

JL2 Designs Technology Control Plan

I. SCOPE

The procedures contained in this plan apply to all elements of the JL2 Designs, LLC (JL2) facility, 4701 E. McGraw Road, Pahrump NV 89061. Disclosure of classified and/or unclassified information to foreign persons in a visitor status or in the course of their employment by JL2 is considered an export disclosure under the International Traffic in Arms Regulations (ITAR) and requires a Department of State license or DoS approval of either a Technical Assistance Agreement or a Manufacturing License Agreement.

II. PURPOSE

To inform employees and visitors of JL2 the controls necessary to ensure that no transfer of technical information or data or a defense service (as defined in ITAR paragraphs 120.10 & 120.9) occurs unless authorized by Department of State, Directorate of Defense Trade Controls (DDTC).

III. BACKGROUND

The U.S. Department of Commerce and the U.S. Department of State have classified some JL2 products as strategic. This means that some of JL2's products have been specifically designed for, or inherently have, possible military applications. According to U.S. export control regulations, JL2 must obtain permission from the U.S. Government to export these products or technologies to other countries. To prevent unauthorized export, it is crucial that all employees and management be aware of these regulations and maintain a program of strict compliance.

All employees must be aware of the importance of export controls and JL2, Inc. responsibility and commitment to comply with those controls.

Our Customer Service Department must handle, and our Compliance Department must review, all JL2 exports, whether as finished products, parts, documents, or technical information. The Compliance Department will follow all required procedures and obtain any and all necessary licenses and forms.

IV. US PERSON/FOREIGN PERSON

The ITAR make a distinction between US persons and foreign persons, ITAR defines a **US person and a foreign person** as follows: U.S. person means a person (as defined in section 120.14 of this part) who is a lawful permanent resident as defined by 8 U. S. C. 1101(a)(20) or who is a protected individual as defined by 8 U. S. C. 1324b(a)(3). It also means any corporation, business association, partnership, society, trust or any other entity, organization or group that is incorporated to do business in the United States. It also includes any governmental (federal, state or local) entity. It does not include any foreign person as defined in section 120.16 of this part.

A **foreign person** means any natural person who is not a lawful permanent resident as defined by 8 U. S. C. 1101(a)(20) or who is not a protected individual as defined by 8 U. S. C. 1324b(a)(3). It also means any foreign corporation, business association, partnership, trust, society or any other entity or group that is not incorporated or organized to do business in the United States, as well as international organizations, foreign governments and any agency or subdivision of foreign governments (e.g., diplomatic missions).

A. Foreign Persons

- 1) No foreign person will be given access to classified material on any project or program that involves the disclosure of technical data as defined in ITAR paragraph 120.10 until that individual's license authority has been approved by ODTC.
- 2) JL2 employees who have supervisory responsibilities for foreign persons must receive an export control/licensing briefing that addresses relevant ITAR requirements as they pertain to classified and controlled unclassified information.

A. Foreign Person Indoctrination

Foreign persons employed by, assigned to (extended visit) or visiting JL2, shall receive a briefing that addresses the following items:

- a) prior to the release of classified material or controlled unclassified information to a foreign person an export authorization issued by ODTC needs to be obtained by JL2.
- b) they should adhere to JL2's security rules, policies and procedures and in-plant personnel regulations.
- c) outlines the specific information that has been authorized for release to them.
- d) addresses JL2 's in-plant regulations for the use of facsimile, automated information systems and reproduction machines.
- e) any classified information they are authorized to have access and need to forward overseas will be submitted to JL2's security department for transmission through government-to-government channels.
- f) information received at JL2 for the foreign national and information that the foreign national needs to forward from JL2 shall be prepared in English.
- g) violations of security procedures and in-plant regulations committed by foreign nationals are subject to US Government sanctions as outlined in 22 CFR Part 127.

V. ACCESS CONTROLS for FOREIGN NATIONALS

- 1) Positive Identification checks of all visitors. This process includes the following steps to be properly cleared prior to access to JL2 facilities.
 - a. Prior notification of the visitor to the designated JL2 facility
 - b. JL2 visitor authorization request to be completed by the JL2 employee with whom the visitor will be meeting. This form should have attached a complete description of the technology to be discussed in an effort to determine license requirements for the specific technology.
 - c. Visitor is checked against the following lists provided by the Federal Government, Denied Persons List (DPL), Entity List and Embargo List. Each list is updated regularly and changes or additions to these lists will require continued reference even if visitor has been cleared on these lists in the past.
 - d. Upon arrival of visitor(s) to the designated JL2 facility a positive ID form should be completed by the visitor and validated by a JL2 employee.

- 2) **Escorts:** JL2 supervisors/employees of foreign persons shall ensure that foreign nationals are escorted in accordance with U.S. government and JL2 regulations. All approved visitors to JL2 are escorted throughout the facility by an authorized member of the JL2 staff. The lobby, restrooms and any area outside the main building are the only areas excluded from the escort requirement. If you wish to visit multiple people within JL2, you must register each visit with the Security Team, which will verify the acceptance of the visit with each JL2 Point of Contact (POC).
- 3) JL2 policy for entry into, continued presence on or exiting from this facility is contingent upon the visitor's/employee's consent to inspection of his/her person, and property in his/her possession or under his/her control. Therefore, all vehicles, bags and personal effects are subject to inspection and visitors/employees may experience a slight delay upon entering and/or exiting the facility. Please factor this potential delay into your schedule.

VI. EXPORT CONTROLLED INFORMATION

Any information included but not limited to products, raw materials or technical information identified under 22 CFR Part 121 (US Munitions List) of the International Traffic in Arms regulations and or 15 CFR Part 774 (Commerce Control List).

VII. NON-DISCLOSURE STATEMENT and ACKNOWLEDGEMENT

All foreign persons shall sign a non-disclosure statement (attachment A) that acknowledges that classified and controlled unclassified information will not be further disclosed, exported or transmitted by the individual to any foreign national or foreign country unless ODTC authorizes such a disclosure and the receiving party is appropriately cleared in accordance with its government's personnel security system.

VIII. SUPERVISORY RESPONSIBILITIES

Supervisors of cleared personnel and foreign national employees and foreign national visitors shall ensure that the employees and visitors are informed of and cognizant of the following:

- 1) that technical data or defense services that require an export authorization are not transmitted, shipped, mailed, hand-carried (or any other means of transmission) unless an export authorization has already been obtained by JL2 and the transmission procedures follow U. S. Government regulations.
- 2) that individuals are cognizant of all regulations concerning the handling and safeguarding of classified information and controlled unclassified information.
- 3) that the individuals execute a technology control plan (TCP) briefing form acknowledging that they have received a copy of the TCP and were briefed on the contents of the plan (Attachment B).
- 4) that U.S. citizen employees are knowledgeable of the information that can be disclosed or accessed by foreign nationals.

Print name and signature of senior management official

Print name and signature of DSS official

Print name and signature of Facility Security Officer

Print name and signature of Chairman ,
Government Security committee¹

¹ Applicable if company operates under a Special Security Agreement, Proxy Agreement, Voting Trust Agreement or Security Control Agreement.

IX.EMPLOYEE RESPONSIBILITIES

All JL2 employees who interface with foreign nationals shall receive a copy of the TCP and a briefing that addresses the following:

- 1) that documents under their jurisdiction that contain technical data are not released to or accessed by any employee, visitor, or subcontractor who is a foreign national unless an export authorization has been obtained by JL2 in accordance with the ITAR or the Export Administration Regulations (EAR).
- 2) If there is any question as to whether or not an export authorization is required, contact the Export Compliance Officer promptly.
- 3) that technical information or defense services cannot be forwarded or provided to a foreign national regardless of the foreign national's location unless an export authorization has been approved by DDTC and issued to JL2.

ATTACHMENT A

NON-DISCLOSURE STATEMENT

I, _____ (insert name of individual) acknowledge and understand that any technical data or defense services related to defense articles on the U.S. Munitions List, to which I have access to or which is disclosed to me in the course of my _____ (insert which ever term is applicable, employment, assignment or visit) by/at JL2, Inc. is subject to export control under the International Traffic in Arms Regulations (title 22, code of Federal Regulations, Parts 120-130). I hereby certify that such data or services will not be further disclosed, exported, or transferred in any manner to any foreign national or any foreign country without prior written approval of the Office of Defense Trade Controls, U.S. Department of State and in accordance with U.S. government security (National Industrial Security Program Operating Manual) and customs regulations.

Print name

Signature

Date

ATTACHMENT B

TECHNOLOGY CONTROL PLAN BRIEFING ACKNOWLEDGEMENT

I, _____ (insert individual's name) acknowledge that I have received a copy of the Technology Control Plan for JL2 and a briefing outlining the contents of this TCP. Accordingly, I understand the procedures as contained in this TCP and agree to comply with all JL2 and US government regulations as those regulations pertain to classified information and export controlled information.

Print Name of Individual and date

Print Name of Company Briefing Official and date

Signature of Individual

Signature of Company Briefing Official