Dasan ZHONE Solutions, Inc.
COMPLIANCE COMMITMENT POLICY

All Dasan ZHONE Solutions, Inc. personnel involved in exports and re-exports, traffic, and related functions are required to comply with the policies and procedures outlined in Dasan ZHONE Solutions, Inc. Export Management and Compliance Program. Under no circumstances will exports be made contrary to U.S. Export Administration Regulations.

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. This initiative is designed to prevent the proliferation of missile technology and nuclear, chemical, and biological weapons.

Employees outside the United States may not re-export any commodity, technology, or software unless appropriate authorization has been obtained. This includes foreign produced items that are the direct product of U.S. technology and software or foreign made items that are subject to national security controls of the United States as designated by the Commerce Control List.

No exports or re-exports will be shipped without authorization to any country that is subject to an embargo or other controls by the United States. No export or re-exports will take place with any person or organization on the Special Designated Nationals or Terrorists List issued by the Office of Foreign Assets Control.

No in-transit shipments may be made through a prohibited country without proper authorization.

All employees involved in exports and re-exports, traffic, and regulated functions are required to report requests for products or services that are in support of unsanctioned foreign boycotts in accordance with the United States regulations.
INTRODUCTION

Exports of good and services are a significant part of the sales of Dasan ZHONE Solutions, Inc. Adherence to export control laws and regulations is essential to this process. Failure to comply, with the export compliance policy, may subject Dasan ZHONE Solutions, Inc. and/or its employees to receive penalties, including fines, imprisonment, and loss of export privileges. Such penalties, and the adverse publicity and expense which could result even from an accusation of an export violation, could seriously damage the business of Dasan ZHONE Solutions, Inc.

POLICY

It is the policy of Dasan ZHONE Solutions, Inc. to comply with all export control laws and regulations pertaining to its operations. Dasan ZHONE Solutions, Inc. will conduct all of its export-related activities, including sales and shipments of products and transfers of technology, in a manner intended to satisfy its obligations under export laws and regulations of the United States and of other countries in which it conducts business.

APPLICABILITY

This Export Compliance Policy is applicable to all employees and operations of Dasan ZHONE Solutions, Inc. throughout the world.

This policy is particularly important for employees who are directly involved with exports, such as those who participate in the sale or shipment of products, services, or technical data to non-U.S. destinations.

Employees also must keep in mind that an export can occur not only by shipping products or technology to another country, but also by other activities – for example, an export from the U.S. can also occur by 1) an employee in possession of U.S. technology engaging in technical discussions with a “foreign” person (a person who is not a citizen or permanent resident of the United States) – where the discussion takes place, or 2) a “foreign” person touring facilities of U.S. operating unit, or 3) a “foreign” person accessing technology of a U.S. operating an employee, consultant, or subcontractor. These other activities result in exports – referred to as “deemed exports” – because it is assumed that the technology accessed by the foreign person has moved, or inevitably will move, to the country of which he/she is a citizen.

Responsibility

The Export Compliance Manager is responsible for the monitoring of the export process and for application of this Export Compliance Policy. Managers of each department are responsible for assuring development and implementation of procedures to ensure compliance with applicable export laws and regulations.
Any employee who becomes aware of a possible violation of export control laws or regulations shall promptly report these concerns to the Export Compliance Manager. Any employee who condones or permits noncompliance with export control laws or regulations will be subject to disciplinary action by Dasan ZHONE Solutions, Inc. up to and including termination of employment.

**Export Compliance Manager (ECM)**

The Export Compliance Manager has responsibility for ensuring day-to-day monitoring of all exports of the operating unit and for its compliance with export compliance procedures. Duties to be performed, either directly or indirectly, include:

- Reviewing and complying with the requirements of the Company’s Export Compliance Policy and the Export Compliance Manual
- Implementing a procedure/policy to notify the Export Compliance Manager immediately upon learning a situation has occurred which needs to be addressed at the Compliance Manager’s level (Ex: Need for a license, or license exception, fails a screening, or red flag surfaces, any concern regarding the request that does not feel right without having the Compliance Manager review, etc.)
- Coordinating the determination of the jurisdiction (State/Commerce/NRC) and/or classification of each item (commodity, software, or technology) which may be exported. The export classification of the product or item under the Department of Commerce is its Export Control Classification Number (ECCN)
- Ensuring proper “Screening” produces of proposed export as evidence of export control compliance.
- Providing oversight for export compliance education and awareness to all employees involved with export activities.
- Assuring that contractual agreements that apply to Export Compliance include provisions for compliance with applicable export statutes and regulations and for termination or cancellation if applicable laws or regulations preclude export.
- Ensure export records for all export transactions, including contract, shipping, financing, and all other documents pertaining to each export are maintained and accessible where necessary.

**PRODUCT EXPORT CLASSIFICATION REVIEW**

To be “export compliant,” a company must know how its products fit within, and are affected by, export regulations. Each product or item – commodity, technology, or software – must be reviewed to determine which government agency has export jurisdiction over the item, and hence controls the export. Additionally, the proper category or export classification of the item must be determined. Classification of products is important both for U.S. companies and for those non-U.S. companies whose
government regulations include lists or annexes of export-controlled items. Both agency jurisdiction and export classification are essential in assessing whether an export license is required in order to ship the item.

**Determining Agency Jurisdiction**

The U.S. Department of Commerce’s Bureau of Industry and Security is charged with the development, implementation and interpretation of U.S. export control policy for dual-use commodities, software, and technology. Dual-use items subject to BIS regulatory jurisdiction are mostly for commercial use, but can also have military applications. The regulations governing exports of dual-use items are included in Bureau’s Export Administration Regulations (EAR). These commercial and “dual-use” items are listed on the Commerce Control List (CCL) of the EAR.

Items which are “defense articles and services” (and related technical data) are controlled by the U.S. Department of State through its Doctorate of Defense Trade Controls (DDTC).

Commercial items which have been specially modified for military use, even if the modifications or design changes are minor, may be considered “defense articles” controlled by the DDTC – even though the products are almost identical to commercial items. A “Commodity Jurisdiction” (CJ) request can be submitted to the Department of State to obtain an official determination whether an item is controlled for export by the Department of State or the Department of Commerce.

In addition, certain nuclear-related items are controlled for export from the U.S. by the Nuclear Regulatory Commission (NRC). For example, radioactive materials such as “special nuclear materials” and “byproduct materials”, as defined in portions of the Code of Federal Regulations (e.g., 10 C.F.R. 110) are controlled by the NRC.

If the item is believed to be a defense product, service, technical data, or if there is uncertainty whether it is controlled for export purposes by the Commerce Department or instead by the State Department, a Commodity Classification or Commodity Jurisdiction Request should be pursued prior to export.

**Classification of Products**

**Informal (Internal) Review** – by review of the item (particularly its technical parameters) in conjunction with the Commerce Control List of the EAR and/or the U.S. Munitions List if the item is military or defense-related. This review should include involvement of in-house technical personnel with knowledge of the product.

**Formal Review** – by submission of a formal written request to the U.S. Government. The written request to BIS, termed a Commerce Classification.
**Request**, requires the submission via the Bureau’s on-line system called SNAP. The request should contain a description of the item, a recommended Export Control Classification Number (ECCN) for the item (or EAR99, if applicable), and an analysis of the technical parameters of both the item and the ECCN. Product brochures or data sheets, if available, should be included with the request, and a cover letter is also recommended - containing a description of the item(s) and the requester’s views as to why she/he considers a particular ECCN to be the correct category for the item.

Assistance in preparing a Commerce Classification Request, or a Commodity Jurisdiction Request, needs to be coordinated through the designated product specialist under the direction of the ECM. The ECM will submit these requests to the Department of Commerce or Department of State, as applicable.

The Product Classification Sheet will be used for documenting results of product classifications. This Sheet will also contain the following for each product: ECCN, Schedule B Number, export license symbol, and the countries for which an export license is needed based on “product classification/country” screening. If there is a Software which is to be shipped with a product, (or sent separately), this should be analyzed, as should technology (e.g., technical manuals, drawings, etc.) – the Commerce Control List of the EAR has categories or classifications (ECCN’s) for these items as well as for commodities.

**EXPORT SCREENING AND ORDER FULLFILLMENT**

**General**

Each potential export unit must be “screened” against applicable export compliance requirements to determine where the export can proceed (with a license if necessary). Exports that “fail” one or more export screening processes should be placed on hold until the failure can be resolved.

The requirements to screen applies to **ALL** orders for exports, even those involving items which appear based on their jurisdiction and/or ECCN’s – to be eligible for export without a license. The screens processes that must be applied to each export are the following:

**Product Classification/Country Screen**

1. **U.S. Department of Commerce:** Some transactions require that export licenses be obtained due to the nature of the product and the government controls imposed on the product’s export to certain countries. The screen associated with that evaluation is referred to as the “product classification/country” screen.
If the item to be exported is controlled by the U.S. Department of Commerce, product classification/country screening is performed by reference to the Commerce Control List (CCL) and the Commerce Country Chart (respectively, Part 774 and Supp. No. 1 to Part 738 of the EAR). The Export Control Classification Number (ECCN) of the product on the CCL indicates the “reason(s) for control” and some of the “license exception” which apply. The “reasons for control” are used in conjunction with the Commerce Country Chart to make an initial determination of the need for an export license.

If this initial screening indicates an export license is needed (“x” in the box for the country and applicable reason for control), then a check should be made where a “license exception” is available so as to avoid the need for a “list-based” export license (see Part 740 of the EAR). If an exception is found or there is no “x” in the box, then the other screens must be applied – until all screens referred to in Section 5 have been applied and documented. If no exception is found, then a license must be applied for and obtained prior to shipment.

2. U.S. Department of Commerce:
If the item is controlled by the Department of State or the Nuclear Regulatory Commission, then the regulations of that agency must be followed. In most cases, licenses will be required to ship any Department of State-controlled item to any destination.

Currently Dasan ZHONE Solutions, Inc. does not have any controlled items. All products are EAR99 and ECCN 5A991. There are no license exceptions

GENERAL

Each potential export order must be “screened” against applicable export compliance requirements to determine whether the export can proceed (with a license if necessary). Export that “fail” one or more export screening processes should be placed on hold until the failure can be resolved.

The requirement for screening applies to ALL orders for export orders as they are entered into the Oracle system and before the order is shipped. An alert is sent to the Customer Service Order Management Representative who entered the order.

Restricted Party Screen

The objective of the “Restricted Parties List” (RPL) screen is to ensure that export transactions do not involve 1) persons whose export privileges have been denied by the U.S. Government, or 2) certain other parties of concern. Among the later are “entities” whom the U.S. Government has indentified as involved in weapons
proliferation activities and high risk of diversion, “specially designated nations” who are considered to be part of the governments of embargoed or “of concern” countries; or persons involved in terrorist activities, war crimes, or narcotics trafficking. Note that “persons” and “entities” can include individuals, companies, and other organizations.

The Restricted Parties List (RPL) is actually a combination of lists, including the Table of Denial Orders and the Entities List (from BIS), the list of Specially Designated nations (from the Office of Foreign Assets Control (OFAC)), and certain other list. The Department of State also imposes trade-related sanctions on certain entities (Statutory Denied and Suspended Parties). Names are added to, and deleted from, the Restricted Parties List periodically, and are published in the Federal Register.

In general, “denied persons” do not have the privilege of making or participating in U.S. exports because they have violated export laws or regulations. Companies are prohibited from selling products’ services to, or otherwise dealing with, a denied person in a transaction involving export or re-port of U.S. – origin items. The specific restrictions imposed on a “denied person” vary; generally they prohibit any involvement of that person in an export transaction involving a U.S. item. “Entities” on the Denied Person/Entities List may not be involved in certain U.S. exports, particularly as consignee or end user of an item exported from the U.S., unless an export license is obtained for the export transaction.

Persons who must be checked against the RPL include everyone known to be involved in the export – e.g., the ordering party, purchasing party, exporting party (including buyers who plan to export), re-exporting party, intermediate consignees, end-user, parties servicing U.S. origin goods outside the U. S. banks, and freight forwarders and other transporting parties.

**Diversion Risk Screen**

This screen is performed to guard against a shipment being “diverted” from its initial destination to a prohibited destination – e.g., transshipped or re-exported to a country that is embargoed or to which additional authorization would be required. The EAR prohibits a person from exporting or re-exporting an item if the person has “knowledge” that a violation of the EAR or any license exception or any-governmental order has occurred, or is about to occur, or is intended to occur in connection with the item.

Prior to shipping an item, certain “diversion risk profile factors” should be investigated. If any of these is present, further inquiry must be made to assess whether the proposed export can proceed. Below is a list of items to be aware of prior to any shipment.

- The customer or purchasing agent is reluctant to offer information about the end use (or end user) of a product.
- The product’s capabilities do not fit the buyer’s line of business – e.g., a small bakery places an order for several sophisticated lasers.
• The product ordered is incompatible with the technical level of the country to which it is being shipped – e.g., semiconductor manufacturing equipment is ordered for use in a country without an electronics industry.

• The customer has little or no business background – e.g., information about the customer or its principals is unavailable from normal commercial/trade sources.

• The customer is willing to pay cash for a very expensive item when the terms of the sale call for financing.

• The customer is unfamiliar with the product’s performance characteristics but still wants the product.

• Routine installation, training, or maintenance services are declined by the customer.

• Delivery dates are vague, or deliveries are specified for out-of-the way destinations.

• A freight forwarding firm is listed as the product’s final destination.

• The shipping route is abnormal for the product and destination.

• Packing is inconsistent with the stated method of shipment or destination.

• When questioned, the buyer is evasive or unclear whether the purchased product is for domestic use, export, or re-exports.

• Customer uses only “P.O. Box” address or has facilities that appear inappropriate for the items ordered.

• Customer orders parts known to be inappropriate or for which the customer appears to have no legitimate need – e.g., no prior shipment of system for which parts are sought.

• Customer is known to have, or is suspected of having, unauthorized dealings with parties and/or destinations in ineligible countries.

Please note that the above list is not all-inclusive, in so far as any other suspicious or irregular circumstances in a transaction should also be checked.

If follow-up inquiries for more information from the customer do not satisfactorily resolve doubts, the order should be put on hold, and the Export Compliance Manager contacted. If suspicions remain after such inquiries, and there is still interest in pursuing the order, then an export license should be applied for or notification by the Export Compliance Manager to the appropriate U.S. enforcement agency.

In cases where Dasan ZHONE Solutions, Inc. personnel suspect that illegal activities may have taken place or are planned, and/or a person is asking them to participate in such activities, the Export Compliance Manager should be contacted to discuss further action, including bringing the matter to the attention of government export enforcements authorities.
ANTI-BOYCOTT SCREEN

This screen is used to ensure that export transactions comply with U.S. anti-boycott laws and regulations. The anti-boycott screen must be performed by all of Dasan ZHONE Solutions, Inc. operating units. This is because the U.S. anti-boycott laws apply to non-U.S. companies under the U.S. parent if they are controlled by a U.S. company (and “control” is presumed if there is ownership). The U.S. anti-boycott laws extend to “activities in the interstate or foreign commerce of the United States,” so would include, for example, certain transactions involving items acquired from the U.S.

A. Anti-Boycott Issues

U.S. export controls laws and regulations prohibit certain restrictive trade practices or activities which would implement boycotts sponsored or promoted by other countries and to which the U.S. government does not adhere. The regulations also require prompt reporting of certain boycott-related request (see Part 760 of EAR).

Prohibited activities under U.S. Export anti-boycott laws include:

- A boycott-related refusal, or agreement to refuse to do business, or request that others refuse to do business with a boycotted country (e.g., refusing to do business with Israel in order to avoid being “blacklisted” by Iran or to obtain business in Iran).
- Furnishing information about business relationships with boycotted countries or blacklisted person (e.g., certifying that your company has no representative in Israel as part of a condition of doing business in the United Arab Emirates, where the request for such certification is known to be boycott-related).
- Discriminating against religion, race, sex, or origin (e.g., agreeing with a Pakistani company that no Indians can assist in installation or servicing of a system to be exported to Pakistan).
- Furnishing information on the religion, race, sex, or national origin of a U.S. person (e.g., providing information as the religion, or membership in charitable/fraternal organizations, of the Managers or other employees of a U.S. Company) in response to a boycott-related request.
- Implementing a letter of credit containing prohibited boycott language or conditions (e.g., a provision certifying that the company does not do business with Israel).

Note that U.S. tax laws also include provisions relating to international boycotts of Israel. These laws include reporting requirements for U.S. companies and their related (more than 50% owned) company, both non-U.S. as well as U.S., having “operations” in, with or related to boycotting countries and their nationals (“operations” is defined quite broadly and includes sales). Reports must be made to the U.S. Department of the Treasury on those operations and also on any participation in, or cooperation with, an international boycott or any request for such participation or cooperation. The U.S. levies large legal and tax penalties if a U.S. (or U.S.-owned) company participates in or
cooperates with an illegal boycott, it also denies tax credits if such companies engage in commercial activity with a “sanctioned country”.

Export personnel should also keep in mind that U.S. export laws and tax laws differ as to what specific actions or conducts are reportable/non-reportable and prohibited/permissible. Compliance is required with both export-related and tax-related anti-boycott laws/regulations.

B. Boycotting Countries

The U.S. Department of the Treasury is periodically required to list countries which may require participation in, or cooperation with, an international boycott that the U.S. government considers to be illegal. Currently those countries are:

Bahrain, Lebanon, Qatar, United Arab Emirates, Iraq, Libya, Saudi Arabia, Yemen, Republic of, Kuwait, Oman, Syria

However, note that the U.S. anti-boycott laws are not limited to violations by the above-listed “boycotting” countries. Also, Israel is not always targeted or “boycotted” country (For example, a request by a Pakistani customer for a “negative” certification of origin such as “No contract items shall be manufactured or originate in India” would be an illegal boycott request.)

C. Dealing with Boycott-Related Requests

Proposed transactions, especially those involving any of the above-listed countries, should be carefully checked to see whether they contain any boycott-related requests. Particular attention should be given to documents received from potential customers – e.g., inquires asking for quote/tenders; sales contracts; letters of credit; and other correspondence.

Any person within the Company (both non-U.S. and U.S.) who receives a “request” to take any action which would further or support a prohibited boycott or restrictive trade practice must determine whether:

1) the request can illegally be complied with, or instead is illegal and must be refused (for example, deleted from the terms of a proposed contract, letter of credit, etc containing the request), and

2) the request must be reported to either the U.S. Department of Commerce or Department of State, depending on the product’s jurisdiction. Note that some boycott-related requests are both illegal and reportable; others are legal but reportable; and others are legal and not reportable. Note that a report may be needed even if no order is booked.
The operating unit receiving a boycott-related request should promptly inform and consult with the Export Compliance Manager so that the proper determination is made and appropriate action taken. Financial personnel should also be informed so that they can assess whether additional reporting and/or other action is needed for tax purposes.

Note that there are differences in the “boycott” export and tax regulations – some activities that are permitted/not reportable under export regulations are not permitted/are reportable under tax regulations, and conversely. So dual reporting is essential.

Reports of boycott requests, if required, must be submitted to the U.S. Department of Commerce on its form BIS-621P. Such reports are due by the end of the month following the end of the quarter in which the “boycott request” was initially received (or one month later for non-U.S. companies). A copy of each report should be retained by the Export Compliance Manager.

When necessary Boycott screening should be documented in writing and forwarded immediately to the Export Compliance Manager.

**Embargoed and “Of Concern” Countries Screen**

This screen is to ensure that export transactions are not entered into with customers in, or associated with, embargoed countries and countries “of concern” unless such exports are permitted by applicable government regulations and Company policies. All orders must be screened for embargoed and “of concern” countries, and must comply with the **most restrictive** of applicable: 1) local laws and regulations, 2) U.S. laws and regulations, and 3) export policies of Dasan ZHONE Solutions, Inc. (and the exporting operating unit).

Potential exports to countries that are embargoed or “of concern” must be screened more carefully than other because of the strict controls imposed on those countries, particularly by the U.S. Government and by policies of Dasan ZHONE Solutions, Inc. Certain regulations of the U.S. Government apply to both U.S. and non-U.S. transactions – because those regulations control 1) goods and technology of U.S. – origin and 2) activities of “U.S. persons” – wherever those goods/technology/U.S. persons are located.

**Embargoed Countries**

The United States currently maintains embargoes which prohibit trade with the following countries:

- **Cuba**
- **Iran**
- **North Korea**
- Sudan
- Syria

Under U.S. law, it is illegal to export products to those countries, either directly from the U.S. or by re-exporting products from an intermediate country. U.S. export laws also prohibit “U.S. persons” from direct involvement in exports to those countries, even if the products to be shipped are not of U.S. – origin. (U.S. law also prohibits most imports from, financial transactions with, and visits to, those countries by U.S. persons.)

Accordingly, with certain minor exceptions, all Dasan ZHONE Solutions, Inc. affiliates must comply with the following relative to export of products:

- **Cuba** – No sales or shipments, direct or indirect, maybe made by any Dasan ZHONE Solutions, Inc. affiliate, U.S. or non-U.S.
- **Iran, North Korea, Sudan, and Syria** – No sales or shipments, direct or indirect, may be made by any U.S. Dasan ZHONE Solutions, Inc. affiliate without the express written approval of the Export Compliance Manager.

Any non-U.S. Dasan ZHONE Solutions, Inc. affiliate who is considering shipping a product to Cuba, Iran, North Korea, Sudan, or Syria or to a customer whom it is known or suspected will re-ship the product to those countries must adhere to all of the following requirements for each transaction:

- Prior to accepting an order, agreeing to conduct business, or shipping a product, Dasan ZHONE Solutions, Inc. affiliate must notify and consult with the Export Compliance Manager
- No “U.S. person” (see Notes below) may be involved in the transaction – by facilitating, approval, or financing the transaction, and
- The product to be shipped must, in most cases, not have been previously exported from the U.S. or be of U.S. design; and
- The product must contain more than “minimal” controlled U.S. content; and
- The transaction must comply with the export laws and regulations of the country from which the product is to be shipped – an export license must be obtained if needed, and
- The end use and end user of the product must be acceptable. With regard to end use, no product may be shipped if it is known or suspected that the end use will be in the development, testing, or production of weapons or systems to deliver weapons. This is particularly important for products which have “dual uses” – that is, could be used not only for commercial purposes but also in weapons-related activities.

**Proliferation End-Use (EPCI)**

The end use of U.S. products for direct/indirect use in any nuclear/missile technology, chemical or biological application maybe controlled by U.S. export regulations and should be reviewed prior to any sale.
Commodities, software, and technical data may not be used directly or indirectly in the design, development, fabrication or use of nuclear, chemical, or biological weapons missile technology (missiles that are capable of delivering a payload to a range of at least 300 kilometers) to country group (D:2), (D:3), or (D:4) without Export Compliance Department authorization.

In compliance with General Prohibition 5 of the EAR, no shipment may be exported without a license (or reviewed by the BIS) if it is known that the end user is involved in the following:

- Any nuclear activities involving, but not limited to, research, development, design, manufacture, construction, or testing of any device, facility, or component thereof. This may include item on the CCL that can be shipped NLR or under a license exception or EAR99.
- Any missile end-uses involving the design, development, or production of missiles in or by a country listed in Country Group D: 4 (Supplement No. 1 to Part 740 of the EAR). This applies even if the listed activity does not appear on the CCL
- Any prohibited chemical and biological weapons end-uses including design, development and production or stockpiling.

**EXPORT DOCUMENTS (U.S. COMPANIES)**

In addition to thoroughly screening transactions, exporters need to make sure that proper export documents are utilized and completed correctly. The discussion below focuses on the AES (Automated Export System), a key identification in regards to Census data for U.S. exports and the Destination Control Statement which is required on certain U.S. export documents. Additional information on U.S. export documents is available in Part 758 – Export Clearance Requirements – of the Export Administration Regulations (EAR).

**A. AES**

The electronic equivalent of a Shipping Export Document (SED) is an Automated Export System (AES) record. AES filings are intended to improve accuracy of data, allow more “real-time” government monitoring of export compliance, and reduce use of paper. AES must be used for any transaction that requires a validated license from either the Department of Commerce or Department of State or the NRC. An AES must also be filed for embargoed and terrorist countries.

An AES filing is required for any of the following exports from the U.S.: 1) a shipment which requires an export license, 2) a shipment where the value of products (for same Schedule B number or HTS) is over $2,500, 3) a shipment (of any kind) to Cuba, Iran, North Korea, Sudan, or Syria, or 4) a shipment to Canada if it will be trans-shipped (to another country) which would otherwise require an AES if shipped direct. Note that the same AES requirements apply to export shipments by mail. Shipments of intangibles or
exports made electronically (such as some software shipments) do not, however, require AES.

In general, only the exporter or the exporter’s agent may complete an AES, and that person must be subject to the jurisdiction of the U.S. Thus a U.S. manufacturer who is also the exporter (and thus as the party in the U.S. who receives the principal benefit of the export transaction is termed the “U.S. Principal Party in Interest” (USPPI)) can fill out and execute an AES, and U.S. freight forwarder can also do so if acting as the agent of the exporter. The forwarder must, however, have written authorization such as a “power of attorney” from the exporter.

The exception to the above is a so-called “routed export transaction”. That is one in which a non-U.S. “principal party in interest” (PPI), typically the buyer, authorizes a U.S. freight forwarder in writing (as by a power of attorney) to act on his behalf to facilitate export of items from the U.S. In that case the U.S. manufacturer does not have to issue a power of attorney to the (Buyer’s) freight forwarder, however, usually the U.S. manufacturer would still be considered to be the USPPI and would be designated as such on the AES (see below).

It is recommended that Dasan ZHONE Solutions, Inc. always prepare the AES or a draft SLI (Shippers Letter of Instructions) for the forwarder, even in a “routed export transaction/” This is because Dasan ZHONE Solutions, Inc. is most familiar with the items being exporter, and this procedure gives Dasan ZHONE Solutions, Inc. the most control over the documentation. Furnishing an AES or SLI to the forwarder – containing all the information on the product, customer, etc. known at the time are released to the forwarder for shipment – helps ensure that an accurate AES record is furnished to the U.S. Government and is also a written record of the information that the forwarder received from Dasan ZHONE Solutions, Inc.

Dasan ZHONE Solutions, Inc. should randomly obtain a copy of the AES record from the forwarder for their export records, and the returned copy should be checked for accuracy and completeness. If any errors or discrepancies are found, a corrected AES should be submitted to Census.

B. DESTINATION CONTROL STATEMENT

The “Destination Control Statement” is a notice which the EAR requires on all copies of the bill of lading, air waybill, commercial invoice, and packing slip included with each item exported from the U.S. pursuant to a license, and also for some unlicensed items. It indicates that items being exported are subject to the EAR/ITAR and remain under control of those regulations. It is recommended that the statement be used on those documents for all U.S. exports, so as to avoid the need to keep track of when it is legally required and when not.

The Destination Control Statement must read as follows:
**EAR HARDWARE/DATA**
These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.

**ITAR TECHNICAL DATA:**
EXPORT SENSITIVE: ITAR CONTROLLED information contained herein is subject to the Code of Federal Regulations Chapter 22 International Traffic in Arms Regulations. This data may not be resold, diverted, transferred, transshipped, made available to a foreign national within the US, or otherwise disposed of in any other country outside of its intended destination, either in original form or after being incorporated through an intermediate process into other data without the prior written approval of the US Department of State.

**ITAR HARDWARE:**
EXPORT SENSITIVE: ITAR CONTROLLED Hardware contained herein is subject to the Code of Federal Regulations Chapter 22 International Traffic Arms Regulations. This hardware may not be resold, diverted, transferred, transshipped, made available to a foreign national within the US, or otherwise disposed of in any other country outside of its intended destination, either in original form or after beginning incorporated through an intermediate process into another product without the prior written approval of the US Department of State.

**C. THIRD PARTY LOGISTICS PARTNERS AND FREIGHT FORWARDERS**
Dasan ZHONE Solutions, Inc. will require all logistics vendors, with the exception of UPS, Federal Express, and DHL, to sign the “Letter of Engagement” indicating compliance with AMI requirements prior to initiation of any service. See Appendix F.

**RECORD KEEPING**

The Export Administration Regulations (EAR) and regulations of other agencies involved in exports require that complete and accurate records be maintained relating to all export transactions. The Export Control Manager is responsible for maintaining files containing such “export records”.

**A. Records to be Maintained**
The records to be maintained in connection with each U.S. export (including re-exports) include any written material relating to the export – such as export applications and licenses, end-use statements, import certificates, or documentation of the information provided to the forwarder for AES submission, air/ocean waybills, purchase orders, sales orders and contracts, invoices, receipts, letters of credit, memos and notes, telephone logs, and correspondence. A complete list of the documents required to be maintained is set forth at 7652.7 of the EAR.
B. How Long to Maintain Records

The EAR/ITAR requires that export records be retained for five (5) years from the date of export, re-export, or any other termination of the transaction as defined in 762.6 of the EAR.

C. Location of Records

The Export Compliance Manager is responsible for ensuring that its export records are properly maintained. Records related to ongoing transactions should be located on-site in an appropriate location. Any records stored off-site should be retrievable within a reasonable time – such as no more than 48 hours. All export records should be in a good order and readily available for inspection.

GOVERNMENT VISITS AND INQUIRIES

Persons who are required to maintain export records may be asked to make them available for inspection and copying by officials of the U.S. Government. The Government can issue subpoenas for such records if voluntary cooperation is not forthcoming (see 762.7 of the EAR).

Any request for records by government export officials, or any visits or other contacts received from such officials, must be reported immediately to the Export Compliance Manager.

Agents of BIS Office of Export Enforcement or of U.S. Customs and the FBI do make visits to companies, sometimes without prior notice. It is important that Dasan ZHONE Solutions, Inc. personnel handle such visit appropriately.

While it is difficult to anticipate how a particular visit will proceed, some guidelines are useful for dealing with them. For example, because only Dasan ZHONE Solutions, Inc. personnel who are knowledgeable on export compliance matters should interact with the government export officials, the receptionist at each facility should know to direct any government official regarding export law/regulations to the Export Compliance Manager. The Export Compliance Manager should be included in any meeting with the government officials even if initial contact is with upper management. There should always be (2) individuals from Dasan ZHONE Solutions, Inc. in attendance.

All documents provided to the Government should (if possible) be copies of records, and an extra copy should be made and retained to reflect what was provided. The delivered items should be accompanied by a letter of transmittal summarizing the writer’s understanding of what was requested and identifying a contact person in the even further interaction/information is needed. No documents should be provided to the Government without prior review by and approval of the ECO.
TECHNOLOGY TRANSFER

Under the EAR and the ITAR, a “deemed” export takes place anytime the company releases technology to a foreign national, whether it takes place in the U.S. or abroad. Technology is specific information necessary for the “development”, “production”, or “use” of a product. Technology is “released” for export when it is available to foreign nationals for visual inspection (such as ready technical specifications, plans, blueprints, etc); when it is exchanged orally; or when it is made available by practice or application under the guidance of persons with knowledge of the technology.

The transfer of technology can be accomplished by various means. To ensure that the transfer of technical data does not take place unless the proper compliance checks have been conducted and the appropriate individual validated license (IVL) or license exception is in place, the following guidance is provided:

A. Hiring Foreign Nationals

Human Resources in conjunction with the Export Compliance Manager will coordinate with the Project Managers to determine if the “non-permanent resident” requires Dasan ZHONE Solutions, Inc. to submit an IVL request to the Department of Commerce or State prior to the hiring of said individual. If the foreign national can be hired under a “license exception,” completion of Dasan ZHONE Solutions, Inc. nondisclosure statement and/or Letter of Assurance would be required. If it is determined that anvil is required, the Export Compliance Manager will submit an IVL to the Department of Commerce or Department of State. Human Resources will notify the appropriate Manager not to allow the foreign national to commence work on the “controlled” products at Dasan ZHONE Solutions, Inc. until an IVL has been issued.

B. Plant Visits

Anyone sponsoring a plant visit, training, etc. that will include foreign nationals must notify the Export Compliance Manager prior to the visit. The Export Compliance Manager will complete and maintain a Foreign Visitor Briefing Statement (Attachment F), indication that the appropriate compliance check has been conducted (license exception eligibility and RPL screening was completed).

C. VISA Sponsor Letters

Dasan ZHONE Solutions, Inc. welcomes all foreign national visitors and encourages international exchange, but must ensure that all appropriate safeguards are in place to protect the security of the Company and the export compliance program prior to issuing any sponsor letters. All sponsor letters should be:
- Person specific (e.g. name, date of birth, place of birth, and passport number);
- Site specific (e.g. the office being visited);
- Date specific (critical-sponsor letters should never be open-ended);
- Clear about the purpose of the visit.

It is important to keep track of foreign national visits, because there are export related issues dealing with access to “technical data”. All foreign national visitors must sign the visitor’s log prior to entering a facility. Copies of all sponsor letters MUST be sent to the Export Compliance Manager. Any deviation from either the visa or sponsor letter requires immediate notification to the Export Compliance manager.

D. Transmission of Company Proprietary Technical Data

Transmission of Company proprietary technical data internationally is deemed an export and therefore is subject to the “Export Laws” of the U.S. prior to distributing such information in any of the modes described below; the compliance review checks are to be conducted by the Export Compliance Manager.

Modes of Distribution

- Courier of documents
- Electronic transmission (memo to file by party transmitting information)
- Mailings
- Hand carries

Compliance Review checks

- Determine license-ability to end destination (license exception vs. validated license)
- End User check against the latest Restricted Party List (RPL) via Visual Compliances, AMI’s third party screening software

E. Visiting Foreign Countries

The following is the procedure to be implemented for all hand carries of Dasan ZHONE Solutions, Inc. manufactured products or other Dasan ZHONE Solutions, Inc. property exported from the U.S.

The purpose is to provide export procedures and guidelines relative to Export Controls and record keeping requirements for the hand-carry of U.S. origin commodities or U.S. controlled products internationally; (products, technical data). These procedures and guidelines ensure that all transactions are made in compliance with EAR and/or ITAR. Dasan ZHONE Solutions, Inc. employees or visitors, wishing to hand carry for
export purposes any commodities or technical data must first notify the Export Compliance Manager. The following information must be provided.

- Product/Technology to be hand-carried (generic technical description).
- Value of hand-carry items
- Country of origin of commodities
- The usage of hand-carried commodities
- Date of departure
- Name of carrier
- Port of export
- Destination country
- Entity or person who will have custody of the product
- Will products be returned
- When

**TRAINING AND EDUCATION**

Training of personnel is recognized as an on-going responsibility of Dasan ZHONE Solutions, Inc., therefore, there will be a continuing program for informing and educating employees in regards to the applicable regulations, limits and restrictions of the Export Administration Regulations and other related U.S. export regulations.

The Export Compliance Manager is responsible for identifying and determining the method, type, and frequency of training required for individuals that are involved in international transactions. This will be determined based on changes to the export regulations and/or the policy and procedures within Dasan ZHONE Solutions, Inc.

**A. Methods of Training**

The two methods that will be utilized to train employees are Formal and Informal.

- **Formal Training** – Structured meetings with agendas and handouts. A copy of the handouts will be filed in the Internal Training File maintained by Dasan ZHONE Solutions, Inc. Export Compliance Manager will maintain a “Training Attendance Log” (Attachment B)

- **Informal Training** – Day to day verbal and written communication (electronic mail message or memoranda) with personnel in export related departments. A copy of written communication will be maintained in the office of Dasan ZHONE Solutions, Inc. Export Compliance Manager.
B. Training Materials

The following sources will be used to keep abreast of the constantly changing export environment:

- News Alerts, Internet
- Outside Consultant
- BIS email updates
- BIS and other Export Compliance related workshops and seminars

C. Types of Training

Training will be provided to employees involved in export related departments:

- Orientation
- Update Sessions
- Seminars for those who are involved in exporting

D. Orientation

The Export Compliance Manager will provide orientation training to new employees involved with export activities. The training will include, but will not be limited to, the following topics:

- Summary of the organizational structure of export related departments and functions
- Company commitment to export compliance
- U.S. Export Regulations as they relate to the specific position of the employees
- Dasan ZHONE Solutions, Inc. Export Compliance Policy
- Dasan ZHONE Solutions, Inc. Export Compliance Manual

E. Update Sessions

The Export Compliance Manager will provide formal and informal update sessions to meet the specific needs of the individuals and/or operating departments. The purpose of the training will be to reinforce knowledge and to communicate updates and changes to the export regulations and company procedures. The training will include but will not be limited to the following subjects, depending on the audience:

- Overview of the scope of export controls
- Review of Product Matrix (commodity restrictions)
- Review of license types and requirements
- Review of systems currently in place to ensure compliance
• Requirements of license exceptions
• Record keeping requirements
• Export documentation preparation
• Export compliance program at Dasan ZHONE Solutions, Inc.

F. Outside Seminars

From time-to-time, employees dealing in international activities will attend seminars offered by the Department of Commerce, Department of State or private organizations, and industry groups. These seminars are to present awareness of changes in the regulations and to keep the employees current on export related issues.

G. Executive Awareness

An Executive Awareness Session will be presented to senior management to keep them abreast of relevant export related issues as necessary.

EXPORT DEALERS AND REPRESENTATIVES

Dasan ZHONE Solutions, Inc. works with independent resellers (foreign reps and dealers). These entities are required to sign a written form that explains their responsibility and agreement to comply with U.S. law. See Resellers Compliance Agreement – Appendix H.
Appendix A – Certificate of Understanding - Dasan ZHONE Solutions, Inc.

This certifies that I, _____________________________ have received Dasan ZHONE Solutions, Inc., ”Statement of Regulatory Compliance Commitment”.

I further understand that it is my responsibility to comply with this “statement” and the applicable policies/procedures at all times. If a situation arises with the procedures in the “export compliance” manual where I have questions on how to resolve, I will contact the Export Control Manager for resolution.

Signature __________________________________________________

Date ________________________________
## Appendix B – Training Attendance Log - Dasan ZHONE Solutions, Inc.

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Appendix D - Dasan ZHONE Solutions, Inc. D:2 – D:4 & E:1 End Use Screening (EPCI)

COUNTRY GROUP D - SUPPLEMENT #1 PART 740 OF THE EAR

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Appendix E – Order Entry Process narrative and Decision Tree

- New purchase order is received through any channel by inside or outside sales.
- Salesperson uses “know your customer” and “red flag” instructions to determine if the goods being bought are for export or re-export or not.
- If domestic, sale can proceed as per usual for domestic orders.
- If for export, the salesperson will determine the country of ultimate destination and make a note of that in Dasan ZHONE Solutions, Inc. record
- Salesperson will consult with Export Compliance Manager on the sale of commodity (any item not EAR99) to the country of destination.
- If sale is cleared, proceed
- If the sale is of a commodity or to a country requiring special attention, the salesperson will turn it over to the Export Compliance Manager for further evaluation and action, including the applicant for an export license if required.
- If the order is accepted, the order will be entered into Oracle.
- Oracle will send an alert to the Order Management individual that entered the order (see example below)

Example:
Subject: EXPORT COMPLIANCE: Please Review
Date: Mon, 20 Oct 2014 05:00:30 -0700 (PDT)
From: Oracle Alert <dba@zhone.com>
To: Zhoneom11@zhone.com

The following sales orders have been scheduled for shipping within the next week, and there are outstanding results for denied party screening that need to be reviewed.

Please review the results and clear as necessary, or hold the order if there are any potential issues.

Screening URL: http://intra.zhone.com/ops/export/

<table>
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<td>24-OCT-14</td>
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<tr>
<td>117592</td>
<td>27-OCT-14</td>
<td>TRANS INDUSTRIAS ELECTRONICAS S.A.</td>
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</table>
The Customer Service Order Management Representative will log onto the Dasan ZHONE Solutions, Inc. Intranet under Operations and click on the Denied Party Screening. See example below:
• The Denied Party Screening is done twice on the order, at the time of order entry and at the time of shipment of the order.
• If any alert is received from the screening, the information will be sent to the Export Compliance Manager for review.
• If the Export Compliance Manager clears the order after the alert has been analyzed, the sale will proceed.
• If the Export Compliance Manager determines that the alert should block the sale, the order will be stopped and the salesperson will advise the customer.
• If an existing customer generates an alert at any time, the export compliance manager will determine if any special action or procedure such as blocking sales to the customer may be required.
• If the Export Compliance Manager determines that sales cannot be made to an existing customer, an “N” (on a denied party list) code will be entered in the customer master on the box for “export screening performed”.
• If the Export Compliance Manager determines that future sales must be monitored to an existing customer, an “f” (flagged; each sale must be reviewed) code will be entered in the customer master in the box for “export screening performed”.
• If there is any language on an order or a letter of credit or other correspondence in the sales transaction which indicates a request for boycott, the salesperson will alert the Export Compliance Manager.
• No order will proceed, be entered, processed, shipped or paid for which violates anti-boycott regulations.
• After final review of all compliance issues (commodity, country, customer, anti-boycott language have been screened), if the order is cleared it will be proceed through fulfillment.
• Compliance alert of any change of status of a customer or country status and any order in process will be blocked from shipping if there is question on compliance.
Appendix F – Freight Forwarders Letter of Engagement

Freight Forwarder’s name
Address
Address
Address

RE: Acknowledgement of Dasan ZHONE Solutions, Inc. Export Compliance Policy

Dear Mr. Freight Forwarder:

Dasan ZHONE Solutions, Inc. is presenting this “compliance letter of engagement” to restate and secure your acknowledgement of and commitment to some of the requirements of our business relationship. These requirements are an integral part of the corporate policy of Dasan ZHONE Solutions, Inc., which, as a U.S. – based company, must comply fully with all U.S. laws governing international business activities, including:

- The U.S. Export Administration Regulations (“EAR”) maintained by the U.S. Department of Commerce;
- The U.S. International Traffic in Arms Regulations (“ITAR”) maintained by the U.S. Department of State;
- Trade and economic sanctions maintained by the U.S. Treasure Department’s Office of Foreign Assets Control (“OFAC”);
- The Federal Trade Regulations (“FTR”) maintained by the U.S. Department of Commerce, Bureau of the Census.

We greatly appreciate (Freight Forwarder) cooperation regarding compliance with all applicable laws and regulations. While it is (Freight Forwarder) obligation to laws and regulations referenced in this letter, it shall also be Dasan ZHONE Solutions, Inc.’s obligation ensure its own compliance with the laws and regulations referenced in this letter. We are providing information on the U.S. rules as a courtesy to (Freight Forwarder) and to ensure that (FF) is on notice regarding these compliance obligations. Accordingly, we ask that (FF) acknowledge the following:

1. (FF) shall review all export documentation, including air waybills, bills of lading, commercial invoices, certificate of origin, and export packing list.
2. (FF) shall ensure that any Automated Export System (“AES”) submission made on behalf of Dasan ZHONE Solutions, Inc. in conjunction with the export transaction involving any Dasan ZHONE Solutions, Inc. commodity, software, technical data or technology is properly completed based on the information
provided by Dasan ZHONE Solutions, Inc. and adheres to the applicable filing guidelines established by the EAR, ITAR, and FTSR. Such submissions should be presented to the carrier within the time frame required for inspection by U.S. Customs and Border Protection (“CBP”) for the shipments (FF) is handling in behalf of Dasan ZHONE Solutions, Inc.

(FF) shall ensure that the appropriate destination control statement appears on export documentation prepared by the (FF) when applicable and required.

1. (FF) shall notify Dasan ZHONE Solutions, Inc.’s Export Compliance Manager promptly if any contradiction, inconsistency, incompleteness, or inaccuracy regarding Dasan ZHONE Solutions, Inc.’s export documentation or instructions is identified and shall place the shipment on hold until the export documentation is perfected. (FF) shall not make any changes to or substitutions for any Dasan ZHONE Solutions, Inc.’s export documentation or AES entry data without prior approval from Dasan ZHONE Solutions, Inc.’s Export Compliance Manager.

2. (FF) shall return completed copies of the AWB and proof of AES submission within a reasonable time of export; upon request from CLIENT’s NAME, provide us with a copy of the AES entry.

3. (FF) shall comply with all applicable terms of U.S. Government export licenses and authorizations governing any Dasan ZHONE Solutions, Inc. export transaction;

4. (FF) shall indemnify Dasan ZHONE Solutions, Inc. against any costs or penalties assessed against Dasan ZHONE Solutions, Inc. which result directly from (FF)’s non-compliance with applicable laws. (FF) will not be liable for any costs or penalties which result solely from the acts or omissions of Dasan ZHONE Solutions, Inc.

We appreciate your adherence to these commitments, which are an integral part of Dasan ZHONE Solutions, Inc. corporate policy. We request that you return to us your signed acknowledgement, and we invite you to contact us if you have any questions concerning this letter, Dasan ZHONE Solutions, Inc’s policies or the laws and regulations reference in this letter.

Best Regards,

______________________________  ______________________________
(Export Compliance Manager)   (FF name and title
______________________________
Date:  _____________    Date:  ______________
Appendix H – Resellers Compliance Agreement

(date)

(Name of Reseller)

Subject: U.S. Re-Export Regulatory Compliance

We at Dasan ZHONE Solutions, Inc. are pleased to have you as a distributor/reseller of our products. As a business partner Dasan ZHONE Solutions, Inc., we are providing this letter to reiterate to you some of the requirements of our business relationship. These requirements are an integral part of the corporate policy of Dasan ZHONE Solutions, Inc., which mandates full compliance with the U.S. Export Administration Regulations, (EAR), and with all other U.S. Government regulations. Your careful attention to complying with these requirements is, therefore, requested and appreciated.

Pursuant to the corporate policy of Dasan ZHONE Solutions, Inc., under no circumstances will a sale, export or re-export transaction be making contrary to the U.S. Export Administration Regulations, (EAR), and/or all other applicable U.S. export regulations. That is,

1. No sale or resale of U.S. products, are to be made to any individual or entity listed on the U.S. Sanctioned Parties Lists without prior approval from the U.S. Government. This Sanctioned Parties Lists is comprised of the following: the Denied Persons List, the Entities List, and the Specially Designated Nationals List.

http://www/bis.doc.gov/complianceandenforcement/ListToCheck.htm

2. No sale or resale of U.S. products is to be made to any country subject to a U.S. trade sanction (embargo) without prior approval from the U.S. Government and/or Dasan ZHONE Solutions, Inc.

3. The end use of U.S. products for direct/indirect use in any nuclear/missile technology, chemical or biological application maybe controlled by U.S. export regulations and should be reviewed by Dasan ZHONE Solutions, Inc. prior to any sale. Dasan ZHONE Solutions, Inc. requests that our selling partners comply with this established company policy for all sales of Dasan ZHONE Solutions, Inc. products. If you are unfamiliar with a customer or the customer’s business practices, we ask that you check the web site listed below to verify that the sale is not made to a party on any of the U.S. Sanctioned Parties Lists. Please be advised that Dasan ZHONE Solutions, Inc. performs a 100% check against these lists prior to processing any order. Any order that is in questions may be held for additional documentation prior to shipment, and/or may not be accepted.
A. U.S. SANCTIONED PARTIES LIST:

The U.S. Department of Commerce publishes a compilation of the persons, firms, and entities in the United States and overseas which have or potentially have violated U.S. export regulations. No transactions with any person, firm or entity appearing on these listings can be conducted without prior approval of Dasan ZHONE Solutions, Inc.

Please notify Dasan ZHONE Solutions, Inc. if any requests are made by any such person, firm, or entity.

Entity List: This is a list of organizations identified by the U.S. Department of Commerce as engaging in activities related to the proliferation of weapons of mass destruction. If a party appears on this list, please contact Dasan ZHONE Solutions, Inc. immediately in order that an application for a license to export to the U.S. Government may be submitted and secured prior to shipment.

Denied Persons List: This is a list of firms and individuals whose export privileges have been denied by the U.S. Department of Commerce. You may not participate in any export or re-export transaction with any person or firm appearing on this list. Note that some denied persons are located within the United States. If you believe a person whose export privileges have been denied wants to buy Dasan ZHONE Solutions, Inc. products in order to export or re-export it, you must not make the sale and should report the situation immediately to Dasan ZHONE Solutions, Inc.

Specially Designated Nations List: The Department of the Treasury, Office of Foreign Assets Control (OFAC) is responsible for the oversight and publication of a list comprised of individuals and organizations deemed to represent restricted countries or known to be involved in terrorism and narcotics trafficking. Doing business with individuals/companies on the SDN is strictly prohibited.

B. SANTCTIONS/EMBARGOES

The following countries are currently sanctioned for the resale of U.S. products and technology: Cuba - Iran - North Korea - Sudan - Syria

Embargoed nations and other nations for which there are export sanctions often change, thus it is important that you monitor the list of embargoed nations for each export shipment. Please notify (U.S. Supplier) if such a transaction should arise, U.S. Government licenses may be eligible for approval in certain circumstances.
C. ENHANCED PROLIFERATION CONTROL INITIATIVE (EPCI)

Dasan ZHONE Solutions, Inc. commodities, software, and technical data may not be used directly or indirectly in the design, development, fabrication, or use of nuclear, chemical, or biological weapons or missile technology to group (D:2), (D:3), or (D:4) without Dasan ZHONE Solutions, Inc. Export Compliance Department authorization. (See attached “Country Group List for (D:2), (D:3), and (D:4).

As noted previously, compliance with these requirements is an integral part of the corporate policy of Dasan ZHONE Solutions, Inc. As a business partner Dasan ZHONE Solutions, Inc., your acceptance of the terms outlined above is fundamental to our continuing business relationship.

If you should have any questions, please do not hesitate to contact me.

Best regards,

Export Compliance Manager

ACKNOWLEDGED BY:

(NAME, TITLE, DATE)
(NAME OF COMPANY).