



New Customer / Service Provider Supply Chain Security Terms and Conditions

- a) Customer acknowledges that Daniel Romero Customs Broker is a certified CTPAT (Customs Trade Partnership Against Terrorism) member. Consistent with the Daniel Romero Customs Broker obligations and responsibilities under CTPAT, the Customer agrees to the following:
1. To maintain its own CTPAT certification status (if eligible)
 2. To immediately notify the Daniel Romero Customs Broker in the event of a change in CTPAT status (if applicable)
 3. To immediately notify the Daniel Romero Customs Broker in the event of any actual breach in security or suspected breach in security.
 4. To secure its facilities using enough access controls, fencing, security guards, security cameras and lighting.
 5. To properly train its shipping staff on properly inspecting a container/trailer prior to loading according to the CTPAT Supply Chain Security Criteria.
 6. To properly secure all cargo loading and handling areas and all transportation equipment storage areas. To restrict access to authorized personnel only.
 7. To verify and ensure that ISO/PAS 17712 Certified high security seals are properly placed on all containers/trailers bound for the United States.
 8. To regularly evaluate and self-assess its supply chain security procedures and internal controls
 9. To secure, protect and restrict access to all electronic data systems, documentation and other information relating to Daniel Romero Customs Broker activities, which might be transmitted to the Daniel Romero Customs Broker or other third parties to affect the international movement.
- b) Customer further agrees to grant access to its facilities at any time so that Daniel Romero Customs Broker or authorized agents of the Daniel Romero Customs Broker might conduct security assessments and evaluations.
- c) Customer further agrees to accept and implement supply chain security recommendations received from the Daniel Romero Customs Broker (consistent with U.S. Customs CTPAT Security Criteria).
- d) Customer further agrees to visit US Custom's website for additional Importer CTPAT minimum security guidelines for reference and implementation. <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat/security-guidelines/importers>

By signing this form, I declare that I have read, understood and agree with the Supply Chain Security Terms and Conditions.

Print Name

Signature

Date



Trade Based Money Laundering & Terrorism Financing Guidelines

It is Daniel Romero Customs Broker (hereinafter DRCB) responsibility to identify and report any business activities that may be related to trade-based money laundering (TBML) and terrorist financing illicit activities:

US CUSTOMS DEFINITION:

TBML: When criminals use the international trade system to disguise illicit proceeds by altering Customs and banking paperwork to make transactions appear legitimate. These proceeds are then used to finance additional criminal activity, which may include funding terrorist activities or organizations.

TBML RED FLAG ACTIVITIES:

1. Business Partner (i.e. Customers, Supply Chain Service Providers, etc.) Red Flags:

- a. Unauthorized/Prohibited Entities and Individuals (Including those Entities and individuals reported on any denied party or restricted party lists, published by the U.S. government (Consolidated Screening List)
- b. Complex Transaction Structure
- c. Abrupt Changes to Trade Activity Patterns
- d. Suspicious Addresses
- e. High risk or unusual countries
- f. Discrepancies/Quality Waiving
- g. High Fee Acceptance
- h. Unclear Identity/Ownership

2. Shipment Red Flags:

a. Routing

- i. Unusual shipping routes
- ii. Unusual Country of Export
- iii. Unauthorized and suspicious third parties involved in the shipment

b. Financial:

- i. Cash payments
- ii. Letter of Credit Inconsistencies (i.e. dates, amounts, etc.)
- iii. Incorrect Pricing (gross undervaluing/overvaluing)

c. Shipment Documentation:

- i. Lack of shipment documentation
- ii. Shipment documentation seems fraudulent
- iii. Excessively amended terms
- iv. Non-Standard clauses or language included
- v. Unauthorized changes to documentation
- vi. Refusal to provide copies of shipment documentation
- vii. Unusual or suspicious product descriptions and/or values
- viii. Bill of lading inconsistencies and missing critical shipment information



Trade Based Money Laundering & Terrorism Financing Guidelines

3. Transaction Red Fags:

- a. Lack of shipment transaction transparency
- b. Unusual or suspicious movement of goods
- c. Unusual or unauthorized high-risk goods transactions such as: gems, jewelry, cigarettes, precious metals, military goods, laser systems, sensor integration equipment, dual-use goods, etc.

Reporting Protocol:

It is the responsibility of THE COMPANY to identify, evaluate and report any suspicious activity related to TBML and terrorism financing.

Upon identification of any of the above RED FLAGS...THE COMPANY requires "STOP ALL TRANSACTION ACTIVITY", whether, shipping, receiving, ordering, payments, etc., and immediately report to Upper Management and the SCSC for further review, evaluation and reporting to the corresponding government agencies.

By signing this form, I declare that I have read, understood and agree with the Trade Based Money Laundering and Terrorism Financing Guidelines.

Print Name

Signature

Date

Additional Resources:

- Financial Action Task Force (FATF) <https://www.fatf-gafi.org/>
- US Customs – CTPAT Warning Indicators for TBML and Terrorist Financing Guidelines
- Immigration and Customs Enforcement (ICE) Trade Transparency Unit
- U.S. Department of Commerce Lists of Parties of Concern:
<https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern>



Customer / Service Provider Social Compliance Guidelines

At Daniel Romero Customs Broker, we are committed to a secure and socially compliant supply chain. We recognize that our Business Partners, including our Customers play an important role in helping us achieve our goal.

As part of our Customer / Service Provider outreach, education and screening process, our company abides by social compliance standards and environmental principles when selecting and doing business with our Customer / Service Provider.

We expect and require that all Customer / Service Provider comply with social compliance standards and environmental principles as well as all other applicable Country specific regulations and standards in relation to the following areas:

Freedom of Association and Collective Bargaining

Customer / Service Provider shall comply with all International Labor Organization standards and allow and respect employee's rights and freedom of association.

Child Labor

Customer / Service Provider shall not employ any person under the age of 15, unless a local law may authorize it in accordance with the International Labor Organization Convention.

Forced Labor and Abuse of Labor

Customer / Service Provider shall prohibit any type of activity related to forced or indentured labor or abuse of labor.

Prohibit Discrimination

Customer / Service Provider shall prohibit discrimination or harassment of employees.

Work hours, wages and benefits

Customer / Service Provider must compensate employees in accordance with the industry/ labor market and provide applicable benefits in accordance with all applicable and local laws.

Safe and Healthy Workplace

Customer / Service Provider must provide employees a safe/secure workplace, ensure there are sufficient emergency, hygiene and sanitary protocols in place.

Protect the Environment

Customer / Service Provider must maintain all global environmental principles including but not limited to environmental permits and reporting protocols, pollution prevention, managing hazardous substances, waste and water management.

Business Integrity

Customer / Service Provider shall practice anti-bribery protocols, avoid corruption and prevent money laundering practices. All Business Partners/ Customers shall act with honesty and provide information transparency in all activities.



Customer / Service Provider Social Compliance Guidelines

Intellectual Property Protection

Customer / Service Provider shall establish intellectual property compliance, including prevention of counterfeit goods, and maintain licensing and proper authorization for all items subject to intellectual property protection.

Conflict Minerals

Customer / Service Provider shall maintain and practice responsible sourcing of “conflict minerals” and establish proper controls and processes to ensure they are sourced from “conflict free” supply chains.

Social Compliance Audits

We expect Customer / Service Provider to regularly review and validate compliance with all the above social compliance areas. We also recognize Customer / Service Provider may undergo third party or Customer social compliance audits. We strongly recommend that all Customer / Service Provider maintain copies of all audits to support ongoing compliance. We also expect all Customer / Service Provider to take immediate corrective actions on any and all audit findings. We reserve the right to request copies of such audit results and proof of corrective actions taken.

Reporting and Education Protocol

We expect Customer / Service Provider to establish company-wide reporting and education protocols covering the above social compliance responsibilities, including procedures for reporting, evaluating and investigating possible violations.

We also expect Customer / Service Provider to require compliance with the above social compliance responsibilities for their own Customer / Service Provider.

DRCB requires immediate reporting of all suspected violations of the above social compliance responsibilities to DRCB’s CTPAT Supply Chain Security Supervisor for further review, evaluation, investigation and possible reporting to the corresponding government agencies.

By signing this form, I declare that I have read, understood and agree with the Social Compliance Guidelines.

 Print Name

 Signature

 Date

Resources:

- US Customs Forced Labor Risk in the Global Supply Chain: <https://www.cbp.gov/trade/forced-labor>
- OECD Due Diligence Guidance: <https://www.oecd.org/unitedstates/>
- International Labor Organization: <http://www.ilo.org/>