





TITLE	APPROVAL SIGNATURE	DATE
Corporate ITAR Compliance Officer		8/4/11
VP & General Counsel (Empowered Official)		8/4/11



1. Purpose

- 1.1 To define the policy and procedures to ensure compliance with the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).

2. Scope

- 2.1 This policy applies to all U.S. Business Units and the Canadian Division, DDi Toronto Corp..

3. Policy

- 3.1. DDi will comply with the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).
- 3.2. Only employees who are confirmed to be U.S. Persons are allowed to review data, documents or to work on ITAR controlled product.
 - 3.2.1. U.S. DDi employees generally have either (a) duties that require them to have access to ITAR controlled products or data, or (b) have access to premises in or upon which ITAR controlled products or data is available.
 - 3.2.2. In order to ensure compliance with the ITAR, and in accordance with the national security exception to Title VII under 42 U.S.C. § 2000e-2(g), DDi will generally hire only persons in the U.S. who are confirmed to be U.S. Persons. In extraordinary circumstances, DDi may hire a Foreign Person, provided that (a) DDi promptly seeks authorization to employ the Foreign Person from the DDTC on a DSP-5; and (b) the employee is not permitted access to ITAR controlled products or data until they have become an ITAR Authorized Person.
- 3.3. All employees will receive training in general understanding of the ITAR policy.

4. Reference Documents

- 4.1. Arms Export Control Act
- 4.2. International Traffic in Arms Regulations - 22 CFR Parts 120 – 130
- 4.3. Canadian Exemption Compliance Policy – Document Number ECP 002.

5. Definitions

- 5.1. **Arms Export Control Act (AECA)** – Provides the authority to control the export of defense articles and services, and charges the President to exercise this authority. This authority is delegated to the Secretary of State.
- 5.2. **Canadian Exemption** - Section 126.5(c) of the ITAR provides an exemption for the export of technical data to Canada as necessary for the performance of certain defense services.
- 5.3. **CGRP** - Program directed by the Public Works and Government Services in Canada to control the examination, possession and transfer of controlled goods and/or controlled technology. The CGRP is Canada's equivalent to the U.S. ITAR Regulations.



- 5.4. **Corporate ITAR Compliance Officer** - The person responsible for the program documentation, distribution and compliance.
- 5.5. **Deputy Local ITAR Compliance Officer** - The person appointed by the Local ITARCO to act as back-up to the Local ITARCO.
- 5.6. **Empowered Official** - A U.S. person who is a key senior full time employee who has legal authority to sign license applications and can make inquiry into any aspect of an export or temporary import.
- 5.7. **Export** – Disclosing (including oral or visual disclosure) of product or transferring technical data to a foreign person, whether in the United States or abroad.
- 5.8. **Foreign Person** - Anyone who is legally in the United States but does not hold the status of a U.S. person: (e.g. work authorization, H1B visa, visitors, etc.) Can also refer to an organization not licensed to do business in the United States.
- 5.9. **International Traffic in Arms Regulations (ITAR)** - A set of United States Government regulations that control the export and import of defense-related articles and services on the United States Munitions List. These regulations implement the provisions of the Arms Export Control Act (AECA). The Department of State interprets and enforces ITAR.
- 5.10. **ITAR Authorized Person** – an individual who is either a U.S. Person or for whom DDi has authorization to employ as Foreign Person from the DDTC on a DSP-5.
- 5.11. **Local ITAR Compliance Officer (ITARCO)** - A person appointed by the VP within each Division who is responsible for ITAR administration and local compliance.
- 5.12. **United States Munitions List (USML)** - A list of articles, services and related technology designated as defense-related by the United States Federal government.
- 5.13. **U.S. Person** - An individual who has either status as a U.S. citizen, is a holder of a current, permanent alien registration card or is a political asylee or in certain other classes of protected person. A U.S. Person can also refer to an organization that is licensed to do business in the United States.

6. Responsibilities & Procedures

6.1. Chief Executive Officer (CEO) & Executives

- 6.1.1. Authorize, fund and support the ITAR Compliance Policy.

6.2. Vice President of Operations - Each Facility

- 6.2.1. Responsible for overall support and compliance to this policy within their respective factory.
- 6.2.2. Appoint the Local ITAR Compliance Officer (ITARCO).



6.3. Empowered Official

- 6.3.1. Review and approve corporate ITAR policy and procedures. Interface with customers and outside agencies on matters regarding export control.
- 6.3.2. Ensure that registration with the Directorate of Defense Trade Controls is kept current.

6.4. Corporate ITAR Compliance Officer

- 6.4.1. Review, revise and deploy the ITAR policy and procedure.
- 6.4.2. Post the policy and associated forms on the Intranet.
- 6.4.3. Notify Division management of policy changes.
- 6.4.4. Maintain a listing of Local ITAR Compliance Officers to include contact information.
- 6.4.5. Support the Local ITAR Compliance Officers with local training as required.
- 6.4.6. Conduct division audits annually.
- 6.4.7. Ensure that export licenses are obtained for non-exempt ITAR controlled products that are subject to export.
- 6.4.8. Responsible for filing DSP-5 applications with the DDTC for authorization for DDi to employ Foreign Persons.

6.5. Local ITAR Compliance Officer

- 6.5.1. Ensure that policies or procedures are incorporated into local work instructions.
- 6.5.2. Verify that employee training is conducted as necessary and ensure that training records are kept.
- 6.5.3. Post copies of the “ITAR Information Sheet” (ECP Form 005) in break-rooms, employee entrances and by time-clocks to remind employees of ITAR requirements.
- 6.5.4. Post the “Local ITAR Compliance Officer” notice throughout the facility.
- 6.5.5. Ensure that ITAR Authorized badges are created and that employees wear them.
- 6.5.6. Ensure that internal audits are performed semi-annually as part of the internal audit program.
- 6.5.7. Provide copies of completed internal audits to the Corporate Compliance Officer.
- 6.5.8. Notify the Corporate ITAR Compliance Officer when there is evidence that an export violation may have occurred.

6.6. Deputy Local ITAR Compliance Officer

- 6.6.1. The Deputy ITARCO is responsible to learn and stay abreast of the ITAR Policy.
- 6.6.2. Support and act on behalf of the Local ITARCO when the need arises.

6.7. Corporate Accounting

- 6.7.1. Corporate Accounting will insure that new customer accounts are processed through the Government sponsored EPLS (Excluded Parties List System) to insure that DDi is not doing business with debarred persons or businesses



6.8. Front Office / Receptionist

- 6.8.1. Visitors must sign in at the front desk using the visitor log or the visitor pass.
- 6.8.2. Visitors must show photo ID (drivers license or passport) and complete and sign the ITAR Residence Status form (ECP Form 011). The Receptionist must review the form for completeness before granting access to any DDi location.
- 6.8.3. DDi employees visiting from other divisions will be treated as visitors and be required to sign-in. DDi employees visiting from Canada or any other Non-US location are required to complete the ITAR Residence Status form. DDi employees visiting from US locations will not be required to complete an ITAR Residence Status form.
- 6.8.4. The Residence Status Form will be kept by the Front Office / Receptionist for future reference. The form is valid indefinitely and there is no retention requirement.
- 6.8.5. The Visitor Log form / Visitor Pass Log retention requirement is 1 year.
- 6.8.6. If the visitor is not ITAR authorized (cannot provide valid identification), access will not be granted to the DDi location without approval from the local ITAR Compliance Officer.
- 6.8.7. The local ITAR Compliance Officer may grant access to non-ITAR authorized persons provided that (a) access is restricted to areas that do not contain product or customer data (e.g. Human Resources, Conference Room, etc.) and/or (b) the visitor is briefed on ITAR restrictions and an escort is assigned to accompany the visitor at all times while on the premises, or (c) with respect to DDI employees who have previously received ITAR training, other appropriate precautions are taken to ensure compliance with ITAR requirements.
- 6.8.8. Cameras, cell phones with cameras and laptops with webcams are prohibited in the facility. Exceptions must be approved by the Local ITAR Compliance Officer.

6.9. Purchasing – Outside Services

- 6.9.1. Purchasing will ensure that Outside Service Suppliers have been provided and have signed a Supplier Non-Disclosure Agreement (ECP Form 002).
 - 6.9.1.a. Sending ITAR work for outside processing will be on an exception basis only, all facilities must pursue utilizing a sister Division (other than Toronto) prior to contracting with an outside service provider.

6.10. Information Technology

- 6.10.1. Provide password controlled access to all ITAR technical data.

6.11. Human Resources

- 6.11.1. Responsible to verify U.S. Person status of applicants prior to employment.
- 6.11.2. Provide initial training to all employees regarding ITAR requirements.
- 6.11.3. Provide a copy of the ITAR Information Sheet (ECP Form 005) to new employees.
- 6.11.4. Provide employees with identification badges.



6.12. Data Center

- 6.12.1. Review the Known ITAR Customer List (ECP Form 008) located on the Intranet under the ITAR / CGRP link.
- 6.12.2. Examine all data and documentation to determine if the order or request for quote is ITAR controlled.
- 6.12.3. If the data indicates ITAR, make the appropriate notation to the quoting form sent to Inside Sales.
- 6.12.4. If the order is to be built in Canada, insure that a Non-Disclosure Agreement has been completed (Document Number ECP 013) and on file as per Policy Number ECP 002.
- 6.12.5. For addition of new customers to the Known ITAR Customer List (ECP Form 008), notify the Technical Support and Compliance Supervisor. Contact information can be found on the form.
- 6.12.6. When reporting an OEM or CM (Contract Manufacturer) with multiple Divisions, please specify the applicable site.
- 6.12.7. The Known ITAR Customer List is intended to alert the user that this customer has requested ITAR control in the past. It does not mean that “all” orders are ITAR, scrutinize each order documentation and data accordingly.

6.13. Inside Sales

- 6.13.1. Document procedures and provide training to sales personnel regarding ITAR.
- 6.13.2. Review the Known ITAR Customer List (ECP Form 008) on the Intranet under the ITAR / CGRP link.
- 6.13.3. Examine all data and documentation to determine if the order or request for quote is ITAR controlled.
- 6.13.4. Reference section 6.12.5 and 6.12.6 above for reporting new ITAR customers to the Technical Support and Compliance Supervisor. Also note section 6.12.7.
- 6.13.5. Orders with Origin or Ship-To address outside the USA must be approved by the Local ITAR Compliance Officer.
- 6.13.6. Interface with Sales Reps on ITAR issues.

6.14. Front End Engineering

- 6.14.1. Document procedures and provide ITAR training to all Front End Engineering personnel.
- 6.14.2. Ensure that travelers and blue prints are clearly marked as ITAR for identification on the production floor.
- 6.14.3. Orders with Origin or Ship-To address outside of the USA must have approval of the Local ITAR Compliance Officer.

6.15. Production

- 6.15.1. Enforce policy requirements within the production areas.
- 6.15.2. Ensure that ITAR artwork is properly identified and segregated during storage.



6.16. Quality

- 6.16.1. Enforce policy requirements within the Quality Organization.
- 6.16.2. Verify that ITAR travelers were properly signed.
- 6.16.3. Destroy defective or obsolete product by shearing (or other destructive method) prior to scrap or recycle.
- 6.16.4. Product may be disposed intact if a third party recycler can certify secured transfer and disposal in accordance with ITAR requirements.

6.17. Shipping

- 6.17.1. Ensure that completed traveler packages are separated and secured prior to storage.
- 6.17.2. Overage product must be secured under lock and key.
- 6.17.3. Orders that have a delivery destination outside of the USA must be approved by the Local ITAR Compliance Officer.

6.18. General Management (Department Managers and Supervisors)

- 6.18.1. Be familiar with and enforce the contents of this policy.
- 6.18.2. Enforce DDi policy concerning the wearing of employee identification badges.
- 6.18.3. Support mandatory ITAR training.

6.19. Employees

- 6.19.1. Wear the appropriate employee identification badge.
- 6.19.2. Report ITAR related problems to management.

6.20. Document / Data Management

- 6.20.1. All ITAR documentation must be stored in locked cabinets.
- 6.20.2. A list of ITAR work orders must be made available upon request.

6.21. Training

- 6.21.1. Initial training will be provided to employees when they are hired. Training will be documented and records will be maintained in the employee's personnel file.
- 6.21.2. Re-training will be provided annually as part of the Corporate Training Program.
- 6.21.3. Records will be maintained as part of local and corporate training files.
- 6.21.4. If there are significant changes in the ITAR policy, training will be provided within 30 days.

6.22. Internal Audits

- 6.22.1. Internal audits will be performed by each Division on a semi-annual frequency utilizing the Internal Audit Checklist (ECP Form 004). The first audit is to be completed before the end of Q2 and the second before the end of Q4. Copies of the audit are to be forwarded to the Corporate ITARCO.
- 6.22.2. Non-conformances will be addressed through the local internal corrective action system.



- 6.22.3. Corporate audits will be conducted annually as part of the BPk Surveys.
- 6.22.4. Corporate ITAR Compliance will maintain copies of completed audits and post them on the Intranet.
- 6.22.5. If internal audit findings indicate a serious violation of ITAR policy, the Local ITARCO must be notified immediately. The Local ITARCO will determine if involvement of Corporate Management is required.

6.23. Internal or External ITAR Communication Protocol

- 6.23.1. Internal or external communications regarding ITAR data must be controlled.
 - 6.23.1.a. Meetings - The person calling the meeting will take responsibility for insuring that all meeting participants are U.S. Persons.
 - 6.23.1.b. E-mail - Ensure that all recipients are U.S. Persons.
 - 6.23.1.c. Telephone Conference – Ensure all parties to the discussion are U.S. Persons.

7. Records

- 7.1. All records associated with ITAR product or data will be maintained for 6 years from the date the work order or job was completed.
- 7.2. In the event of exports made pursuant to an ITAR license, records relating to such exports must be maintained for 6 years from the date of expiration of the license.
- 7.3. Internal audit records will be maintained by the Local ITARCO or the Quality Department for a minimum of 3 years.
- 7.4. All forms or logs supporting this policy will be kept for 3 years unless specified otherwise.

8. Reference Documents

- 8.1. ECP 002..... Canadian Exemption Policy
- 8.2. ECP Form 002..... Supplier Non-Disclosure Agreement (NDA)
- 8.3. ECP Form 004..... Internal Audit Checklist
- 8.4. ECP Form 005..... ITAR Information Sheet
- 8.5. ECP Form 006..... ITAR Compliance Officer List
- 8.6. ECP Form 008..... ITAR Customers List – Located on the Intranet.
- 8.7. ECP Form 009..... ITAR Organization Chart
- 8.8. ECP Form 011..... Visitor ITAR Residence Status form.
- 8.9. ECP Form 012..... ITAR - Internal Non-Disclosure Agreement
- 8.10. ECP Form 013..... ITAR/CGRP Design/Manufacture Agreement
- 8.11. ECP Form 010..... Visitor Log Form
- 8.12. N/A..... Visitor Pass Log Book and Passes



International Traffic in Arms Regulations –
ITAR Compliance Policy

Document #
ECP 001 – I

DATE	REVISION	DESCRIPTION OF CHANGES
10/22/02	A	<ul style="list-style-type: none"> Original Release
6/7/06	B	<ul style="list-style-type: none"> Removed various references to previous Corporate Export Control Officer.
1/15/07	C	<ul style="list-style-type: none"> Obsolete the “ITAR Controlled Traveler”. Added Reference Documents. Revised the Internal Audit Checklist. Added the Corporate Audit Checklist. Added the Deputy ITAR Compliance Officer requirement. Reformatted to Corporate Template.
2/1/08	D	<ul style="list-style-type: none"> Combined the “ITAR Information Sheet” and the “New Employee Orientation Sheet” into one document, ECP Form 005. Obsolete ECP Form 001. Added definitions for AECA and USML, Sections 5.1 and 5.9. Replaced the word “View” with “Review” throughout. Combined Responsibilities and Procedures sections 6 & 7 into one. Changed the policy for visitors, Section 6.7.1. Added policy to evaluate shipments with ship-to address out of the Country, Sections 6.12.5, 6.13.3 and 6.16.3. Revised Known ITAR Customer List – ECP Form 008. Added Organization Chart – ECP Form 009 Added the Visitor Log - ECP Form 010. Added “Visitor ITAR Residence Status” form – ECP Form 11.
7/3/08	E	<ul style="list-style-type: none"> Added reference to the Canadian Exemption Policy and procedures. Moved revision history page from front to back page. Changed internal audit frequency from quarterly to semi-annual.
9/28/09	F	<ul style="list-style-type: none"> Revised Section 6.7 – Front Office / Receptionist visitor policy. Visitors must show valid identification as proof of U.S. Residence and sign the ITAR Residence Status Form. Revised Section 6.15.3 & 6.15.4 – Disposition of defective product. Added the word “obsolete” and the option to use third party source for disposal. Added Section 7.5 for record retention of forms and logs.
12/20/10	G	<ul style="list-style-type: none"> Incorporate policy change regarding hiring of non-U.S. Residents. Incorporate DDi name change to DDi Global Corp. Obsolete the Supplier NDA Information Sheet – ECP 003. Merged with the Supplier NDA Form – ECP 002. Obsolete the Corporate Audit Checklist, replaced with the Bpk Survey. Added section 6.7 for Corporate Accounting to review the EPLS website for new customer accounts.
2/23/11	H	<ul style="list-style-type: none"> Revised section 6.8 (Front Office/Receptionist) to add requirement for employees visiting from Canada or other non-U.S. locations to sign-in at the front desk and complete an ITAR Residence Status form. Also added requirement for all DDi employees to sign-in at the front desk when visiting other plants.
8/4/11	I	<ul style="list-style-type: none"> Revised Section 6.9.1 to state that outside services will be contracted only when utilizing a sister Division is not an option.