



TEXAS ARMORING CORPORATION EXPORT POLICY STATEMENT

INTRODUCTION

In support of national security, U.S. and global efforts to fight the battle against terrorism, and the legal responsibilities and business interests of this company, Texas Armoring Corporation has implemented export control procedures that all company employees are required to follow. Texas Armoring Corporation is committed to compliance with all export controls in the Export Administration Act and the Export Administration Regulations. This commitment extends to promoting strict compliance on an on-going basis with terms and conditions. Texas Armoring Corporation supports U.S. efforts to prevent proliferation of weapons of mass destruction. Special care must be taken to prevent any transaction with entities involved in the proliferation of weapons of mass destruction and prohibited activities involving missile, nuclear, chemical and biological warfare.

It is Texas Armoring Corporation policy that all employees, comply with the United States export policies and regulations. Under no circumstances will exports be made contrary to U.S. export regulations by any individual operating on behalf of Texas Armoring Corporation. No transactions are to be initiated with individuals on the Denied Persons List or with any firms owned by or associated with those parties. The Denied Persons List identifies parties who have been denied export privileges. No exports will be made to parties on the Entity List or any other person or organization that is suspected to be involved in activities covered under the Enhanced Proliferation Control Initiative.

Employees, contractors, and company representatives outside the United States may not re-export any commodity, technology, or software unless appropriate authorization has been obtained, and this includes foreign-produced items that are the direct product of U.S. technology and software and are subject to national security controls under the Export Administration Act. In sum, absolutely no sales must be made which are contrary to the Export Administration Regulations.

DUAL USE

The United States government strictly regulates all exports of U.S. products (e.g., armored vehicles), technology, and software and the movements of U.S. origin commodities between foreign countries. Export controls are used to regulate the export and reexport of dual-use materials; commodities that have both a civilian and military application.

These controls are in place to prevent the distribution of dual-use technology that can compromise national security. Some of Texas Armoring Corporation's products (i.e., "unarmed all-wheel drive vehicles capable of off-road use that . . . have been manufactured or fitted with materials to provide ballistic protection to level III (National Institute of Justice Standard 0108.01, September 1985) or better [and are controlled under ECCN 9A018.b]") could be adapted for military use and are strictly controlled to prevent diversion to those interested in proliferating weapons of mass destruction or terrorist supporting entities. Additionally, some of Texas Armoring Corporation's products are controlled for reasons of National Security (NS), Regional Stability (RS), Anti-Terrorism (AT), and due to the United Nations Embargo (UN). In today's world and the ongoing efforts of the global war on terrorism, the need for heightened awareness of the control and use of these types of products is more critical than ever before.

PENALTIES

All employees, contractors, and company representatives should remember that violations of the Export Administration Regulations can result in severe penalties for both business and individuals and denial of exporting privileges as follows:

Administrative Penalties: Each violation of the export control regulations can result in the imposition of civil penalties amounting to the greater of \$250,000, or twice the value of each transaction.

Denial of Export Privileges: Violations of the Export Administration Regulations or the conditions of an export license may result in the denial of export privileges. This denial can restrict the ability of the company to engage in export or reexport transactions or restrict access to items subject to the Export Administration Regulations.

Criminal Penalties: Violators can be fined \$1,000,000 and/or up to 20 years in prison.

Voluntary Self-Disclosures: BIS generally grants a reduction of at least 50% of the calculated penalty.

Texas Armoring Corporation is committed to compliance with all export controls in the Export Administration Act and the Export Administration Regulations and requires all employees to support that commitment. Failure by any employee to strictly adhere to the law and/or Texas Armoring Corporation's export policies may result in the imposition of criminal and/or civil fines and penalties, including jail time and monetary penalties, and constitutes grounds for disciplinary action, including termination of employment.

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 the following personnel:

JASON FORSTON
EVP, Texas Armoring Corporation
jason@texasarmoring.com

210.333.0211 TEL | 210.333.0565 FAX

Note: This Statement of Corporate Commitment to Export Compliance will be issued on an annual basis or if necessitated by personnel changes, changes in management, or regulatory changes. A copy of the company's EMCP manual will be available on the shared drive, or hard copies will be available in the front office.

Jason Forston is responsible for disseminating this Statement throughout the organization through Texas Armoring Corporation's Export Management and Compliance Program Manual updates, incorporation into training and presentations, and posting on the Texas Armoring Corporation Intranet and Web site.

Sincerely,

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