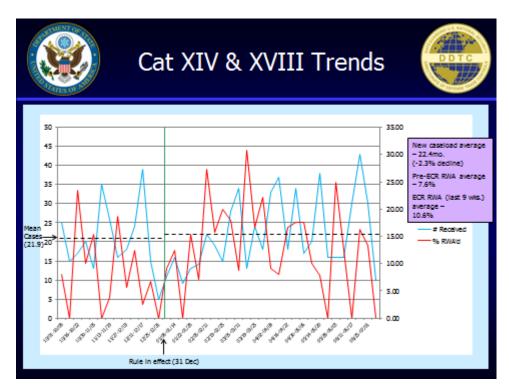
The Sixth USML to CCL Regulatory Change

Toxicological Agents

December 31, 2016 to June 30, 2017

The license applications for items in category XIV – Toxicological Agents and Category XVIII – Directed Energy Weapons of the United States Munitions List (USML) are almost the same before and after the Sixth Transition Rule became effective. The average monthly applications are around 22 per month.

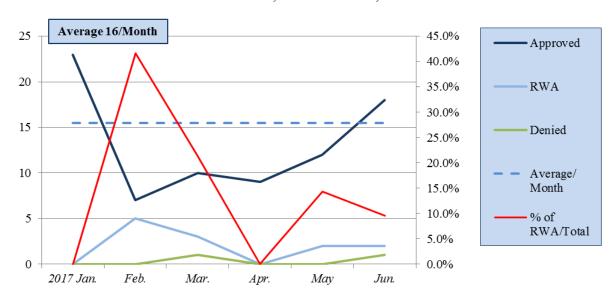


Source: The Directorate of Defense Trade Controls of the U.S. Department of State, August 2017

Sixth Transition Rule

Since the Sixth USML to CCL regulatory change became effective on December 31, 2016, the average number of BIS license applications for the eight 600-Series items created by this rule is 16 per month through June 30, 2017. The approval rate is 84.9%.

BIS License Applications for the Sixth USML to CCL Regulatory Change December 31, 2016 to June 30, 2017



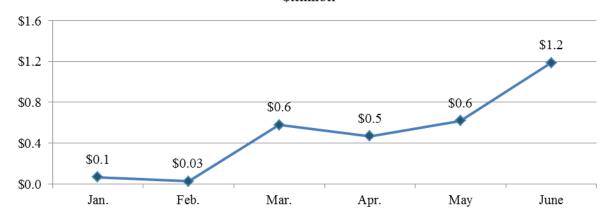
Source: Commerce U.S. Exports Exporter Support System, August 2017

Sixth Transition Rule

From the effective date of December 31, 2016 to June 30, 2017, U.S. exports of items in the Sixth USML to CCL regulatory change –Toxicological Agents items (1x607 and 6x619) under BIS jurisdiction totaled 73 shipments for \$2.9 million, mainly exported to turkey (18.9% of the total export value), Australia (13.1%) and Belgium (12.3%).

U.S. Exports under the Sixth USML to CCL Regulatory Change Toxicological Agents under BIS Jurisdiction

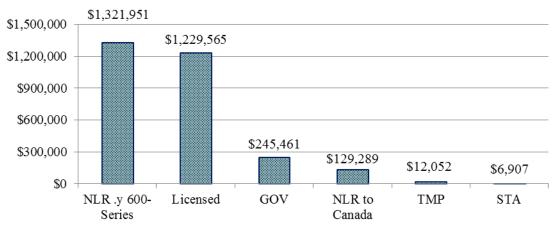
December 31, 2016 to June 30, 2017 \$million



Source: Automated Export System, August 2017

U.S. Exports under the Sixth USML to CCL Regulatory Change Toxicological Agents By BIS License Type

December 31, 2016 to June 30, 2017



Source: Automated Export System, August 2017