

# CRESCENT INDUSTRIES INC.

## EXPORT MANAGEMENT AND COMPLIANCE PROGRAM

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### 1.0 Management Policy Statement

**DATE:** 01/24/2011

**TO:** All Employees and Contractors

**FROM:** Daryl W. Paules, President and Chief Executive Officer

**SUBJECT:** Export Compliance Policy Statement

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The United States has a statutory and regulatory system for controlling and monitoring the movement of certain goods and technologies. Among other things, the system is designed to minimize the risk of diverting such items to locations which are not in the best interests of the United States.

It is of the utmost importance to Crescent Industries that the laws and regulations governing the movement of these goods and technologies be followed. This will allow Crescent Industries to maintain its good corporate citizenship status, avoid inadvertent violations, costly errors, and the possible disruption of business.

It is the policy of Crescent Industries to fully comply with all laws and regulations governing the export of its products, services, software and technical data. Each employee, therefore, must be dedicated to ensuring such compliance with government regulations. All sales, service, shipping, engineering, accounting and other personnel are required to be familiar with, and review regularly, the **Crescent Industries Export Management and Compliance Program**. Particular attention must be taken when releasing technical information to foreign nationals, electronic transmission of data and/or software, and the shipment of products outside the United States.

No transactions are to be conducted by or on behalf of Crescent Industries contrary to U.S. export control laws and regulations, including the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). Under no circumstances shall these laws and regulations be compromised for commercial gain. Neither sales nor shipments are to be made to any individual or firm appearing on any of the Denied Parties Lists, or to any firms owned by or associated with the individuals or firms therein listed.

Some of Crescent Industries' goods and technologies can be adapted or used for military purposes. Other goods and technologies have both civilian and military applications. Many of these goods and technologies are governed by U.S. export regulations. These regulations are in place to prevent the distribution of goods and technologies that can compromise national security. The regulations are very precise, and compliance with them is mandatory, not voluntary. No employee has the authority to act contrary to this program, nor direct, authorize, or condone violations of the program by any other employee.

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