

October 27, 2025

Re: The Affiliates' Rule

Dear Valued Customer,

The Affiliates Rule, which became effective September 29, 2025, requires that Wall Industries, Inc. obtains a listing of all our international customer's legal subsidiaries and affiliates.

The Affiliates Rule was created by the U.S. Department of Commerce's Bureau of Industry and Security (BIS). It dramatically expanded the scope of U.S. export controls to address risks of evasion and diversion by sanctioned parties.

To follow U.S. regulations, we need to verify your ownership details. This new rule expands our legal responsibility to check for affiliates and subsidiaries on restricted parties' listings.

This ruling has become central to Export and ITAR compliance requirements and to all exporter's screening processes.

If Wall Industries cannot confirm your ownership status, Wall has a legal duty to seek a license from BIS before proceeding with an order transaction, which may cause significant delays and added costs for the license application.

For further information:

<https://www.bis.gov/press-release/department-commerce-expands-entity-list-cover-affiliates-listed-entities>

Sincerely,



Tim Powers

General Manager

Wall Industries, Inc.