

Outline for ITAR procedures working with PFC

Objective: This outline is being written to document the ITAR procedures required to do business between a US based customer and PFC Flexible Circuits Limited- a Canadian Corporation.

The ITAR regulations generally prohibit the export of ITAR-controlled goods and technical data outside of the US without an export license.

Section 126.5 (c) of the ITAR regulations (Canadian Exemption) provides an exemption for the export of technical data to Canada as necessary for the performance of certain “defense services”.

PFC is registered with the Controlled Goods Directorate of the Canadian Government pursuant to the Controlled Goods Registration Program .

This allows PFC to do the following:

- a. Build to print- PFC can produce a defense article from engineering drawings without technical assistance from the customer.*
- b. Build/design to specification- PFC can design and build a defense article from specifications without technical assistance from the customer.*
- c. Basic research- systematic study directed toward greater knowledge*

Customer must be registered with the DDTC (Directorate of Defense Trade Controls).

1) For the Canadian Exemption to apply there needs to be an NDA or Technology Transfer Control Plan (TTCP) between a US based customer and PFC. PFC can supply an NDA used with past ITAR customers. On the PFC side, it shall be signed by Steve Kelly, President. On the PFC Customer side the NDA should be signed by corporate management.

2) Whenever sending technical data such as prints, electronic files, drawings etc, to PFC Toronto that are ITAR:

- a. Customer marks all prints, electronic files, and drawings clearly that the data is ITAR sensitive*
- b. Send documents to PFC over a secure network such as Biscorn or PCP*

c. Documents, such as invoices or purchase orders, must include statement from 126.5. (4)(v) "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 §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) PFC Customer shall send a written statement (this can be in an email) that:

- a. Verifies that items (prints) are to be returned to the United States or they can be destroyed in Canada -will require verification letter for your records*
- b. Items will not be exported to non Canadian persons or outside of Canada without written approval of the US State department*
- c. Certify that products are to be manufactured are eligible for Canadian exemption*
- d. Acknowledges and consents that the products are to be manufactured in Canada*

This can be a blanket statement that accompanies all PO's or drawings submitted to PFC.

4) Send documents directly to Steve Kelly- he is a Canadian Registered recipient (skelly@pfcflex.com)

5) Communicate with Lorraine Buchholz for customer service purposes (lbuchholz@pfcflex.com)

6) PFC Customer needs to document/track:

- a. Keep a record of what was shipped and the name of the recipient*
- b. Record All correspondence with PFC regarding ITAR projects*

This can be done simply by creating an ITAR Alias email address, so that all correspondence is copied on Microsoft Exchange.



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7) *When PFC ships to a US based customer, the commercial Invoices should include the following exemption reference: "This shipment being made pursuant to 22 CFR 126.5 and 120.1 (c)"*

8) *In accordance with 126.5(5) semi-annual reports must be provided to DDTC of all on-going activities authorized under 126.5. Report shall include the articles being produced, the end users- (i.e.: name of US or Canadian company); the end item into which the product is to be incorporated; the intended end use of the program (i.e.: US or Canadian defense contract number and identification of program); the name and address of all Canadian contractors or subcontractors*

There are ITAR restricted personnel working at PFC. PFC has a security process plan that outlines how PFC will keep ITAR data secure from the non-Canadian personnel.

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