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EXPORT COMPLIANCE POLICY	APPROVED BY	Vice President and General Counsel	
	OWNER	Legal	
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**1. Introduction**

**1.1. Statement of Company Policy**

Matrix is committed to managing all exports with proper oversight and control to ensure compliance with all U.S. export control laws, rules, and regulations, and where not contradictory to U.S. law, the relevant local export laws and regulations of the countries in which Matrix is exporting. This policy applies not only to the physical shipment of our goods outside the U.S., but also the electronic or digital transmissions outside the U.S., as well as the disclosure of technology to any foreign national, whether in the U.S. or abroad (does not include lawfully permitted residents and other persons who are protected under the Immigration and Naturalization Act (8 U.S.C. 1324b(a)(3)) – see the definition of “Deemed Export” described in Section 2.1).

There are several United States agencies which have jurisdiction over different aspects of the export of U.S. items to customers who are not U.S. citizens or residents. Each of these U.S. agencies has its own sets of rules and regulations. In addition, various international agencies, including, for example, the United Nations and European Union, impose sanctions, including restrictions on exports, on various countries which the U.S. companies generally must follow.

It is the policy of Matrix to comply with both the letter and the spirit of the U.S. export control laws, rules and regulations, as well as those in other countries where we export our products. Violations of the export control laws, rules, and regulations can result in lengthy delays in the shipments of our products, significant criminal and civil fines, loss of export privileges, disciplinary action by Matrix, and possibly prison sentences.



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This policy is designed to assist you in understanding your obligations under the export control laws, rules and regulations, and to set forth the Company's policies on export control compliance. The Policy describes U.S. export laws and the Appendix describes other country specific laws in which the Company may export products. The current countries discussed in the Appendix are Canada and South Korea. Any import laws, rules and regulations of the country to which the items are being imported should also be followed if Matrix is the party importing the items. Normally, this is the obligation of the Matrix customer/end user.

Please read this policy carefully. This policy is applicable to Matrix employees but specifically applicable to those employees who are involved in international transactions. Each applicable employee has the responsibility for ensuring export compliance in connection with its operations, including transactions with customers, sales agents, distributors, joint venture partners, business partners, resellers, shipping companies and freight forwarders outside of the U.S. No employee or representative of our Company can compromise any of these laws and regulations for commercial gain. Our utilization of third-party sales agents, distributors, joint venture partners, business partners or resellers does not exempt the Company from ensuring all applicable export and trade compliance laws are followed.

If you have any questions or do not understand this policy, contact your supervisor or the Global Compliance Manager for clarification. In addition, if you think there may be a potential export control issue that is not covered in this policy, please contact your supervisor or the Global Compliance Manager for further guidance.

## 1.2. Export Control Responsibility and Oversight

All employees involved in the exporting of goods are responsible for compliance with export laws. Such employees shall engage the Company's Global Compliance Manager to ensure compliance with applicable export laws.

Matrix's Corporate Compliance Officer (VP and General Counsel), in consultation with the Global Compliance Manager, is responsible for overseeing Matrix's compliance with the U.S. export laws, rules and regulations (the "Export Control Rules").

The Global Compliance Manager is responsible for:

- Reviewing proposed export transactions and documentation to ensure the transaction is compliant with the export laws and that the customer,



shipping company, end user, other involved entities, and end use are allowed under the export laws and regulations.

- Performing due diligence, to include the utilization of third-party software, on each entity involved with the proposed export transaction.
- Advising operations and VP and General Counsel of the results of the due diligence task.
- Implementing, updating and providing training regarding this policy.

## **2. The Export Control Rules**

### **2.1. U.S. Export Definitions**

An export is any of the following activities with respect to items, technology, or software subject to export control: (1) physical shipment outside the United States; (2) electronic or digital transmission outside the United States; (3) release or disclosure, including verbal disclosures or visual inspections, to any foreign national, whether in the United States or abroad (see definition of Deemed Export below).

A deemed export is a transfer of technical data subject to export controls by means of e-mails, faxes, written or oral communications, blueprints, drawings, photographs, plans, diagrams, models, tables, engineering designs and specifications, computer-aided design files, manuals or documentation, plant visits, or any other technology transfer to a foreign national, whether in the U.S. or overseas. Some have incorrectly interpreted this rule to mean that if a company had technology which was in this category, providing this data to one of their own employees who was a foreign national would fit into this category. However, this rule does not apply to persons lawfully admitted for permanent residence in the U.S. and does not apply to persons who are protected individuals under the Immigration and Naturalization Act (8 U.S.C.1324b(a)(3)). Additionally, it would only apply to the release of technology, whether or not produced by Matrix, which requires an export license due to the nature of the design (designated as dual civilian and military use – see Section 2.4) and the country of citizenship of our employee (from a country where those exports require an export license).

A re-export is the physical shipment or transmission of items from one foreign country to another foreign country. For example, if an item is manufactured at one of the U.S. based Matrix fabrication shops, shipped to an overseas sales agent or reseller, who exports it from their country to an end user in another country, this would be classified as a re-export, and both the sales agent and

end user's names and addresses must be reported on the export documentation.

## 2.2. Background

Employees with job responsibilities related to overseas business development, sales and/or shipping must be aware of export control, anti-boycott and embargo regulatory requirements, and other sanction lists including the U.K. Financial Sanctions Consolidated List of Targets and the European Union Consolidated lists of persons, groups and entities subject to EU financial sanctions. The U.S. Government has developed a system of laws and regulations to ensure goods are not diverted to certain countries, companies or individuals. These laws and regulations control not only the physical shipment of goods outside the U.S., but also cover the electronic or mailing of design documents and utilization of our employees overseas.

To ensure the compliance with these laws, rules, regulations and executive orders, several agencies of the U.S. government have jurisdiction over aspects of compliance with the Export Control Rules. For Matrix, the relevant U.S. export regulatory agencies include:

- The Department of Treasury Office of Foreign Assets Control (OFAC);
- The Department of Commerce Bureau of Industry and Security (BIS);
- The Department of State International Traffic in Arms Regulations (ITAR);
- The United States Census Bureau

## 2.3. Office of Foreign Assets Control (OFAC)

The Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC publishes lists of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country specific.

The Office of Foreign Assets Control (OFAC) administers and enforces several U.S. economic and trade sanctions that target geographic regions and governments.



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A link to the list of Comprehensive sanctions programs (meaning virtually all transactions are prohibited) and Non-comprehensive sanctions presently (meaning only some transactions are prohibited) is:

<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information>

Please contact the Global Compliance Manager for questions regarding any countries residing on the sanctions list.

The names are incorporated into OFAC's list of Specially Designated Nationals and Blocked Persons (SDN list) which includes over 6,000 names of companies and individuals who are connected with the targets of the sanctions. In addition, OFAC maintains other sanctions lists that may have different prohibitions associated with them.

In some cases, however, prohibited transactions do not apply to the country or nation as a whole, but rather to specified individuals, organizations, or entities involved in activities that are considered to put the peace and stability of the U.S. or its allies at risk.

The Company routinely ships goods it manufactures or purchases overseas from its various worldwide locations. Without proper due diligence, one of our manufactured items could be sold and shipped to a third-party who in turn sells and ships it to a sanctioned entity, which in most cases would be a violation of the sanctions and result in significant fines for Matrix and possible punishment of the involved employees.

Also, due diligence is required regarding any shipping companies utilized by Matrix to ensure they aren't listed on the OFAC/SDN sanctions list. Due diligence on each transaction should be conducted as, for example, sanctioned Iranian and North Korean ships frequently change the names of their companies as well as their ships to avoid sanctions. Utilization of a sanctioned shipping company, whether intentionally or inadvertently, will result in a significant fine, at a minimum.

#### 2.4. Bureau of Industry and Security (BIS)/ECCN

The BIS of the U.S. Department of Commerce has responsibility for licensing and enforcement under the Export Administration Regulations (EAR). The EAR controls the export, deemed export and re-export of certain goods, technology and services with civilian and military applications. EAR exports may be subject to licensing, restrictions for national security, foreign policy, or non-proliferation reasons. Today, most Matrix manufactured items are subject to the EAR, including some which have been identified as having potential

dual use (civilian and military). While these items designated as dual use have not required an export license if our end user is located in certain countries, Matrix is prohibited from exporting that product to them without an export license. If an export license is required and desired, the Global Compliance Manager can assist in the Matrix approvals and the application for the license from BIS who has the responsibility for licensing and enforcement under the EAR.

A key ingredient in determining whether an export license is needed from the Department of Commerce is finding out if the item intended for export has a specific Export Control Classification Number (ECCN). ECCN's are five-character alpha-numeric designations used on the Commerce Control List (CCL) to identify dual-use items for export control purposes. An ECCN categorizes items based on the nature of the product, i.e. type of commodity, software, or technology and its respective technical parameters.

Determining the ECCN for Matrix manufactured items is technical in nature and is best determined with consultation with the design engineers. The CCL specifically describes the items and their classifications. If the item is not listed on the CCL, the ECCN is designated as EAR99. The majority of commercial products are designated EAR99 and generally will not require a license to be exported or re-exported. Certain items exported by Matrix, including Sulphur processing systems and items containing 304 or 316 stainless steel plates, valves, or piping are considered dual use and may require an export license, depending on the ending country of our product. The Global Compliance Manager will work with Operations and Engineering to assist in this important determination.

The BIS maintains separate lists for the purposes of the programs that it administers (including the Denied Persons List and the Entity List). The Denied Persons List consists of individuals and companies that have been denied export and re-export privileges by BIS. The Entity List consists of foreign end users who pose an unacceptable risk of diverting U.S. exports and the technology they contain to alternate destinations for the development of weapons of mass destruction.

The foreign policy objectives and legal requirements of the SDN list are significantly different from those of the BIS lists. The Commerce lists do not involve a full trade embargo of all goods and services, nor do they require U.S. persons to block property. Due to the nature of the items the Company manufactures, the likelihood of having one of our customers or end users fall into the category listed by BIS is minimal.

## 2.5. International Traffic in Arms Regulations (ITAR)

In addition to OFAC and BIS, the ITAR was implemented by the Department of State. The ITAR covers the export of military and defense-related items, technologies and services. It is unlikely Matrix would be selling any product covered under the ITAR. However, as with OFAC and BIS, due diligence is required, and the queries conducted by our Global Compliance Manager will be sufficient to mitigate these threats.

## 2.6. The U.S. Census Bureau/Schedule B Code

U.S. exporters are required to participate in the U.S. Census Bureau's program which determines the detailed statistics on goods and estimates of services shipped from the U.S. to foreign countries. The United States Code, Title 13, requires this program and participation is mandatory. The export statistics consist of items valued at more than \$2,500 per commodity shipped by individuals and organizations (including exporters, freight forwarders, and carriers) from the U.S. to other countries.

The export data is obtained from the Schedule B number noted on the Shipper's Export Declaration (SED) Form 7525-V, or on the Automated Export System (AES), one of which Matrix is required to accurately complete. The Schedule B code is a U.S.-specific coding system used by the U.S. government to monitor U.S. exports. There are 10 digits in each Schedule B code which are used exclusively in the U.S.

## 2.7. Harmonized Tariff Schedule (HTS) Code

Goods bound for import to or export from the U.S. must be classified using the Harmonized Tariff Schedule (HTS) of the United States. The Harmonized Commodity Description and Coding System of Tariff Nomenclature, generally referred to as the Harmonized System (HS) is an international nomenclature defined by the World Customs Organization for the classification of products. It allows participating countries to classify traded goods on a common basis for Customs purposes. At the international level, the Harmonized System for classifying goods is a six-digit code system.

The HS comprises of over 5,000 product descriptions that appear as headings and subheadings, arranged in 96 chapters and grouped into 21 sections.

Of the six digits, the first two digits identify the chapter the good is classified in, e.g. 84=Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof. The first four digits identify the heading, a finer breakdown of the chapter, e.g. 84.15 = Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated; parts thereof:



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The full six digits identify the sub-heading, and are even more specific, e.g. 84.15.90 = Parts. Up to the HS-6-digit level, all countries using the Harmonized System have the same codes.

The Harmonized Tariff Schedule Code is the same as the first six digits of the Schedule B. The numbers differ after the first six digits. As with the ECCN and Schedule B, determining the HTS Code is complex and best determined with the assistance of the design engineer. The Global Compliance Manager will work with Operations and Engineering to determine the ECCN, Schedule B Number and HTS Code.

### **3. Matrix Policies and Procedures**

#### **3.1. General Policy**

It is the policy of Matrix to comply with all the applicable export control rules in each of the countries where we export products. This requires due diligence and a review of each export, re-export or deemed export transaction be performed before business negotiations are completed. The list of entities involved to include the end user, end use and ending location of the product must be provided to the Global Compliance Manager as soon as possible, but certainly before any contract is signed, P.O. accepted, or item is shipped. The Global Compliance Manager will perform the due diligence necessary in a timely manner to ensure the transaction is compliant with the laws, rules and regulations.

It is important to note that if the Global Compliance Manager determines the proposed transaction involves a company or country presently on any relevant sanction lists of the U.S., Australia, South Korea, European Union, World Bank, United Nations, and many others, considerable research, licensing, and approval by the VP and General Counsel may have to occur before the transaction is approved.

#### **3.2. Due Diligence Regarding Export, Re-export or Deemed Export Transactions**

The entities involved and the nature of the transactions involving foreign country must be forwarded to the Global Compliance Manager. The Global Compliance Manager will review each proposal involving the exporting of Matrix items, to include manufactured items, engineering designs, blueprints, and the utilization of Matrix employees, outside the U.S. and Canada. The information must be provided in advance of signing any contract or purchase order.

Employees in certain positions will also be required to keep abreast of matters relating to Matrix's foreign customers and suppliers, potential customers and





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suppliers, the end uses and ultimate end users of the products that Matrix supplies to its foreign customers. This will include all Matrix Officers and any Project Managers, Engineers, Business Development or Procurement personnel who may potentially be working on international work, and other local employees as identified by the Company's management. As to potential customers, the Global Compliance Manager will also assist the operating units to determine whether the potential customer or end user is on the various lists of persons or entities to which the U.S. prohibits exports or which export requires a license. Matrix employees will need to work with the manufacturers and suppliers of third party items that Matrix incorporates into its products which may be exported so that Matrix will understand any export control or economic sanctions issues relating to those third-party items; this could include requiring the third-party manufacturer or supplier to provide to Matrix the export classification number for their product under the EAR.

The Global Compliance Manager will assist the operating units in determining the required export information including the ECCN, Schedule B Number and HTS Code for the various Matrix products and items. This is a critical step in determining whether a license will be necessary for the export of products or items to certain countries. These reviews will also determine whether such products listed under those items controlled by the DDTTC under the International Traffic in Arms regulations or other agencies' regulations relating to nuclear or weapons of mass destruction proliferation.

For each proposed export transaction, the operating unit will work with the Global Compliance Manager to provide the freight forwarder chosen by Matrix or its customer the correct information necessary for the freight forwarder to correctly prepare and file the necessary forms concerning the export with the Census Bureau and the U.S. Customs Service. Appropriate personnel within the operating units will be the primary contact with the freight forwarder; provided however, if there is any direct contact by Matrix with a regulatory agency, including requests to the BIS for a classification of a Matrix product under the EAR, the primary contact for Matrix will be the Global Compliance Manager. It is Matrix's responsibility to understand and determine the export requirements of its products; this responsibility cannot be shifted to a freight forwarder. Requirements and obligations under the EAR cannot be disregarded in order to attempt shift liability in a contract.

Employees who are considering expanding potential new business into new countries or with new foreign companies are required to notify the Global Compliance Manager so that a review of any potential economic sanctions against that country or company are applicable and whether travel to that country is allowed or advised.



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The requirements under this policy also apply to any re-export of Matrix products or items from one foreign country to another. Should a Matrix employee learn that a customer or end user intends or has re-exported the Matrix product or item from the original country of destination to another foreign country, the employee shall notify the Global Compliance Manager to determine whether any action needs to be taken by Matrix in relation to that re-export or intended reexport.

### 3.3. Reporting Procedures/Handling Possible Export Violations

Any Matrix personnel, business associate or third party who becomes aware of any potential violation of any export law or regulation, whether intentional or inadvertent, must report the matter promptly to Matrix immediately. To guarantee that no Matrix personnel shall be adversely affected in employment for reporting the violation, the employee may make his/her report through several methods. You may remain anonymous.

It is our unequivocal policy that there be no intentional retaliation against any person who, in good faith, provides information to us that he or she believes is truthful concerning a possible violation of any law, regulation or Matrix policy, including this one. This includes deliberate actions such as firing, demoting, publicly attacking or harassing someone, as well as more subtle actions such as avoiding someone or leaving him/her out of Company or social activities. Persons who retaliate may be subject to civil, criminal and administrative penalties, as well as disciplinary action, up to and including termination of employment.

The reporting methods are:

- Your manager
- Global Compliance Manager
- VP and General Counsel
- Chair of the Audit Committee
- Matrix Compliance Hotline toll free, 24 hours a day, 7 days a week, for calls originating from:
  - United States/Canada: (855) 414-0002
  - Australia: 1800-784-326
  - South Korea: 00308-133-050
- U.S. Mail to Matrix Service Company, Attn: (Global Compliance Manager or VP Legal and
- Risk Management, or Chair of the Audit Committee), 5100 E. Skelly Drive, Suite 500, Tulsa, OK 74135
- E-Mail: [hotline@matrixservicecompany.com](mailto:hotline@matrixservicecompany.com)

Any manager who receives reports of violations must report the matter to the VP and General Counsel, the Chair of the Audit Committee, or the Global



Compliance Manager. You may also send anonymous or confidential concerns to the VP and General Counsel or Chair of the Audit Committee using the methods described above.

Once a report of a possible export violation is received, VP and General Counsel will assign the Global Compliance Manager or other appropriate personnel to further investigate the matter to determine if an export violation has occurred. Corrective action, to include thorough training of the involved personnel and changing export procedures, if needed, will be taken. VP and General Counsel will examine the results of the investigation, corrective action taken, and determine whether a voluntary disclosure to the appropriate government agency is warranted.

#### 3.4. Retention of Documents

All Matrix employees involved in export transactions must keep soft or hard copies of all export documentation, including but not limited to contracts, financial records, shipping documentation, sales quotation requests, and all appropriate records from screening/vetting any export transactions. Any documentation with government officials involving export transactions must also be maintained. It is not necessary to keep the original documents as long as they have been scanned, saved electronically, and are accessible if needed.

Records must be kept in a manner which facilitates the ability to retrieve the records for any purpose and to review records during audits. Once an export transaction has been completed, any documentation or files must be retained for a period of five years, except for items exported from Canada or South Korea which require a period of six years from the date of export.

#### 3.5. Audits

To ensure Matrix is in compliance with the export laws, periodic audits of export transactions will be conducted by the Global Compliance Manager or other designated auditors. These audits will examine certain export transactions to ensure the proper steps were taken before, during and after exporting, to identify areas for improvement with Matrix export procedures, identify deficiencies and other areas of risk, improve training for appropriate personnel, and to correct vulnerabilities. The audits will occur once every fiscal year.

#### 3.6. Penalties

Failure to comply with export laws could lead to criminal and civil penalties for the Company and for individual employees, significant business disruptions,



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and harm to the Company's reputation. Violations of the Company's Export Policy may result in discipline, up to and including termination of employment. Certain violations could result in fines and penalties imposed by more than one country for the same violation.

Criminal penalties for unlawful export and disclosure of information in violation of U.S. export laws may include fines up to \$1 million and/or imprisonment up to 20 years. Civil penalties can be assessed up to \$250,000 or 2 times the value of the transaction, whichever is greater, for each violation. Matrix and the individual(s) involved also may lose their ability to export in the future.



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## **A. Appendix – Exporting Company Products from other Countries**

### **A.1. Canada Export Laws**

The export laws of Canada are similar to those in the U.S. They are administered by the Canadian Trade Commissioner Service. They maintain a list of countries where items cannot be exported, which mirrors the countries prohibited by the U.S. They also maintain a list of controlled items requiring a permit prior to being exported. Matrix items are not on that list.

Most items exported by Matrix entities in Canada are shipped to the U.S. Canadian authorities require a Harmonized Tariff Schedule (HTS) code which is identical to the ones described in Section 2.7. There are considerable import duty advantages created by completing the NAFTA form (Form 434) prior to exporting items. Items manufactured at any Canada or U.S. based fabrication shops generally qualify as a NAFTA item. Additionally, items manufactured in the U.S., Canada and Mexico are considered NAFTA items. The Global Compliance Manager can assist with the determining the HTS, determining whether the items are eligible for NAFTA, completing the NAFTA forms, and assisting with other export related questions. A Canadian customs broker must be utilized when exporting items and they will also provide assistance with the exporting process.

### **A.2. South Korea Export Laws**

Export control and economic sanctions imposed by South Korea are less restrictive than the those of the U.S., but several steps need to occur to ensure compliance. Most Korean export restrictions target the exporting of military, dual use (military or civilian) or WMD related items which are not presently related to any current product manufactured by Matrix. Generally, compliance with the U.S. export sanctions requirements mostly ensures avoidance of most of South Korean export sanctions violations. South Korea may designate entities other than those designated by the U.S. agencies as the subjects of its own sanctions or otherwise implement its own sanctions regulations. For example, even if Matrix has obtained an appropriate export license required for the export of certain goods from the U.S., Matrix's Korean subsidiary must also need to obtain a separate license from the Korea Customs Service or appropriate agency, if the export of the same goods is restricted by South Korea. Similarly, regardless of OFAC's position, Matrix's South Korean subsidiary must also obtain separate approval from the relevant South Korean agency for any financial transaction restricted by South Korea. The due diligence search conducted by the Global Compliance Manager covers relevant South Korea sanctions lists.



The Korea Financial Services Commission can designate any individual, corporation or organization that is deemed to be related to the financing of terrorism. South Korea will also designate individuals and entities where it is necessary to do so to contribute to international efforts to sustain international peace and security. The Ministry of Strategy and Finance maintains a list of sanctioned entities and individuals, which reflects the UN's lists.

The due diligence search engine utilized by the Global Compliance Manager queries the Korean databases containing their sanctioned entities. The Korean export control system is based on four legislative items which are (i) Foreign Trade Act (ii) Defense Acquisition Program Act; (iii) Nuclear Safety Act; and (iv) the Act on the Control of the Manufacture, Export and Import of Specific Chemicals and Chemical Agents for the Prohibition of Chemical and Biological Weapons. While each of these laws regulates a different type of item, the Foreign Trade Act serves as the main director of South Korean export controls.

The Foreign Trade Act states that anyone who exports "strategic items" must obtain an export license from either the Minister of Trade, Industry and Energy (MOTIE) or the head of the relevant administrative agency. "Strategic items" which require export permits are designated by the MOTIE in consultation with the heads of the relevant agencies and published in the Public Notice. None of the items exported from Matrix Applied Technologies in South Korea are currently categorized as "strategic items."

The MOTIE can restrict or prohibit exports from South Korea based on:

- Where South Korea is involved in war, or natural disaster;
- Where a trade partner denies rights and benefits of the South Korea recognized by treaties and the generally accepted international rules;
- Where a trade partner imposes unfair or discriminatory burdens or restrictions upon the trade of South Korea;
- Where it is necessary to perform duties for the maintenance of international peace and security provided for in treaties on trade concluded and promulgated under the Constitution and the generally accepted international rules; or
- Where it is necessary for the protection of life, health and safety of human beings, life and health of animals or plants, preservation of the environment, or domestic resources.

Declaration must be filed to the customs house which oversees the district where the goods are stored by EDI method with specifications of the goods under the name of a cargo owner, a customs broker, and a customs brokerage firm. Declaration must be written on an import declaration form stating the description of the goods as well as quantity, value and other



particulars required. The form is required to be attached with following supporting documents:

- Commercial invoice
- Price/Export declaration
- Bill of Lading
- Proofs that requirements have been satisfied under Article 226 of the Customs Act
- Packing List
- Certificate of Origin
- Harmonized Tariff Schedule Code

A violation of Korea's export control laws can result in criminal punishments including imprisonment not exceeding 7 years or criminal fines up to five times of the exported value. A violation of Korea's foreign exchange control can result in criminal punishments including imprisonment not exceeding three 3 years or criminal fines not exceeding KRW 300,000,000 (or both). Korea also imposes various forms of administrative warning, administrative fine, or revocation of license for violations of its export control/economic sanctions regimes, which poses the largest threat to Matrix employees.