March 7, 2013

Particle Measuring Systems, Inc.
5475 Airport Boulevard
Boulder, CO 80301-2339

Attention: Sandy Hutchison
Director of Sales Operations

Gentlemen/Ladies:

We, the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce, following our examination of certain export transactions of Particle Measuring Systems, Inc. ("PMS"), have reason to believe that you, PMS, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2013)) (the " Regulations")¹, which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§2401-2420 (2000)) (the "Act")², in that, on two occasions, you failed to report to the Department of Commerce your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

Specifically, on or about April 13, 2009, and March 19, 2010, in connection with the sale and/or transfer of goods or services (including information) from the United States to Bangladesh, you received advice of Letter of Credit #18LE-714971 and Letter of Credit #18LE-814548, respectively, both issued by the Standard Chartered Bank (Bangladesh). Both Letters of Credit set out a request to take an action which would have the effect of furthering or supporting a restrictive trade practice or boycott. The requests read as follows:

Shipment/Transshipment of goods from Israel or in the flag vessels of that country is not allowed.

¹ The alleged violations occurred during the years 2009 and 2010. The Regulations governing the violations at issue are found in the 2009 and 2010 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2009 and 2010)). The prior years' Regulations are substantially the same as the 2013 version of the Regulations which govern the procedural aspects of this matter.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 15, 2012 (77 Fed. Reg. 49699 (August 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.).
Section 760.5 of the Regulations requires United States persons to report to the Department of Commerce their receipts of such requests. You failed to report to the Department of Commerce your receipts of these requests.

All United States persons are required to comply with the Regulations. However, having considered all the facts and circumstances known to us at this time, including the results of our examination of PMS's export transactions, we are closing this investigation with the issuance of this Warning Letter.

This Warning Letter applies only to the transactions referred to herein. Other violations of the Regulations not expressly referred to in this Warning Letter may result in the institution of administrative proceedings against you which could result in the imposition of civil penalties and/or any of the other sanctions set forth in Section 764.3 of the Regulations. You should, therefore, ensure that PMS strictly adheres to the Regulations in all future transactions.

Warning Letters are made available for public inspection in the Freedom of Information Reading Room section displayed on the Bureau of Industry and Security web site at http://efoia.bis.doc.gov

Should you have any questions or comments relating to this Warning Letter, please contact me at (202) 482-2381.

Sincerely,

Edward O. Weant III
Director
Office of Antiboycott Compliance
WARNING LETTER

10 May 2013

Baker Hughes Eastern Hemisphere Operations Ltd
Hughes Christensen Division
Techno Park, Sheikh Zayed Road
Dubai, United Arab Emirates

Gentlemen/Ladies:

We, the Office of Antiboycott Compliance, Bureau of Industry and Security, United States Department of Commerce, have reason to believe that you, Baker Hughes Eastern Hemisphere Operations Ltd (Hughes Christensen Division) (Dubai), a controlled-in-fact foreign subsidiary of Baker Hughes Inc, a domestic concern, have violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2013)) (the “Regulations”), which are issued under the authority of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”), in that, on two occasions, you failed to report timely to the Department of Commerce (“Department”) your receipt of a request to engage in a restrictive trade practice or boycott, as required by the Regulations.

Specifically, on or about 2 March 2005 and 5 February 2007, in connection with the sale and/or transfer of goods or services (including information) from the United States to Abu Dhabi, U.A.E., you received Requests for Tender # P 16566.1/D3/TB and P 19827.1/D3/TB, respectively, issued by Abu Dhabi Company for Onshore Oil Operations, each of which set out the following condition requiring you to take an action which would have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott:

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1 The alleged violations occurred during the years 2005 and 2007. The Regulations governing the violations at issue are found in the 2005 and 2007 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2005 and 2007)). The prior years’ Regulations are substantially the same as the 2013 version of the Regulations which governs the procedural aspects of this matter.

2 Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent of which was August 15, 2012 (77 Fed. Reg. 49699 (August 16, 2012)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).
...SELLER ACKNOWLEDGES THAT THE IMPORT AND CUSTOMS LAWS AND REGULATIONS OF THE EMIRATES OF ABU DHABI OR THE UNITED ARAB EMIRATES SHALL APPLY TO THE FURNISHING AND SHIPMENT OF THE GOODS (INCLUDING MATERIALS AND COMPONENTS) TO ABU DHABI. SELLER SPECIFICALLY ACKNOWLEDGES THAT THE AFOREMENTIONED IMPORT AND CUSTOMS LAWS AND REGULATIONS ... PROHIBIT, AMONG OTHER THINGS, THE IMPORTATION INTO THE UNITED ARAB EMIRATES OF GOODS, PRODUCTS OR COMPONENTS:

i) ORIGINATING IN ISRAEL.

ii) MANUFACTURED, PRODUCED OR FURNISHED BY COMPANIES ORGANIZED UNDER LAWS OF ISRAEL.

iii) MANUFACTURED, PRODUCED OR FURNISHED BY NATIONALS OR RESIDENTS OF ISRAEL.

Section 760.5 of the Regulations requires United States persons to report to the Department their receipts of such requests. You failed to report timely to the Department your receipts of these requests.

All U.S. persons are required to comply with the Regulations. However, having considered all the facts and circumstances known to us at this time, including specifically the fact that you discovered the violations yourself and voluntarily disclosed them to us, we are closing this investigation with the issuance of this Warning Letter.

This warning letter applies only to the transactions referred to herein. Other violations of the Regulations not expressly referred to in this Warning Letter may result in the institution of administrative proceedings against you which could result in the imposition of civil penalties and/or any of the other sanctions set forth in Section 764.3 of the Regulations. You should, therefore, ensure that Baker Hughes Eastern Hemisphere Operations Ltd (Hughes Christensen Division) (Dubai) strictly adheres to the Regulations in all future transactions.


Should you have any questions or comments relating to this Warning Letter, please contact me at 202.482.2381.

Sincerely,

[Signature]

Edward O. Weant, III
Director
Office of Anticyclett Compliance