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Document Title	Document Description	Version No.
POL-02	Export Compliance Policy	0

1. PURPOSE

- 1.1. Adva Cera is committed to conducting its operations in compliance with all applicable U.S. export control laws, trade sanctions laws, and related company policies and procedures.
- 1.2. The purpose of this policy is to make Adva Cera Personnel and independent contractors of Adva Cera aware of the Company's compliance obligations under the U.S. International Traffic in Arms Regulations ("ITAR"), the U.S. Export Administration Regulations ("EAR") and trade sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC sanctions" and together with the ITAR and EAR, "U.S. Export Restrictions"). As discussed below, there are several different ways that U.S. Export Restrictions can apply to Adva Cera's activities, and this policy establishes the requirement that Adva Cera Personnel comply with all applicable U.S. Export Restrictions in activities conducted for or on behalf of Adva Cera.

2. APPLICABILITY AND SCOPE

- 2.2. This policy applies to all Adva Cera employees and independent contractor personnel performing work for Adva Cera (collectively, "**Adva Cera Personnel**"). Adva Cera may also require compliance with this Policy by consultants, agents, distributors, and other third parties acting for or on behalf of Adva Cera where appropriate to the nature of the transaction or relationship. ***Adva Cera Personnel are required to consult with Adva Cera's Empowered Official before performing any transaction or activity involving an export of products or services outside the United States or which would otherwise involve any form of collaboration between Adva Cera and a counter-party who is located outside of the United States.*** Although Adva Cera is not currently engaged in export transactions, Adva Cera Personnel must also be aware of several instances where U.S. Export Restrictions apply to Adva Cera's activities performed in the United States. If Adva Cera Personnel are ever unsure as to whether U.S. Export Restrictions apply to a given activity, they should suspend that activity and contact ***Adva Cera's Empowered Official*** for further guidance.
- 2.3. Adva Cera's Empowered Official, necessary for ITAR-controlled activities, administers and oversees compliance under this Policy. The Empowered Official shall serve as the primary internal point of contact for classification, licensing, sanctions screening, policy administration, training, recordkeeping, and review of potential violations.
- 2.4. U.S. Export Restrictions may apply to the export, reexport, transfer, release, import, temporary import, or provision of products, software, technology, technical data, services, and financial or other business dealings, including Adva Cera's customer or vendor drawings and products, depending on the nature of the item or service, the destination, the end-user, the end-use, and the citizenship or status of persons receiving access to controlled information. In addition to ITAR, EAR, and OFAC requirements, related customs or import controls may apply to certain transactions

3. OVERVIEW OF U.S. EXPORT RESTRICTIONS

- 3.1. Any Adva Cera Personnel who become aware of a potential violation of this Policy or of applicable U.S. Export Restrictions must promptly report the matter to Empowered Official. Suspected violations shall be documented, investigated, evaluated for root cause, and addressed through corrective action as appropriate.

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- 3.2. Violations of U.S. Export Restrictions may result in criminal, civil, or administrative penalties for both individuals and entities, including fines, imprisonment, seizure or forfeiture of items, loss of export privileges, loss of the ability to do business with the U.S. Government, and significant reputational harm. Violations of this Policy may also result in disciplinary action by Adva Cera, up to and including suspension, termination of employment or contract, or other legal remedies. OFAC-administered sanctions may be enforced on a strict liability basis in certain circumstances.

4. CONSEQUENCES OF VIOLATIONS

Adva Cera management is responsible for ensuring that personnel under its supervision are made aware of, understand, and comply with this Policy. Adva Cera Personnel are responsible for identifying and escalating potentially controlled transactions, following classification and screening procedures, participating in required training, and promptly reporting suspected violations.

5. COMPLIANCE ROLES AND RESPONSIBILITIES

- 5.1. All Adva Cera Personnel are required to comply fully with this Policy, all related procedures and instructions, and all applicable U.S. Export Restrictions.

The following illustrates the principal U.S. Export Controls administration:



6. EXPORT COMPLIANCE REQUIREMENTS – ITAR

6.1. ITAR Background

- 6.1.1. The ITAR impose restrictions when Adva Cera is exporting, temporarily importing, or servicing “defense articles”. Under the ITAR, a “defense article” is any item listed on the United States Munitions List (the “**USML**”). The types of ceramic materials that Adva Cera specializes in working with have multiple potential uses in the defense industry. Examples of “defense articles” Adva Cera could potentially work with in its business include (but are not limited to):

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- Certain parts, components, accessories, attachments, associated equipment and systems that are “specially designed” for rockets, space launch vehicles, missiles, bombs or torpedoes (USML Category IV(h));
- Certain parts, components, accessories, attachments, associated equipment and systems that are “specially designed” for military aircraft (USML Category VIII(h)); and
- Certain types of parts, components, accessories, attachment, equipment or systems that are “specially designed” for spacecraft (USML Category XV(e)).

Additionally, ITAR restrictions also apply to “technical data” which is related to ITAR “defense articles”. The ITAR define “technical data” as information required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance, or modification of ITAR “defense articles.” ITAR “technical data” can include information in the form of blueprints, drawings, photographs, plans, instructions, or documentation. ***Therefore, if any items that Adva Cera produces or otherwise handles on behalf of its customers or vendor qualify as ITAR “defense articles” then information related to those items such as design drawings or other production specifications will also likely qualify as ITAR “technical data”.***

6.2. Activities Subject to ITAR Restrictions

6.2.1. The ITAR prohibit any performance of the following activities unless authorized by a license from the U.S. State Department’s Directorate of Defense Trade Controls (the “**DDTC**”) or the ITAR otherwise provide a License Exemption or other form of authorization for the activity:

- Exporting – The ITAR prohibit exports of ITAR “defense articles” to almost all jurisdictions outside the United States.
- Temporary Imports of Defense Articles – The ITAR prohibit bringing any ITAR “defense articles” into the United States from a foreign country when the item is intended to be returned to the country from which it is shipped or transited to another foreign country after leaving the United States. **Therefore, if any foreign customer seeks to send an ITAR “defense article” to Adva Cera for any reason (examination, repair, further work, etc.) the import of that ITAR “defense article” will require either a DDTC temporary import license or another ITAR exemption/authorization.**
- Performance of Defense Services – The ITAR prohibit the performance of “defense services.” The ITAR define “defense services” as the furnishing of any assistance (including training) to foreign persons, in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing, or use of any ITAR “defense articles”. **It is important to note that the licensing requirements for ITAR “defense services” apply to both services provided inside and outside of the United States. Therefore, any services performed by Adva Cera for foreign customers related to ITAR “defense articles” could potentially qualify as ITAR defense services even if they are performed entirely in the United States.** However, when the same services are provided to U.S. customers, they do not qualify as ITAR “defense services” and do not require DDTC licensing or other ITAR exemption/authorization.
- Release of ITAR “Technical Data” – The ITAR prohibit any export of ITAR “technical data” which can occur when ITAR “technical data” is e-mailed to a foreign recipient or when a U.S. person travels outside the U.S. while carrying

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“technical data” with them or loaded on an electronic device. The ITAR also prohibit any “release” of ITAR “technical data” to “foreign persons” within the U.S. The ITAR definition of “foreign person” includes any natural foreign person who is not a lawful permanent resident (i.e., US citizen or green card holder) or other protected refugee. Foreign individuals who are in the U.S. on a H-1B visa or other work visa are not “lawful permanent residents” and instead are “foreign persons” under the ITAR. ITAR “technical data” can be “released” to a “foreign person” through: (i) visual inspection of the ITAR “technical data”, (ii) visual inspection of the underlying ITAR “defense article” that could provide insights into the production, maintenance or use of the item, and (iii) oral or written discussions involving the ITAR “technical data”. **In the event that Adva Cera does engage in any work involving ITAR “defense articles”, Adva Cera Personnel must be aware that permitting “foreign persons” to observe those work processes or discussing those work processes in the presence of “foreign persons” could cause deemed exports of ITAR “technical data” to those “foreign persons.”**

6.3. ITAR Registration Requirements

- 6.3.1. ITAR § 122.1 requires a company to register themselves with DDTC if they perform even one instance of manufacturing or temporarily importing any ITAR “defense articles” or providing ITAR “defense services” to any “foreign person”. *Manufacturing an ITAR “defense article” within the U.S. will require the manufacturer to complete an ITAR registration even when the ITAR “defense articles” are not exported and only sold to domestic customers in the United States.* Adva Cera has completed and maintains its ITAR registration through DDTC **Adva Cera Personnel are required to consult with Adva Cera’s Empowered Official, before beginning any activities involving ITAR “defense articles” so that Adva Cera can proactively review whether those activities are subject to ITAR restrictions and might require Adva Cera to apply for an export license via DDTC.** The Empowered Official will administer and maintain this Policy as an appropriate technology control plan in order to prevent the release of any associated ITAR “technical data” to “foreign persons.”

7. EXPORT COMPLIANCE REQUIREMENTS – EAR

7.1. EAR Background

- 7.1.1. The EAR imposes separate export restrictions which apply to items that do not qualify as “defense articles” under the ITAR. Items that are not listed on the ITAR’s USML might still be described in a series of Export Control Classification Numbers (“ECCNs”) which are listed in the EAR’s Commerce Control List (“CCL”). If an item is described in an ECCN, then the EAR will require licensing from the U.S. Commerce Department’s Bureau of Industry and Security (“BIS”) to export that item to certain countries associated with that ECCN. EAR licensing requirements for ECCN items typically vary from country to country. Depending on the item’s ECCN classification, the EAR will permit exports to some countries without BIS licensing but will require BIS licensing for other. Items that are not described on the ITAR’s USML and also not described in any of the ECCNs in the EAR’s CCL receive a default classification of “EAR99”. The EAR requires BIS export licensing for only very limited exports of EAR99 items involving certain embargoes countries, prohibited end-users or prohibited end uses. Otherwise, EAR99 items may generally be exported without BIS export licensing).

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Examples of different items that Adva Cera could potentially work with which could be classified under ECCNs include (but are not limited to):

- Various parts, components, accessories and attachments which are “specially designed” for rockets, space launch vehicles, missiles, bombs, torpedoes, military aircraft or spacecraft which do not qualify as ITAR “defense articles” but which still meet the criteria for classification under various “600-series” ECCNs related to those defense items;
- Various ceramic powders, ceramic matrix or composite materials and related precursor materials (ECCN 1C007);
- Additive manufacturing (3D printing) equipment which exceeds certain performance thresholds (ECCN 2B910);
- Various machinery and tooling for milling, grinding, or removing metals, ceramics or composite materials which exceed certain performance thresholds (Various Product Group B ECCNs in Category 2 of the CCL); and
- Various coating systems which are designed in order to apply silicides, platinum, mixtures thereof, dielectric layers and diamond-like carbon as coatings on certain ceramic substrate surfaces (ECCN 2B005).

Additionally, EAR restrictions also apply to “technology” which is related to ECCN-classified items. The EAR definition of “technology” is very similar to the ITAR definition of “technical data” and covers information necessary for the development, production, use, operation, installation, maintenance, repair, overhaul, or refurbishing of an item. If an ECCN classification applies to “technology” then it can potentially apply to information in any tangible or intangible form, such as written or oral communications, blueprints, drawings, photographs, plans, diagrams, models, formulae, tables, engineering designs and specifications, computer-aided design files, manuals or documentation, electronic media or information revealed through visual inspection. ***Adva Cera Personnel should specifically be aware that several “technology”-related ECCNs in Product Group E of Category 2 to the CCL can potentially impose export restrictions on technology related to the use or operation of certain additive manufacturing (3D printing) equipment, certain equipment and tooling for machining ceramic and ceramic composite materials, and certain coating methods for applying silicides to ceramic and ceramic composite materials***

7.2. Activities Subject to EAR Restrictions

7.2.1. The EAR prohibitions are more flexible than the ITAR prohibitions. Any EAR prohibitions applicable to an item will depend on the item’s ECCN or EAR99 classification and the country, end-use and end-user that the item is destined for:

- Country-Related Exporting Restrictions – If an item is classified under a ECCN, then that ECCN will require licensing from BIS or compliance with an available EAR License Exception or other authorization to export that item to certain countries.
- End-Use-Related Exporting Restrictions – The EAR prohibit exports of all items and “technology” (including EAR99 items and “technology”) to certain countries when the item will be used in certain prohibited end-uses. Those prohibited end-uses include (but are not limited to) any end-use involving the design, development, production, operation, installation, maintenance, repair, overhaul or refurbishing of rocket systems, certain unmanned aerial vehicles or missiles.

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- End-User Related Export Restrictions – The EAR prohibit exports of items and “technology” (which can include even EAR99 items and “technology”) to certain end-users who are listed on denied persons lists such as the Entity List.
- Release of ECCN-Controlled “Technology” – When the EAR prohibits the export of certain ECCN-controlled items to certain countries, the EAR will also prohibit any export of “technology” associated with that item to those same countries. These prohibited exports can occur when ECCN-controlled “technology” is e-mailed to a foreign recipient located in a country that is not authorized to receive that “technology” or when a U.S. person travels to that country while carrying the “technology” with them or loaded on an electronic device. The EAR also prohibit any “release” of EAR-controlled “technology” to “foreign persons” who are physically within the U.S. but who remain citizens or permanent residents of a country that is not authorized to receive that “technology” without BIS license. The EAR definition of “foreign person” includes any natural foreign person who is not a lawful permanent resident (i.e. US citizen or green card holder) or other protected refugee. Foreign individuals who are in the U.S. on a H-1B visa or other work visa are not “lawful permanent residents” and instead are “foreign persons” under the EAR. ECCN-controlled “technology” can be “released” to a “foreign person” through: (i) visual inspection of the EAR “technical data”, (ii) visual inspection of the underlying ECCN-controlled item that could provide insights into the production, maintenance or use of the item, and (iii) oral or written discussions involving the ECCN-controlled “technology.” ***Before hosting any “foreign persons” at Adva Cera’s facilities, Adva Cera Personnel must first determine whether any information to be shared with those “foreign persons” or production operations which might be observable by those “foreign persons” is controlled under any ECCN classifications and subject to any deemed export restrictions which might apply to those “foreign persons” based on their most recent countries of citizenship or permanent residence.***

7.3. Differences Between EAR and ITAR Requirements

- 7.3.1. Unlike the ITAR, the EAR do not require manufacturers to complete any sort of registration if they are engaged in activities to manufacture items that are described in ECCNs. The EAR also do not impose restrictions on importing ECCN-controlled items into the United States and do not require licensing from BIS in order to perform services related to ECCN-controlled items (however, any information shared during the performance of those services could be subject to licensing requirements if that information qualifies as “technology” described in an ECCN).

8. U.S. SANCTIONS COMPLIANCE AND ANTI-BOYCOTT REQUIREMENTS

Currently, OFAC trade sanctions prohibit U.S. persons such as Adva Cera from directly or indirectly performing the following activities:

- Conducting transactions with or for the benefit of: (i) the countries of Cuba, Iran, North Korea and Syria, (ii) the Crimea, Luhansk People’s Republic (“**LNR**”), and Donetsk People’s Republic (“**DNR**”) regions of Ukraine, and (iii) the Government of Venezuela; and
- Conducting transactions with or for the benefit of persons or entities which are: (i) listed on OFAC’s Specially Designated Nationals and Blocked Persons List (the “**SDN List**”), or (ii) 50%-or-greater owned, directly or indirectly, individually or in the aggregate, by owners who are listed on the SDN List.

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Adva Cera Personnel can screen counterparties against the OFAC SDN List using the following website:

<https://sanctionssearch.ofac.treas.gov/>

The countries of Russia and Belarus are not technically subject to an OFAC sanctions embargo, but from a practical standpoint separate restrictions under the EAR will likely prohibit Adva Cera from exporting any products or services to Russia and Belarus. China is also not under an OFAC sanctions embargo, but to the extent that any products or “technology” handled by Adva Cera are controlled under ECCN classifications then there is a fairly high likelihood that the EAR will restrict exports of those ECCN-controlled products or “technology” to China.

9. ANTI-BOYCOTT RESTRICTIONS

Adva Cera shall not participate in, cooperate with, or support any foreign boycott that is not sanctioned by the United States where doing so would violate applicable U.S. law. All Adva Cera Personnel must immediately report any boycott-related request, whether written or verbal, including boycott clauses, certifications, or related contract language, to the Empowered Official for review and any required reporting. Anti-boycott restrictions require careful review of Adva Cera’s customer contracts and its supply chain agreements, including Nondisclosure Agreements, Memorandums of Understanding, Teaming Agreements, Joint Development Agreements, and many other similar agreements.

10. COMPLIANCE PROCEDURES, RED FLAGS, REPORTING, AND RECORDKEEPING

As discussed above, ***Adva Cera Personnel are required to consult with the Empowered Official, before performing any transaction or activity which could involve an export of products or services outside the United States or which would otherwise involve any form of collaboration between Adva Cera and a counter-party who is located outside of the United States.*** Additionally, if Adva Cera Personnel encounter any of the following “red flags” in a given transaction or activity then they should be alert for any involvement of foreign persons in those transactions or activities which could trigger compliance requirements under U.S. Export Restrictions:

- Production of any part or component that will be customized for any military, aerospace or aviation end-use;
- Receipt of design drawings or other production files from a customer which contain headings such as “Export Controlled”, “USML Classified”, “ECCN Classified”;
- Requests from customers to sign export compliance acknowledgments;
- Requests to host foreign visitors at Adva Cera facilities.

10.1. Definitions

- 10.1.1. For ease of administration and consistency, the definitions in this section the following definitions are used throughout this policy and are defined in accordance with U.S. law. Export, Reexport, Deemed Export, Defense Article, Defense Service, Technical Data, Technology, Foreign Person, ECCN, EAR99, SDN List, and U.S. Export Restrictions

10.2. Administration and Enforcement

- 10.2.1. Where appropriate, Adva Cera may consider making voluntary self-disclosures to DDTC, BIS, OFAC, or other relevant agencies concerning apparent violations. Any such disclosure shall be coordinated by the Empowered Official in consultation with senior management and legal counsel as appropriate.

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10.3. Voluntary Self-Disclosure

- 10.3.1. Adva Cera shall maintain export compliance records, including classifications, screenings, licenses, license exceptions, shipping records, technical reviews, communications, and related financial or transactional documents, for at least five years or for such longer period as may be required by applicable law or company policy. Records shall be maintained in a manner that permits retrieval for audits, investigations, and regulatory inquiries.

10.4. Recordkeeping

- 10.4.1. The Empowered Official shall document reported or suspected violations, investigate the relevant facts, analyze root causes, recommend corrective actions, document management's response, and monitor implementation of corrective actions where appropriate. Significant compliance concerns shall be escalated to senior management and, where appropriate, to the Board or another designated oversight body.

10.5. Investigation and Corrective Action

- 10.5.1. All Adva Cera Personnel are expected to report any known, suspected, or reasonably possible violation of this Policy or applicable U.S. Export Restrictions. Adva Cera shall not tolerate retaliation against any person who makes a good-faith report or participates in an internal review or investigation related to potential violations.

10.6. Reporting Obligations and Non-Retaliation

- 10.6.1. Before engaging in any transaction that could involve exports, reexports, foreign collaboration, foreign visitors, release of technical data or technology, or dealings with sanctioned or restricted parties, Adva Cera Personnel must consult with the Empowered Official. Adva Cera shall evaluate the relevant classification, licensing, sanctions, end-use, end-user, destination, and recordkeeping issues before the transaction proceeds.

11. ADMINISTRATION, TRAINING, QUESTIONS, AND REVISION HISTORY

- 11.1. Senior management and any designated Empowered Official should receive enhanced training regarding oversight responsibilities, licensing, investigations, recordkeeping, and compliance program administration.
- 11.2. Adva Cera shall provide export compliance training appropriate to personnel responsibilities and risk exposure. At a minimum, general awareness training should be provided to all Adva Cera Personnel, and more targeted training should be provided to personnel involved in engineering, technical work, shipping, receiving, supply chain, business development, sales, customer interactions, information technology, or other functions that may involve controlled items, technology, or foreign-person access.
- 11.3. The Empowered Official as listed under the current version of **QM-03 – “Adva Cera Organization Chart”** shall have primary responsibility for administering and enforcing this Policy, maintaining related procedures, monitoring relevant legal developments, and recommending updates as necessary. Adva Cera should conduct periodic internal reviews or

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audits of its export compliance practices and documentation to assess compliance and identify areas for improvement.

12. REVISION HISTORY

Version	Description of Change
0	Initial Release
1	Substantive expansion to add policy statement, scope, compliance roles, consequences of violations, anti-boycott language, screening and reporting procedures, recordkeeping, training, and administration provisions