight functions may be delegated, only the Managing Director may sign paperwork and bind the company in any proceeding before DDTC, BIS, OFAC, or any other government agency with export control responsibilities.

The Managing Director whilst taking advice from the Compliance Officer and senior management, is the responsible party for determining who Ag Aviation Africa will or will not deal with in all export control matters.

11.2 Senior Management

Managers share the responsibility of overseeing export control compliance in their respective departments, as well as supporting the Compliance Manager in implementing procedures (as deemed necessary by the Compliance Manager) for export control compliance. Together they will:

- (1) provide assistance in reviewing terms of material transfer agreements, and other non-monetary agreements to identify restrictions on publication, and flag such restrictions in agency requests for proposals;
- (2) provide assistance in identifying international components of sponsored program agreements, and identifying potential export control issues in the proposed international components;
- (3) communicate identified potential export control issues to the Compliance Officer; and
- (4) communicate with the Compliance Officer about any changes that necessitate a review of the project for export controls.

11.3 Compliance Manager

The Compliance Manager together with senior management:

- (1) identify areas at Ag Aviation Africa that are impacted by U.S. export control regulations;
- (2) develop an effective export compliance program at Ag Aviation Africa to comply with the International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR), and Office of Foreign Assets Control (OFAC) requirements, and other export regulations, as required;
- (3) develop Ag Aviation Africa policy and procedures for various export control processes throughout the company;

- (4) advise and support export compliance for those business areas potentially affected by export control requirements, such as:
 - a. Sales
 - b. Maintenance
 - c. Human Resources/Payroll
 - d. Procurement and Purchasing
 - e. Accounting
 - f. Information Technology (IT)
- (5) serve as Ag Aviation Africa's liaison with the U.S. Departments of Commerce, Treasury, and State, along with other U.S. agencies (as needed), regarding particular export transactions or any other matter related to exports;
- (6) conduct periodic audits of export control processes and activities in order to proactively manage Ag Aviation Africa compliance;
- (7) attend professional conferences or utilize other opportunities for professional development to maintain competency in export control regulations;
- (8) work with Ag Aviation Africa departmental staff and advise whether an item being exported (hardware, software, materials, or technical data) requires an export licence by virtue of ITAR jurisdiction, EAR classification, end user status, or potential OFAC restriction;
- (9) assist and support Ag Aviation Africa business units in the screening of foreign customers and end users, visitors, collaborators, and others against the U.S. Government's Denied Parties'/Restricted Entities' lists;
- (10) review applicable proposals, agreements, awards, and contracts to determine the need for any export licences and/or technology control plans (and document licence exclusions/exemptions, as applicable);
- (11) draft applications for export licences and authorization;
- (12) advise staff regarding export controls requirements for travel, conducting business abroad, and international collaborations;
- (13) work with applicable departments to develop and track compliance with Technology Control Plans (TCPs) in order to restrict foreign access to controlled items and technologies;
- (14) oversee Ag Aviation Africa's export controls recordkeeping processes;
- (15) develop and conduct training programs on export control issues for staff;
- (16) seek advice, as needed, in analyzing and handling export control compliance issues;
- (17) work with others to facilitate understanding and compliance with export controls.

11.4 Administration Staff

Sales and maintenance administrators as well as accounts administrators assist in ensuring compliance with export control regulations by identifying potential export issues within various activities.

Such issues may include reviewing invoices for statements that items may not be exported; ensuring that international shipping is compliant with export control laws; ensuring that payments do not go to, services are not transacted with, or contracts are not entered into with any restricted parties; ensuring that international travel is

compliant with applicable export control regulations; and ensuring that visa export certification information has been completed.

11.5 All Staff

It is Ag Aviation Africa policy that all personnel – including employees, contractors and other persons retained by, or working at or for, Ag Aviation Africa – conduct their affairs in accordance with applicable laws and regulations. This includes compliance with U.S. export control laws and regulations applicable to Ag Aviation Africa’s operations.

The laws and regulations governing U.S. exports are lengthy, detailed, and complex. Employees with responsibility for Ag Aviation Africa’s export control compliance program will be offered training sessions on the U.S. export control laws and regulations and their applicability to their jobs (see “Training,” below).

All Ag Aviation Africa employees with tasks involving materials or technology subject to export controls, must review export control compliance as part of their day-to-day responsibilities.

12. EXPORT DETERMINATION

12.1 What is an Export?

As well as the traditional notions of exports, exports can take place in any of the following ways:

- Verbal discussions or presentations to groups that include foreign persons whether in or outside of the U.S. eg. at a **meeting**
- Transmission of information to a foreign person, or a U.S. representative of a foreign person, whether in the U.S. or abroad, **by any means such as email, telephone, or discussions**
- Traditional **shipments of items** through logistics offices to destinations overseas
- **Foreign visitors** to Ag Aviation Africa should we have controlled facilities
- Placing information on a public website or Facebook, releasing **photos/videos**
- Hand carrying luggage items outside the U.S. if they include sensitive emails or technological data on them (eg. your **laptop and mobile phone**)
- Placing information in the [public domain](#) via websites, social media, or other means **without prior appropriate authorization.**

So it is very easy to trigger an “Export” under the various regulations. When you export samples, equipment or instruments abroad or take equipment or instruments with you on an airplane to attend a conference internationally, you are effectively exporting and so are subject to certain restrictions and procedures.

It is typically not what you know, but what you don’t know that will delay customs clearance and can ultimately cost hundreds of thousands of dollars in export fines and penalties. You need to allow sufficient time for export processing and licence determination. Should the export require a licence it may take several months to secure such licence.

Contact Ag Aviation Africa’s Compliance Officer when determining if an item requires a licence for export.

12.2 Determine Applicability of ITAR or EAR

All items and components that fall on the U.S. Munitions List (USML) are subject to an ITAR export licence except if an exemption applies.

If you are exporting commercial or dual-use items, you are subject to the EAR regulations. In broad terms the distinctions between ITAR and EAR as summarized below:

ITAR

- Covers military items or defence articles
- Regulates goods and technology designed to kill or defend against death in a military setting
- Includes space related technology because of application to missile technology
- Includes technical data related to defence articles and services

- Ensures U.S. security by imposing a strict regulatory regime
- Does not balance commercial or research objectives

EAR

- Covers commercial and dual use items
- Some items that were previously controlled under the ITAR have been moved to the Commerce Control List under the 500 & 600 series
- Regulates items designed for commercial purposes but which could have military applications (computers, civilian aircraft, and pathogens)
- Covers both goods, software and the technology
- Encourages balancing competing interests through licensing regime
- Balances foreign availability, commercial, and research objectives with national security

12.3 EAR Classification

EAR classification is the exercise of understanding where an item or technology falls on the Commerce Control List (CCL).

A classification will determine whether an export licence is required based on the destination of the item or technology. Items for purchase “off-the-shelf,” directly from a manufacturer, or by any other commercial means may be controlled under the EAR. Likewise, imported items – notwithstanding foreign origin – may also be subject to EAR restrictions upon export out of the U.S.

Determination as to whether or not authorization to export is required is determined by the following criteria in the transaction:

- (1) what is the Export Control Classification Number (ECCN) of the item/data?**
- (2) where is it going?**
- (3) who is the end-user?**
- (4) what is the end-use?**

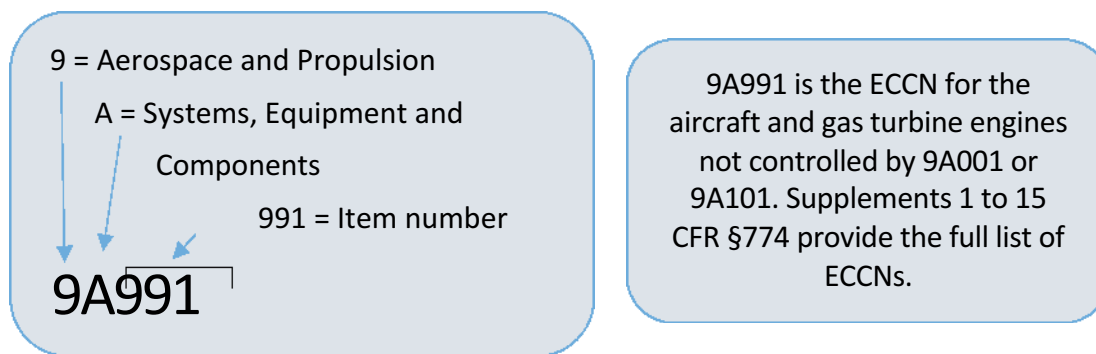
While the majority of commercial exports which comes to us out of the U.S. do not require a licence, the first step in this process is determining the correct classification of the item.

If the item is subject to the EAR, a determination of the Export Control Classification Number (ECCN) found on the Commerce Control List (CCL) must be made. Items subject to the EAR that are not listed on the CCL are designated “EAR99.” There are three ways to determine the ECCN of the item:

- (1) Go to the source (contact the manufacturer, producer, vendor, or developer of the item);
- (2) Self-classify, with the assistance of Ag Aviation Africa’s Compliance Officer; or
- (3) Request an official classification from the Bureau of Industry and Security (this could take weeks to months).

For classification purposes, the EAR – unlike the ITAR – generally looks at the classification of the complete product being exported, rather than at the classification of each subcomponent of the item.

Export controlled items are allocated an ECCN (Export Control Classification Number). The ECCN is an alpha-numeric code eg. 9A004, which describes the item and indicates reasons for control, licensing requirements and applicable licence exceptions. A sample ECCN follows:



After careful review of the item against the CCL, if it does not fit within the parameters of any ECCN, the item may be designated as “EAR99” (meaning not on the CCL list) assuming it is not controlled by another Government agency.

If EAR99, the item may be exported using the licence exception “NLR” (No License Required), as long as the following criteria is also met:

- the item is NOT being shipped to a sanctioned destination;
- the item is NOT being shipped to a denied person, sanctioned entity, or to any restricted party, or being shipped for a prohibited end-use; and
- the item will NOT be used for a specific end-use that is subject to higher controls.

Ag Aviation Africa requires proper export classification of EAR items to determine licensing requirements BEFORE any shipment or release is made, including “deemed exports.” Contact Ag Aviation Africa’s Compliance Officer when attempting classification of an item under the EAR.

12.4 Determine Export Control Classification Number (ECCN)

Generally, all items of U.S.-origin are subject to the EAR. Under the EAR, items with potential dual-use (commercial and military), or are of strategic value to the United States may require an export licence.

In order to establish whether an item requires an EAR licence you must determine the product’s Export Control Classification Number (ECCN) on the Commerce Control List (CCL).

Items listed on the Commerce Control List (CCL) may require a licence if going to certain countries or to certain entities prior to exportation.

Items not listed on the CCL are designated as EAR99 (no licence required) and generally can be exported without a licence, **unless** the export is to an embargoed country, to a prohibited person or entity, and/or an end use that is subject to licensing.

12.5 Determining an ECCN From Suppliers

First and easiest method is to ask the supplier.

Should that not work, then we will need to refer to the CCL to make a determination. The easiest way to read the CCL and determine an Export Control Classification Number (ECCN) is to look at the alphabetical index to check if your product is controlled: <https://www.bis.doc.gov/index.php/forms-documents/regulations-docs/13-commerce-control-list-index/file>

If you find your product listed, write down the corresponding ECCN.

For example, say you are exporting marine acoustic system, review the CCL and you will see that the system is classified as 6A001. This tells you that marine acoustic systems are classified in category 6 of the CCL. You should carefully review the chapter and section to make sure that your system is actually controlled. If after your review of the applicable category you determined that your product is controlled, look at the reasons for control, licence exceptions, and the destination country to see if you need an export licence for the particular country.

The other approach to the CCL is to select the appropriate category where your item may fall and read the entire category to see if your item/technology is listed. The BIS website lists the categories subject to export controls (Category 0 to 9): <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>

An abbreviated copy of the entry on the CCL for 6A001 classification:

*6A001 Acoustic systems, equipment and components, as follows (see List of Items Controlled).
License Requirements
Reason for Control: NS, AT*

Control(s) Country Chart

NS applies to entire entry NS Column 2

AT applies to entire entry AT Column 1

License Exceptions:

LVS: \$3000; N/A for 6A001.a.1.b.1 object detection and location systems having a transmitting frequency below 5 kHz or a sound pressure level exceeding 210 dB (reference 1µPa at 1 m) for equipment with an operating frequency in the band from 30 kHz to 2 kHz inclusive.

GBS: Yes, for 6A001.a.1.b.4.

CIV: Yes, for 6A001.a.1.b.4.

STA: License Exception STA may not be used to ship commodities in 6A001.a.1.b, 6A001.a.1.e or 6A001.a.2 (except .a.2.a.4) to any of the eight destinations listed in § 740.20(c)(2) of the EAR.

The classification description will outline the reasons for control and any potential licence exceptions. In this case, the reasons for control are NS (national security) and AT (anti-terrorism).

Once you know the reasons for control—in this example, NS, Column 2; and AT, Column 1—look at the Commerce Country Chart (<https://www.bis.doc.gov/index.php/documents/regulations-docs/federal-register-notice/federal-register-2014/1033-738-supp-1/file>) to determine

which countries require a licence. If you find an “X” in NS, Column 2 or AT, Column 1 next to a country, that country requires an export licence.

See the Commerce Country Chart below as an illustration.

If you wanted to export this marine acoustic system to Argentina, you would need an export licence from the BIS (unless exception applies) because there is an “X” in the NS, Column 2 field. However, if you want to export the same system to Austria, you won’t need a licence because there is no “X” in either NS, Column 2 or AT, Column 1.

Commerce Control List Overview and the Country Chart Supplement No. 1 to Part 738 page 1

Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearms Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Afghanistan	X	X	X	X		X	X	X	X	X		X		X	
Albania ^{2,3}	X	X		X		X	X	X	X							
Algeria	X	X		X		X	X	X	X	X		X		X		
Andorra	X	X		X		X	X	X	X	X		X		X		
Angola	X	X		X		X	X	X	X	X		X		X		
Antigua & Barbuda	X	X		X		X	X	X	X	X	X	X		X		
Argentina	X					X	X	X	X	X	X	X		X		
Armenia	X	X	X	X		X	X	X	X	X		X	X			
Anuba	X	X		X		X	X	X	X	X		X		X		
Australia ³	X					X		X	X							
Austria ^{3,4}	X					X		X	X			X		X		

12.6 Check Destination Country

The next step in licence determination is to verify that the destination country is not subject to an embargo or any other economic sanction. As countries listed are subject to change, check the OFAC website prior to making any export shipment: <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

Keep in mind when you are receiving requests for equipment, samples or instruments from embargo destinations that any suggestion of using a distributor or a broker in a third country will not get around the issues. It is illegal for a U.S. person or entity to export these items to an embargo destination through a third country.

Moreover, when you send the equipment or travel with equipment to multiple destinations, be sure to check each country against the embargo list. Countries within our dealer region which require particular caution are – Burma, China, Sri Lanka and Vietnam.

Shipments of ITAR articles are subject to additional sanctions and embargoes: http://pmdtc.state.gov/embargoed_countries/index.html

12.7 Verify the Customer

Details of customer must be checked to ensure that their names are not on any of the following banned lists:

- **Denied Person List** - A list of individuals and entities that have been denied export privileges. Any dealings with a party on this list that would violate the terms of its denial order is prohibited.
- **Unverified List** - A list of parties where BIS has been unable to verify the end-user in prior transactions. The presence of a party on this list in a transaction is a “Red Flag” that should be resolved before proceeding with the transaction.
- **Entity List** - A list of parties whose presence in a transaction can trigger a licence requirement under the EAR. These end users have been determined to present an unacceptable risk of diversion to developing weapons of mass destruction or the missiles used to deliver those weapons and contrary to U.S. national security and/or foreign policy interests. Inclusion on the list may also be a result of activities sanctioned by the U.S. State Department and activities contrary to U.S. national security and/or foreign policy interests.
- **Specially Designated Nationals List** - Alphabetical master list of Specially Designated Nationals and Blocked Persons compiled by the U.S. Treasury Department, Office of Foreign Assets Control (OFAC).
- **Debarred List** - A list compiled by the U.S. State Department of parties who are barred under ITAR regulations from participating directly or indirectly in the export of defence articles, including technical data or in the furnishing of defence services for which a licence or approval is required by the ITAR.

If you are not sure who the end user is, it is a good practice to ask your buyer to complete the BIS Form 711 as a verification of the ultimate consignee. The form is used as a supporting documentation for certain licence application and can be used as a verification of the end user

<https://www.bis.doc.gov/index.php/forms-documents/licensing-forms/235-bis-711-statement-by-ultimate-consignee-and-purchaser/file>

12.8 Determine the Planned Purpose

Finally, even if you are exporting a commercial or dual-use item that is not subject to a licence for the export transaction, you will very likely need to apply for an export licence if the product will be used for certain applications eg. nuclear application, rocket systems and unmanned air vehicles, chemical and biological weapons, maritime nuclear propulsion, foreign vessels or aircraft or military end use.

Know how your customer plans to utilize the exported item. Contact the Compliance Manager for assistance in these cases.

12.9 Red Flags

Whether or not a licence will be required for an export, applying common sense is essential in weeding out potentially problematic transfers. Alarms should sound if any of the following “Red Flags” are triggered:

If a customer or agent -

- Is reluctant to provide end-use/user information

- Is willing to pay cash for high-value shipments
- Has little background or history in the relevant business
- Appears unfamiliar with the product or its use
- Declines normal warranty/service/installation
- Orders products/quantities incompatible with the relevant business
- Provides vague delivery dates or locations
- When the customer has an address/contact information similar to that found on a restricted parties' list;
- When the customer (or purchasing agent) is reluctant to offer information about end-use of item;
- When the customer has little/no business background;
- If the customer declines routine installation, training, or maintenance services;
- If the customer provides vague delivery dates, or deliveries planned for out-of-the-way destinations;
- If the requested packaging is inconsistent with the stated method of shipment or destination;

Or if a shipment involves -

- Private intermediary in major aircraft sale
- Freight forwarder designated as consignee/end-user
- Intermediate consignee's business or location incompatible with what you have been told is the end-user's location
- Shipments directed to trading companies, freight forwarders, or companies with no connection to buyer
- Requests for packing inconsistent with normal mode of shipping
- Choice of circuitous or economically illogical transit routing, or through multiple countries;

Or if the end-user requests -

- Equipment inconsistent with inventory (eg. ordering parts for products they don't have) Spare parts in excess of projected needs
- Performance/design specs incompatible with resources or the environment but the customer still wants the product
- Technical capability/end-use is incompatible with consignee's line of business (eg. selling an aircraft to a bakery chain)
- When the customer requests or provides payment/invoice descriptions that are vague or nonsensical;

- End-use at variance with standard practices (wanting to use the product for an unusual purpose)
- Middleman from third country is placing the order
- Refuses to state whether goods are for domestic use, export, or re-export

Finally export control will likely apply if during the course of the transaction there are:

- References to U.S. export control regulations (ITAR, EAR, OFAC), beyond a mere/general statement to comply;
- Restricted access or participation based on country of origin (e.g., participants limited to U.S. citizens only);
- Involves export-controlled information, technology, or equipment (if stated, known, or suspected);
- Involves military, security, or intelligence applications – or classified, secured, or top secret materials – or dual civilian or military applications;
- Limits or restricts on publication;
- Involves, in any way, certain countries/foreign nationals, including (but not limited to) Afghanistan, China, Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria, etc.
- Involves international travel, shipping, or work in other countries;
- Includes or involves foreign sponsors or collaborators; and/or or is funded by the U.S. Department of Defence, Department of Energy, the Army, the Air Force, the Naval Office, NASA, the National Reconnaissance Office, or other U.S. Government agencies or indeed any foreign military.

If any of the above raises a red flag, then the issue should be raised immediately with Ag Aviation Africa's Compliance Manager. Upon completing a review, the Compliance Manager will advise concerning particular export controls that should be applied.

13. EXPORT DOCUMENTATION

13.1 Marking of Technical Documents

All technical information should be reviewed and marked by the document owner prior to sharing with a foreign person, ideally, upon creation.

Document owners should mark all technical documentation with an affirmative statement advising the reader of the export jurisdiction and export classification. The appropriate markings for documentation controlled under the ITAR, EAR, or both are illustrated below.

U.S. ITAR Category _____
- International Traffic in Arms Regulations (ITAR) Notice -
This document contains information which falls under the purview of the U.S. Munitions List (USML)
as defined in the U.S. International Traffic in Arms Regulations (ITAR), 22 CFR §120-130, and is export-controlled. It shall not be transferred to foreign persons in the U.S. or abroad without specific approval of Ag Aviation Africa's Managing Director, and/or unless an export licence or licence exemption is obtained/available from the Directorate of Defence Trade Controls, United States Department of State. Violations of these regulations are punishable by fine, imprisonment, or both.

U.S. EAR ECCN _____
- U.S. Export Administration Regulations (EAR) Notice -
This document contains information within the purview of the U.S. Export Administration Regulations (EAR), 15 CFR §730-774, and is export-controlled. It may not be transferred to foreign persons in the U.S. or abroad without specific approval of Ag Aviation Africa's Managing Director, and/or unless an export licence or licence exception is obtained/available from the U.S. Bureau of Industry and Security, United States Department of Commerce. Violations of these regulations are punishable by fine, imprisonment or both.

Subject to U.S. Export Control Regulations:
This document contains information within the purview of the U.S. International Traffic in Arms Regulations (ITAR), 22 CFR §120-130 and the U.S. Export Administration Regulations (EAR), 15 CFR §730-774, and is export-controlled. It may not be transferred to foreign persons

in the U.S. or
abroad without specific approval of a knowledgeable export control official,
and/or unless an export
licence, licence exemption, or licence exception is obtained/available from the
U.S. Directorate of
Defence Trade Controls, United States Department of State or U.S. Bureau of
Industry and Security,
United States Department of Commerce. Violations of these regulations are
punishable by fine,
imprisonment or both.

13.2 Marking Emails

An email (without attachment) that contains text with export-controlled information should be a record and should be marked as such. The sender of the export-controlled information to a foreign party is responsible for including the appropriate marking.

A way to mark the email is to include the words "CONTAINS EXPORT-CONTROLLED INFORMATION" at the end of the subject line and to include the ITAR and/or EAR notice (see marking of technical documents above) in the body of the email.

13.3 Shipping Documents

13.3.1 Marking Shipping Documents with Destination Control Statements

The ITAR and EAR have their own Destination Control Statements (DCSs) that must be written on a bill of lading, airway bill, commercial invoice, and other export documents.

For shipments subject to the ITAR, mark with the published DCS shown below:

ITAR Destination Control Statement (22 CFR §123.9(b)(1))
These commodities are authorized by the U.S. Government for export only to
*[country of ultimate
destination]* for use by *[end-user]* under *[licence 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.

For shipments containing both EAR and ITAR items, both the EAR and ITAR DCSs must be used on the invoice and on the bill of lading, air waybill, or other export control documents.

EAR Destination Control Statement (15 CFR §758.6(b))
These commodities, technology, and/or software were exported from the
United States in

accordance with the U.S. Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

To distinguish which phrase applies to which commodity, the EAR DCS verbiage should be prefaced by the phrase, "For items subject to the Export Administration Regulations," while the ITAR verbiage) should be prefaced with, "For items subject to the International Traffic in Arms Regulations."

13.3.2 Marking Shipping Documents with Export Authorization and Classification

It is a best practice to include the export authorization and classification on all shipping documents. The ITAR USML Category and the licence number or the licence exemption reference for each item should be marked on all shipping documents. Similarly, the EAR ECCN, and licence number or licence exemption reference for each item should be marked on all shipping documents.

14. EXPORT PROCESS

14.1 Process for Sharing Controlled Technical Data

Sharing technical data under the ITAR or technology under the EAR with foreign persons by any means is an export. This includes, but is not limited to, exports to foreign persons or foreign destinations via regular mail or email and/or sharing the data with on-site foreign persons.

The Ag Aviation Africa staff member is required to get the Compliance Manager to review transaction details prior to exporting or sharing technical data or technology.

If there is a signed Agreement, a corresponding export licence or licence exemption or exception in-place allowing for the sharing of export-controlled technical data/technology, then the Compliance Manager verifies that the export request meets the exact parameters in those documents.

The Ag Aviation Africa Africa staff member shall submit the key information of the proposed technology export using the Export Control Request Form detailed below.

The Compliance Manager review shall include checks of denied persons and entities lists for both the recipient of the data and the affiliated company/organization.

The Compliance Manager will make recommendations regarding approval or rejection, however final determination will be from the Managing Director.

Export Control Request Form details
<input type="checkbox"/> Exporter's name
<input type="checkbox"/> Exporter's organization/company
<input type="checkbox"/> Exporter's phone number
<input type="checkbox"/> Type of export (commodity, software, technical data, technology and/or providing a defence service)
<input type="checkbox"/> What is the authority (contract or agreement) in place that requires this item to be exported? Provide a copy of authorization.
<input type="checkbox"/> Provide a description and quantity of the item(s)
<input type="checkbox"/> Name of ultimate destination
<input type="checkbox"/> Address of ultimate destination
<input type="checkbox"/> Method of export (shipping/receiving, hand carry, mail, fax, electronic, posting on the web or other)
<input type="checkbox"/> Provide value and weight (if applicable)
<input type="checkbox"/> Date of export
<input type="checkbox"/> Is this a temporary export? If so, return date?
<input type="checkbox"/> Is this a loan? If so, please provide circumstances

14.2 Process for Shipping Controlled Exports

All temporary or permanent exports of commodities, software, technical data, and/or technology that are subject to export control shall be reviewed by the Compliance Manager.

The Ag Aviation Africa staff member should submit information contained in the Export Request Form (above) for review. The Compliance Manager reviews the information, verifies that the export is necessary, completes background checks on both the recipient of the data and the affiliated company/organization, classifies the data (if not already classified), and determines any licensing requirements.

If a licence is required, the Compliance Manager works with the Managing Director to obtain the appropriate export licence. If a licence exemption/exception is available, approval to use the authorization requires the Managing Director's approval.

Based on the information provided, the Compliance Manager may ask for additional information, and will make recommendations regarding approval or rejection of the shipment. Final approval or not will be determined by the Managing Director.

Upon approval, the Compliance Manager documents any export instructions for the Field Air staff member who made the request. The final package includes documentation of Managing Director approval and export authorization, including any other required additional forms for recordkeeping.

Ag Aviation Africa's dispatch area is responsible for maintaining the official shipping records and must include the export authorization and appropriate DCSs.

If an export of the commodities, software, technical data, and/or technology is handled by a third-party shipping company (such as TWL, Fedex or other), then it is the responsibility of that party to ensure the shipping process is adhered to in accordance with the regulatory requirements. Ag Aviation Africa may request copies of third-party shipping paperwork work prior to shipment.

14.3 Technology Control Plans (TCPs)

When export-controlled equipment, data, or technology is present at Ag Aviation Africa, the Compliance Officer will work with other Ag Aviation Africa staff to develop and implement a TCP to appropriately secure the equipment, materials, software, data, or technology from access by unlicensed and/or

unauthorized non-U.S. persons.

The TCP will include:

- a commitment to export control compliance;
- identification of the applicable export controls, and items or technologies subject to the controls;
- a description of the agreed-upon security measures to control the item/technology, including, as appropriate:
 - physical security (hangar compartmentalization, physical identification, etc.)
 - time blocking
 - marking
 - locked storage
 - electronic security (data file/computer access security)
 - confidential communications;

- identification and nationality of each individual who will have access to the controlled item or technology;
- personnel screening measures for granting access to the controlled item/technology (screening of staff and visitor access); and
- appropriate security measures for disposal of the item/technology when use is complete.

Before any individual may have access to export-controlled items or technology, he or she must be informed of the conditions of the TCP and agree to comply with the security measures outlined in the TCP. A copy of the TCP must remain with the Compliance Manager, and any Government inquiries relating to TCPs (whether as part of a licensing procedure, or an audit) will occur through the office of the Compliance Manager.

Note: All ITAR-controlled items at Ag Aviation Africa are required to have a TCP. Contact Ag Aviation Africa's Compliance Manager for assistance with physical security procedures/TCPs related to export controls.

14.4 Visitors to Controlled Areas

Ag Aviation Africa will ensure that all security and export control requirements are met when it engages with foreign partners and visitors while preventing unauthorized access to Ag Aviation Africa facilities and resources, including IT and technical data.

No export controlled data will be stored on cloud/web based services. This is to avoid an inadvertent export situation, where our data might be stored on a server in another country.

14.5 Laptops and Mobile Phones

When export controlled data is at Ag Aviation Africa and we have a potential visitor requesting entry to controlled areas we will gather and research those persons. This information we will gather includes:

- Country of birth
- Country of citizenship
- Dual Citizenship (if applicable)
- Employer
- Affiliation
- Address information
- Visa type
- Passport information
- Purpose of visit and what access (data/facilities) requested
- Date, or period of time for visit
- If the visit is a high-level protocol visit

Once the request is received, the Compliance Manager reviews and does the appropriate due diligence as described earlier. The Compliance Manager will report the findings to the Managing Director, who has final authority on whether access will/will not be granted.

14.6 Ag Aviation Africa Staff

Before any Ag Aviation Africa staff member may observe or access any technology which is deemed “controlled” he or she must firstly be authorized to access the controlled item or area. In order to obtain authorization the staff member will need to be screened against applicable lists as described earlier in this document as well as be trained on export control issues. Finally, these staff be required to certify their agreement to comply with Ag Aviation Africa security measures in place.

14.7 Information Technology (IT) Controls

Ag Aviation Africa will maintain appropriate electronic security to restrict access to export controlled data and technology. Access to Ag Aviation Africa servers is via password protected logon. User permissions restrict users without appropriate clearance from viewing export controlled and other data which they have not been authorized to access.

14.8 Cloud / Web Based Services

Laptops and smart phones can lost or stolen. For this reason, Ag Aviation Africa staff should not travel with anything they do not need. No Ag Aviation Africa laptop is to have sensitive technical data or software on it, and especially not when travelling overseas.

14.9 Meetings and Export Controls

Attending a meeting on the Air Tractor 802U, whether remotely and/or on-site, requires extra awareness and planning to prevent the inadvertent transfer of export-controlled information and a potential export control violation.

Staff involved must ensure that all export compliance protocols are followed prior, during, and at the conclusion of the meeting. Care is needed to ensure that all attendees are known and authorized to receive information presented. If there are any persons attending the meeting who are not known or authorized to receive export-controlled technical data or technology, then the meeting discussions and presentation material should be limited to that which is in the public domain.

14.9.1 Prior to the Meeting

The following should be coordinated well in advanced of the meeting:

- Generate an attendee roster for all foreign national meeting participants. The roster should include, at minimum: name, nationality, and affiliation—all attendees must be accounted for, even if attending only briefly. The list of foreign national participants should be provided to the Compliance Manager before the scheduled meeting, so that appropriate screening may occur.
- As a best practice, provide advance notification to foreign nationals when they are not authorized to attend a particular session or an entire meeting, to avoid the embarrassment of asking the individual(s) to leave an ongoing meeting.
- Ensure that the scope of the planned meeting is within the parameters of the export authorization(s) and communicate it to all participants.

14.9.2 Conducting the Meeting

While conducting the meeting, the Ag Aviation Africa staff member should ensure that:

- All participants sign the attendee roster or conduct a roll call. Verify that all attendees are authorized to attend. Consider adding “door monitors” whenever the meeting size means people are coming and going. The “door monitors” control physical access as well as telephone access.
- At the start of the meeting, remind the participants of the presence of foreign nationals at the meeting and that all participants should remain within the scope of their respective export authorization(s).
- Maintain meeting records which include: attendee roster, date, time, location, presentation materials, and meeting minutes. The minutes should include a reference to the appropriate export authorization if export-controlled information is shared.
- At the conclusion of the meeting, collect all meeting materials (hard copy and electronic) and maintain meeting records.

The following checklist is provided to assist in planning and conducting a meeting as described above.

Meetings with Foreign Nationals - Export Controls	
<i>Prior to meeting, we should:</i>	
<input type="checkbox"/>	For remote foreign national participants:
<input type="checkbox"/>	Obtain a list of all participants including their names, nationalities, affiliation. <input type="checkbox"/> Submit the list to the ECO for screening.
<input type="checkbox"/>	Ensure that the scope of the meeting is within the parameters of the export authorization(s) and communicate it to all participants.
<input type="checkbox"/>	Ensure that all presentation materials are reviewed and properly marked.
<input type="checkbox"/>	Generate an attendee roster to include, at minimum: name, nationality, and affiliation—all attendees must be accounted for, even if attending
<i>At the start of the meeting:</i>	
<input type="checkbox"/>	Ensure all participants sign the attendee roster or conduct a roll call. Verify that all attendees are authorized to attend.
<input type="checkbox"/>	Remind the participants of presence of FNs at the meeting and that all participants should remain within the scope of their respective export
<i>During the meeting:</i>	
<input type="checkbox"/>	Maintain meeting minutes.
<input type="checkbox"/>	Be attentive to attendees who join after the meeting begins. They should be on the approved attendee roster.
<i>At the conclusion of the meeting:</i>	
<input type="checkbox"/>	Collect all meeting materials (hard copy and electronic).
<input type="checkbox"/>	Consolidate and maintain meeting records.

15. TRAINING

All AG employees involved in exports should be aware of and undergo training related to the following:

Export control laws and regulations

Ag Aviation Africa's export control policies and processes

Points of contacts and other export control resources

Ag Aviation Africa's export control training program is targeted to both non-export control and export control staff. Training is developed and conducted in-house. The programs we run consist of:

[Export Control Awareness - for all employees - short presentation providing a general overview of export control related red flag issues;

Export Control Advanced – for employees in high risk areas – e.g. Personnel who deal with foreign customers, personnel involved in sales and dispatch. PowerPoint presentation providing overview of the requirements and Ag Aviation Africa in-house procedures followed by simple multiple choice questionnaire.

Export Control Advanced Refresher – annual refresher for employees in high risk areas – open book multiple choice questionnaire.

Export Control Processes - On-the-Job Training – one on one training as and when required;

Compliance Manager Training (external) – our Compliance Manager will undertake a minimum 8 hours training, be that by attending an appropriate seminar on U.S. export controls or online. Such training to occur every 3 years .]

The Compliance Manager will maintain detailed records of trainings provided at Ag Aviation Africa, including the names and titles of attendees, and the training subjects discussed.

Employees with export-related responsibilities are required to take annual refresher courses on general export compliance.

In 2008 the BIS created the *BIS Online Training Room*, as a resource for companies interested in learning about U.S. dual-use export control regulations. The Training Room acts as an organized, online repository of training modules and webinars, amplifying and augmenting current BIS exporter outreach programs. It is available at: <https://www.bis.doc.gov/index.php/compliance-a-training/export-administration-regulations-training/online-training-room> .

All Ag Aviation Africa employees are encouraged to attend these and any other available courses offered by the various government agencies.