

INTEGRATED TECHNOLOGY LIMITED

ITAR AND CGP DECLARATION

Integrated Technology Limited (“ITL Circuits”, hereafter “ITL”) is eligible for a “Canadian exemption” detailed under section 126.5 of U.S. ITAR regulations, for the purposes of receiving technical data from, and manufacturing defense articles to that data for delivery back to, a DDTC-registered U.S. company.

One may refer to the United States Department of State website, *Directorate of Defense Trade Controls* (DDTC), where the full ITAR regulatory text is available for public download:

http://www.pmdtc.state.gov/regulations_laws/itar_official.html

And specifically, part 126:

http://www.pmdtc.state.gov/regulations_laws/documents/official_itar/ITAR_Part_126.pdf

The Canadian exemptions are listed in section 126.5, starting on page 528 of the PDF version of ITAR part 126. On pages 530 to 532, the exemption (c) *Defense service exemption* is detailed. Specifically, ITL is eligible and able to fabricate defense articles for U.S. customers as described on page 531 under paragraph (c)(6)(i): *Build-to-Print*.

In brief, a registered U.S. company may provide to ITL the *minimum* set of technical drawings, design data, and product specifications as would be required to successfully fabricate an applicable defense article for delivery back to the U.S. company. This does apply to bare printed circuit boards which do not contain any of the prohibited technologies listed on pages 529 to 530 under paragraphs (b)(1) to (b)(21) (eg. no classified technology, no nuclear weapons-related electronics, or similar exotic technologies, as clearly listed in those paragraphs).

The following measures are required, and are in place at ITL, to allow this production activity to occur consistent with U.S. ITAR regulations:

- 1) ITL is registered with the Canadian *Controlled Goods Program* (CGP), the Canadian equivalent to ITAR/DDTC (Registration No. 10795). ITL's registration with the Controlled Goods Directorate can be viewed here:
<http://ssi-iss.tpsgc-pwgsc.gc.ca/dmc-cgd/rchrch-srch/re-qu-eng.asp?id=33>
- 2) ITL hereby certifies to any U.S. exporter that the technical data being exported will be used only for an activity identified in paragraph (c)(2), as required by (c)(3). ITL will under no circumstances transfer such data to any other entity, as required in (c)(4)(ii). Such data will be held securely by ITL, can be destroyed at any time that the exporter or the U.S. government may require, and will be destroyed as required in (c)(4)(iv) upon final completion of production activities requiring that data. ITL can provide written certification of data retention or destruction, as may be required. Any new documentation, created by ITL and reflecting the exported data, will contain the clause: “This document contains technical data, the use of which is restricted by the U.S. Arms Export Control Act. This data has been provided in accordance with, and is subject to, the limitations specified in section 126.5 of the International Traffic In Arms Regulations (ITAR). By accepting this data, the consignee agrees to honor the requirements of the ITAR”.

- 3) ITL will be party to any required Non-Disclosure Agreement that the U.S. exporter is required to obtain as per ITAR section 126.5 paragraph (c)(4). ITL will under no circumstances deliver the fabricated defense articles to any entity other than the registered U.S. company which is the source of the technical data or a recipient specified by that company and as permissible under ITAR, as required in (c)(4)(i).
- 4) ITL will of course adopt any other precautionary measures that should be specified by the registered U.S. company or the Government of the United States. ITL has a detailed information and security framework in place and will always act in good faith to assist in the preservation of the national security of the both United States and of Canada. A detailed description of ITL's security plan may be obtained upon request.

Please be advised that the establishment of an NDA is absolutely required of the U.S. company by section 126.5, as well as a basic semi-annual reporting requirement to the DDTC, citing the produced articles and identifying ITL as the Canadian partner (CGP Registration No. 10795). See paragraph (c) (5) on page 531 for more information.