



TRADE COMPLIANCE



Trade Compliance: The Flowserve Story

Arvind Sharma
Senior Trade Counsel



Agenda

- Trade Compliance Background
- Overcoming Trade Compliance Challenges
 - Training
 - Compliance Personnel
 - Regulations
- Internal Controls
- Third Parties

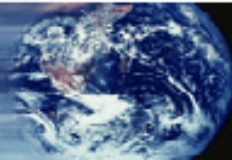


Trade Compliance Background



“The Perfect Storm”

- Regulatory Changes
- Enhanced Cooperation Among Government Agencies
- Post 9/11 Desire to Secure Global Supply Chain Security
- Customs Desire to Maximize Revenue (duties, taxes, etc.)
- Increased Focus on Preferential Programs (e.g., North America Free Trade Agreement (NAFTA))
- FLS Global footprint
- Voluntary “Systemic” Disclosure
- US Customs Focused Assessment



Voluntary Systemic Disclosure (“VSD”) Project

- “In March 2006, the Company initiated a process to determine compliance with respect to US export control laws and regulations.”
- “Based on the initial, preliminary review, it appears that some product transactions and technology transfers may not have been conducted in compliance with these laws.”
- “The Company has notified the applicable US governmental authorities of its plans to conduct a voluntary, thorough audit of compliance with the US export control laws and regulations, and, if applicable, to make voluntary self-disclosures regarding any violations identified.”

Flowserve Announced the VSD in SEC Filings As “Risk Factor” & “Legal Proceeding”



VSD Project Overview



- ❑ Process Scope
- ❑ Organization Scope
- ❑ Size Project Team
- ❑ High-level Timeline
- ❑ High-level Budget

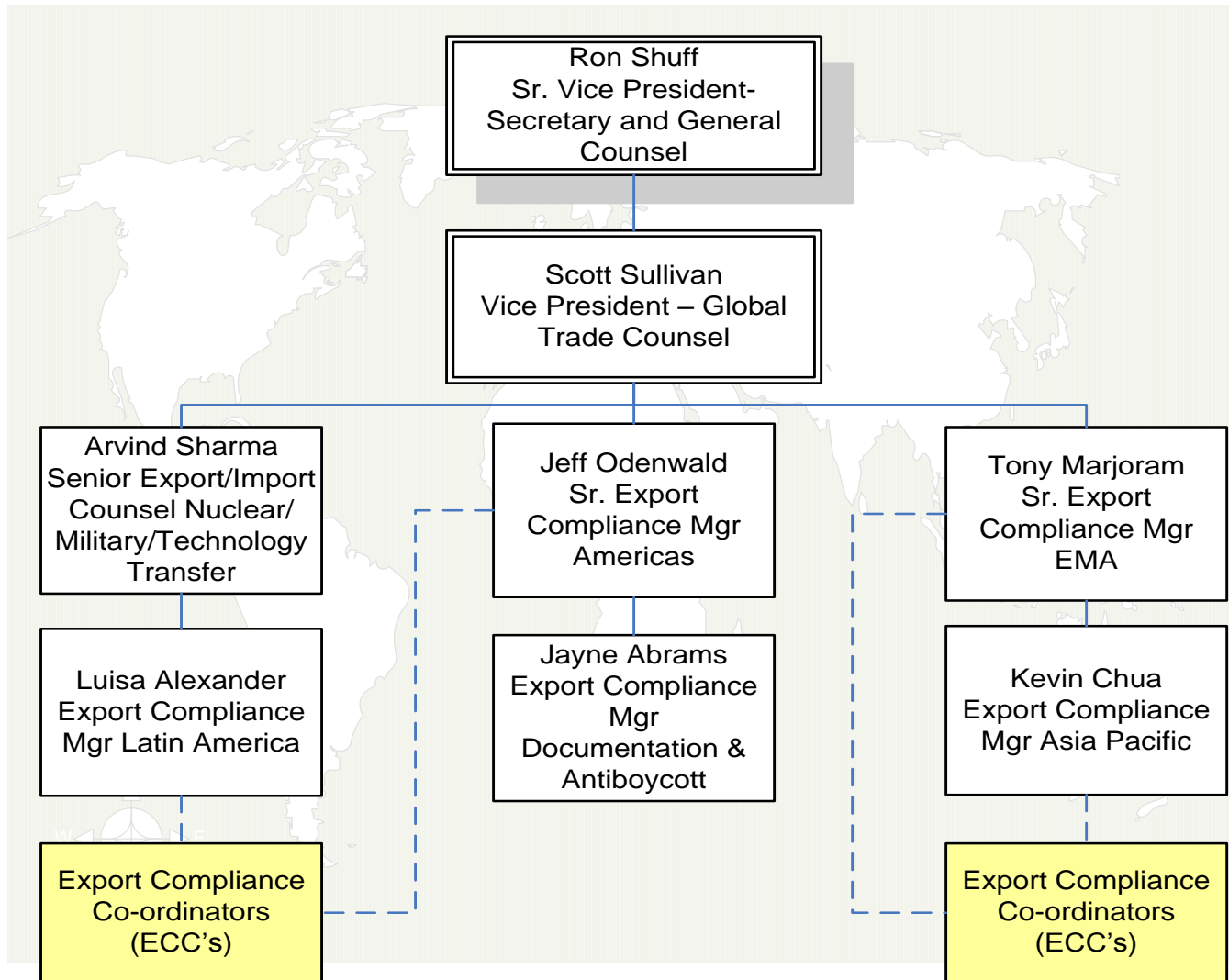
- ❑ Define controlled technology & products
- ❑ US Product & Technology Surveys Distributed
- ❑ Prepare initial voluntary disclosure
- ❑ Project Team recruited and trained
- ❑ Draft corporate policy, procedures, and tools
- ❑ Detailed Project Plan & Budget

- ❑ Submission of Initial Disclosure
- ❑ Complete training for Initial Sites
- ❑ Roll out of Site Visit Methodology
- ❑ Validation of project planning & budget assumptions

- ❑ Complete remaining site visits
- ❑ Submit remaining rolling disclosures
- ❑ *Submit final disclosure
- ❑ *Negotiate final settlement with regulatory agencies

Each Site Visit involved a 5-10 Day Trip with Training, Auditing and Policy/Procedure Implementation Involving Plant Management and Personnel, Divisional Black Belts, the Corporate Export Compliance Team and Outside Counsel.

Flowserve Export Compliance Team



Focused Assessment (FA) Project

- In September 2006, Customs and Border Protection (CBP) initiated a review of the Company's internal policies and procedures with respect to US import control laws and regulations.
- Based on an initial review, CBP found that Flowserve posed an “unacceptable risk to US Customs.”
- Immediately thereafter, Flowserve ramped up its FA Import Compliance Project

Flowserve Announced the FA in SEC Filings As “Risk Factor” & under “Legal Proceedings”



FA Project continued

- CBP Initial Report identified deficiencies in the following areas:
 - **Deficiency: Import Classification**
 - **Response:** Classified approximately 25,000 parts
 - **Deficiency: Customs Valuation**
 - **Response:** Developed and implemented intercompany transfer pricing policy contrary to existing tax-driven transfer pricing policies
 - Impact to 44,000 transactions, across 3 business units at 27 plants in 15 countries involving \$80 million of imports
 - **Deficiency: Free Trade Agreements (FTAs)**
 - **Response:** Developed and deployed FTA program worldwide
 - FTAs are 'pay-to-play' programs that involve significant savings in jeopardy
 - **Deficiency: Internal Controls**
 - **Response:** Developed US import compliance program from scratch



Program Implementation

- Developed Compliance Improvement Plan (CIP)
 - Detailed procedure required to address deficiencies identified in initial FA report
 - Primary tool used by CBP to chart and evaluate Flowserve's progression and improvement
- Performed Site Visits at all major US importing facilities
 - Each Site Visit involved a 3-4 Day Trip with Training, Auditing and Policy/Procedure Implementation
 - Involved Plant Management and Personnel, the Corporate Import Compliance Team and Outside Counsel
 - Accompanied by CBP auditors on all site visits selected by CBP for testing and evaluation



Program Implementation continued

- Audited almost all US import entries
 - Ensure accuracy of import entries and timely filing of any necessary corrections
 - 3,600 time intensive entries – average of 0.5 hour per entry
- Implemented US Customs Broker Consolidation
 - Close coordination with Supply Chain/Logistics
 - Reduced number of approved US customs brokers from 55 to 3
 - Significant risk reduction and cost leveraging opportunity



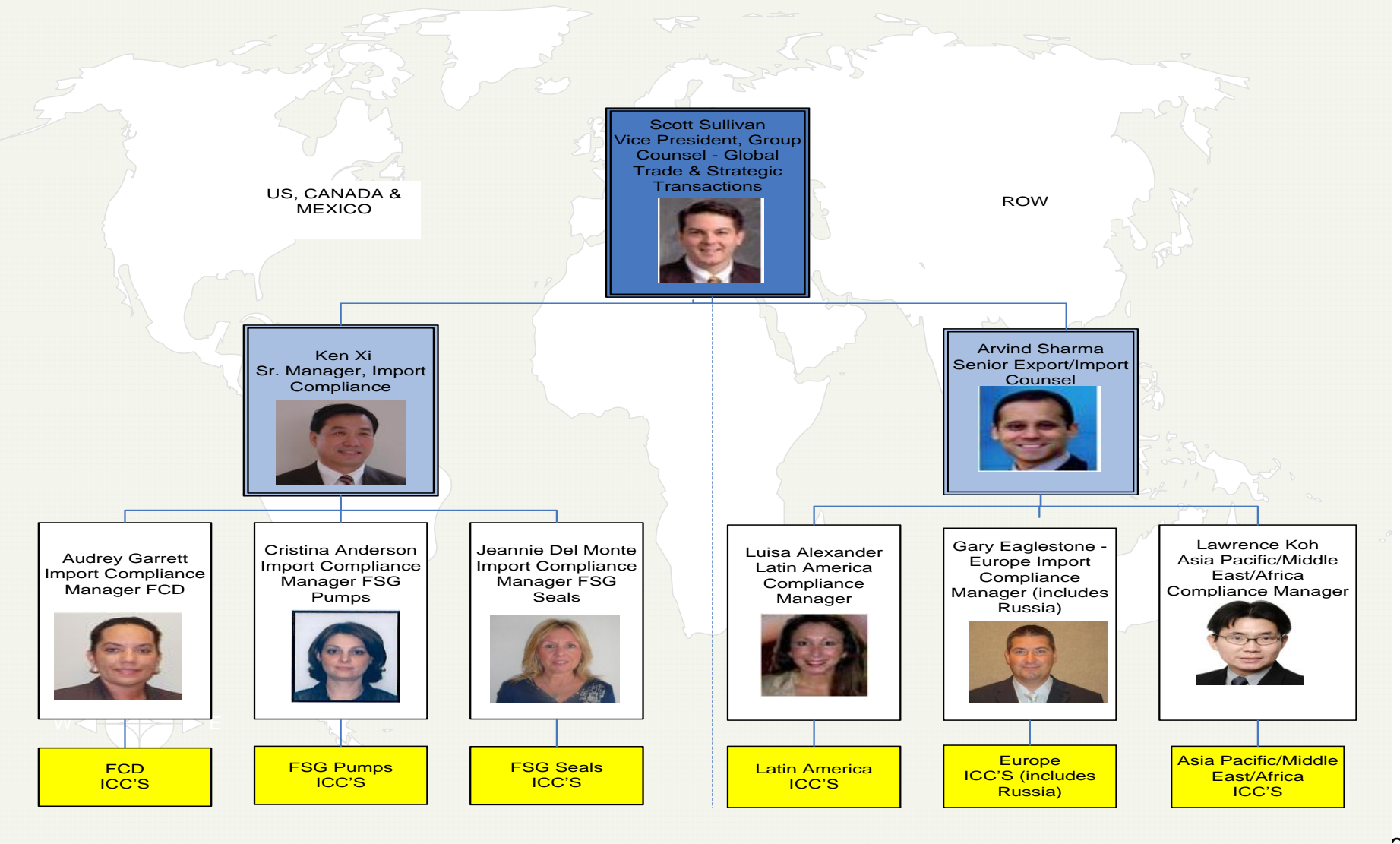
FA Conclusion

- Final FA audit report stated that Flowserve poses ‘acceptable risk’ to CBP
 - Represents highest grade a company can receive at FA completion
 - Good Communications with US Regulators
 - Collaborative effort among Divisions, Legal, Finance, Supply Chain and IT
- Strong Corporate and Facility Level Commitment led to Significant Progress
 - CBP allowed Flowserve time to develop and implement policies and procedures
 - Significantly narrowed Audit Scope
 - CBP did not conduct additional facility audits

Effective Working Relationship Established Through Candid and Regular Communication With Regulators



Flowserve Import Compliance Team



Overcoming Trade Compliance Challenges



Trade Compliance Challenges

- Managing global requirements
- Ensuring 'stickiness' of trade compliance
- Translating regulations into actionable 'business-speak'
- Implementing internal controls to streamline compliance program
- Effectively managing third party relationships

Enhancing the Trade Compliance Program Provides A Strategic Program, Aligned with the Business



Global Regulations - Snapshot



- EC Regulation 1334/2000 as amended



- The Export Administration Regulations (EAR)



- Export and Import Permits Act (EIPA)



- Russian Criminal Code

To effectively manage the complexity, should the company work to the lowest common denominator?



Global Trade Compliance: Program ‘Stickiness’ is Critical

“Tell me and I will forget. Show me and I may remember. Involve me and I will understand.”

-- Confucius, 450 B.C.

	Total Training Sessions Conducted	Total Employees Trained
In-Person Education	121	1,298
Web-based Education	8	185
Divisional Sales Conferences	8	741
Trade Conferences	3	101
TOTAL	142	2,338

Targeted compliance training based on multi-layered approach provides practical guidance



Essence of Global Export Controls – Complex?

Product Classification

**What is being exported?
Products, software, technical
data, training? Dual-use, military
or nuclear?**

Destination

**Where is it going? Sanctioned or
restricted country?**

End-User

**Who will receive it? Prohibited party,
weapons proliferator, military end-
user?**

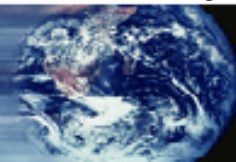
End-Use

**What will they do with it? What else
do they do? Prohibited end-uses?**



Flowserve Export Classifications

ECCN	Reason for Control	Description / Criteria
0A001	NRC	Equipment and components specially designed for use within the reactor vessel or for circulating primary coolant (e.g. heat exchangers, coolant pumps, and valves)
2A226	AT1, CB2, NP2	Applicable to valves made with aluminum, aluminum alloy, nickel, or nickel alloy containing more than 60% nickel by weight; containing a bellows seal; and with a size of 5mm or greater
2A291	AT1, NP2	Commodities, parts, and accessories specially designed for use in nuclear plants or nuclear materials processing
2A292	AT1, CB2, NP2	Valves made of, or lined with stainless steel, copper nickel alloy or other alloy steel containing 10% or more nickel, chromium, or both; with an input inside diameter of 8" or more; and rated pressure greater than 1,500 psi
2A999a	AT (North Korea)	Bellows sealed valves
2B350d	AT1, CB2	Heat exchanger (between .15m ² and 20 m ²) made of listed materials (e.g., alloy 20 or higher, titanium, or fluoropolymer)
2B350g	AT1, CB2	Applicable to valves with nominal size greater than 3/8"; valve bodies and casing liners if all wetted parts are made of listed materials (e.g., alloy 20 or higher, fluoropolymer, or zirconium)
2B350i	AT1, CB2	Multiple seal or sealless pumps if all wetted parts or surfaces are made from listed materials (e.g., alloy 20 or higher, ferrosilicon, or fluoropolymer)
2B999f/g/n	AT (North Korea)	Monel, 304ss, 316ss, or austenitic stainless steel valves
2B999j	AT (North Korea)	Industrial pumps designed for use with 5hp or greater motor
5D992	AT1, AT2	Software containing encryption capabilities.
EAR99	NLR	Items subject to the EAR not contained in any other commerce control list category



Export Classification Control Triggers

- High alloy, size, pressure rating, bellow seals

Nickel or Alloys with High Nickel Content (>40%)	Hastelloy B, B-2, and B-3, Hastelloy C, C-4, C-22, Inconel 600, Monel, Alloy 59
Alloys with nickel content >25% and chromium >20%	Alloy 20
Fluoropolymers	Teflon, Kynarm Fluon, Halan, Tefzel, Dyneon, Algoflon (PTFE, PVDF, FEP, ETFE, ECTFE, PFA)
Glass or glass lined	

- Nuclear or military design
- Certain Parts
 - High alloy valve bodies and preformed casing liners
 - High alloy casings, impellers, and rotors/jet pump nozzles
 - High alloy tubes, plates, coils or blocks (cores)
- Coatings
 - Fluoropolymer – e.g., PTFE, PFA, PVDP, Teflon, Kynar



Essence of Global Import Controls

Product Classification

**What is being imported?
Complete products, components,
kits? Military?**

Product Valuation

**What is the total invoice price?
Are all charges included?**

Origin and Marking

**Is preference available/claimed? Is
the product marked?**

Customs Brokers

**Does the broker utilize the FLS
Standard Operating Procedures?**

Implement Complex Import Regulations on a Global / Country-specific Basis.



Effective Internal Controls



Snapshot of Facility Internal Controls - Export

- Internal Controls Need to Capture, For Example:
 - New Products or Changes to Products – Product Control Matrices
 - Sale of Third Party Items – Product Control Matrices
 - Sourcing Components from Other Countries – Technology Transfers
 - Nationality of Employees and Visitors – Technology Transfers
 - Screening for Prohibited End-Uses, End-Users, Prohibited Parties, Embargoed Destinations, Boycotts
 - Determining Export License/Approval Requirements
 - Maintaining Export-Related Records – **5 years**

Export Compliance Requires Internal Controls Involving Dedicated Resource Focus in Sales, Production, Engineering, Human Resources & Legal Area



Facility Internal Controls - Export

- Intranet – Compliance Databases & Guidance
 - Convert Government Regulations to Business Language
- Product Matrices
 - Identify the Compliance Requirement for each product
- Checklists
 - Ensure that all Multiple Compliance Checks Made
- Prohibited Party Identification Software
 - Identify Sales to Prohibited Parties on “Bad Actor” List
- Third Party Procedures
 - Identify product classification and potential regulatory requirements



Tools Available on Flowserve Employee Intranet

Flowserve Passport - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://passport.flowserve.net/wps/myportal/!ut/p/c1/04_5B8K8xLLM9M55zPy8xBz9CP0os3gDCyNfszB_gxAXAzPDsJAAXycDKADR2LKhzjC5bHodsqaq28DQ2dnAzMP518TUGJ9uDLtxAE


Home Corporate HR IT Ethics & Compliance CIP Learning Supply Chain FCD FPD FSD View Flowserve Policies

Ethics & Compliance Home Export Compliance Import Compliance

US Export Compliance

Not To Be Accessed By Flowserve Canadian Associates

Flowserve Export Compliance Program



- Corporate Export Statement
- Export Compliance Team
- Export Compliance Newsletter- 2nd Qtr 2007 , 3rd Qtr 2007

Compliance Manuals

- Export Compliance Manual - Vol 1
- Export Compliance Manual - Vol 2

Product Matrices and related tools

- FCD Product Matrix
- FPD Product Matrix
- FSD Product Matrix

Asia Pacific Export Compliance

Flowserve Export Compliance Program

Compliance Manuals

Product Matrices and related tools

Forms

- Reexport Compliance Screening Checklist
- Letter regarding Export / Reexport Sales involving US origin items to foreign customers

Customer Screening

- Single Use Logon for Prohibited Party Check

Training & Reference Materials

- Reexport Training
- Singapore Strategic Goods Control System

Done Internet

**Flowserve
Intranet Site
Available to
All
Employees
& Updated
by
Corporate
Export Team
for
Continued
Compliance**

Product Control Matrices

- Product Control Matrix is Starting Point for Classification-Based Controls
 - Enables Trained Employee to Quickly Understand Complex Regulations from Multiple Sites
 - Key for all products/technology exported
 - Must include new and redesigned products
 - Systematic, process-based control
- Flowserve Policy Not to Quote or Export Unless the Product is Identified and Classified on the Product Matrix
- Corporate Export Compliance Managers Assigned to Update US Product Matrix

Product Control Matrix Needed to Convert Complex Regulations to Actionable Plant Processes



Example of Product Control Matrix

Product Matrix Excerpt – Mark 3 Pump- 2B350 to Russia and Estonia

NOTE: If the product is not on the attached listing, consult with your local ECC or Corporate Export Compliance

Item No.	Domestic Facility	Description	Material	End Use/ Application	Export Classification	Export License Required	License Exception Available	Schedule B Classification	Comments
Mark 3	Chesapeake-USA, Houston-USA	Durco centrifugal single stage process pump	Alloy >25% Nickel and >20% Chromium by weight (D20)	Commercial	2B350 ¹⁴	AT1; CB2 ⁴	N/A	Frame-mounted: 8413.70.2022 (if discharge outlet <3 in.) 8413.70.2025 (if discharge outlet 3 in. or greater)	
		"	Nickel or alloys with >40% Nickel (DM, DNI, DC2, DC3)	Commercial	2B350 ¹⁴	AT1; CB2 ⁴	N/A	"	
		"	Tantalum or tantalum alloys	Commercial	2B350 ¹⁴	AT1; CB2 ⁴	N/A	"	
		"	Titanium or titanium alloys (TI, TIP)	Commercial	2B350 ¹⁴	AT1; CB2 ⁴	N/A	"	
		"	Zirconium or zirconium alloys (ZR)	Commercial	2B350 ¹⁴	AT1; CB2 ⁴	N/A	"	
		"	Ductile iron / Carbon steel (DS)/ Stainless steel (D4 & CD4M)	Commercial	2B999 ⁷	AT (North Korea)	N/A	"	
Mark 3 High Silicon Iron	Chesapeake-USA	Durco centrifugal single stage process pump	Ferrosilicon (D51M)	Commercial	2B350 ¹⁴	AT1; CB2 ⁴	N/A	Frame-mounted: 8413.70.2022 (if discharge outlet <3 in.) 8413.70.2025 (if discharge outlet 3 in. or greater)	
Endnotes									
⁴ BIS license required for export to AT1 countries (Libya, North Korea, Sudan, and Syria), AT2 countries (North Korea, Sudan) CB2 countries (applicable to all countries <u>except</u> the following: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Cyprus)									
⁷ Applicable to pumps designed for industrial service and for use with an electrical motor of 5HP or greater.									
¹⁴ The ECCN of 2B350i applies if the pump has a dual seal or is magnetic driven. If a single seal is supplied, the product is classified as 2B999j. See footnote...									

Pay Attention to All Footnotes

**Russia-CB2 country-Needs License
Estonia-Neither AT1 nor CB2 country-No license
required (NLR)**



Export Screening Checklist

- Use Correct Checklist on Export Orders
- Located on Company Intranet Site
- Local Export Compliance Coordinator Places Completed Checklist in Order File and in Shipping File
- Another Systematic, Process-Based Control

**Completed Checklist As Confirmation of Compliance Control
Work Completion**



Prohibited Party Screening

EASE - Microsoft Internet Explorer

Address: <http://easenet.ocr-inc.com/user/login.ocr;jsessionid=40484CB9C75FBE299A21D3EBD72E594E>

DOC Licensing | DOS Licensing | **Watch List** | Export Docs/AES Direct | Import Management | License Management | Regulations | License Screening

Ad hoc Screening

Home Active SBU FLOI

Watch List Screening

DPL Updated as of 01/10/2007

Order Number:

Entity Search Type: Name Name OR Country Name And Country Name OR Address Name And Address

Score: Address Weight:

Name:

Address Line 1:

Address Line 2:

Country:

AGENCY LISTS

International Trade Watch List (ITW)

Applet: apButtonMenu started Internet

The Screening Table is Commercial Software Enabling Automated Search of Government's "Bad Actor" List



Third Party Relationships - “Where Does Your Responsibility for Exports and Reexports End?”

- Considerations Beyond the Minimum:
 - Offer training in your products and applicable controls
 - Send regular updates regarding changes to controls and highlighting issuance of penalties in industry sector
 - Provide access to your export compliance manual, product matrices and other compliance tools
- Relationships should include an understanding of the effectiveness of their export control activities.

Managing the relationship: export compliance should support, not hinder the transaction



Third Party Communication Tools

- Flowserve Product Information
 - If you have knowledge OR REASON TO KNOW THAT the order is GOING to be exported, supply OEMs with ECCN AND SCHEDULE B NUMBERS.
- Third Party Product Information
 - Implement standard wording on all documents (i.e., RFQ's and PO's) to proactively obtain required product information
- Domestic Sale Letter
 - Raise awareness of possible export compliance obligations
- Flowserve Compliance Statement
 - Compliance program overview to meet third party requirements

Tools designed to enhance third party relationships and proactively provide export compliance information



Snapshot of Facility Internal Controls - Import

- Internal Controls Need to Address:
 - Local Accountability – Compliance Coordinators
 - New Products or Purchases of Third Party – Product Classification Database
 - Shipping Documentation Procedures – Reporting Import Quantity Discrepancies
 - Product Manufacturing Processes – Preferential Trade Agreements (e.g., NAFTA, GSP, ASEAN)
 - Maintaining Import Records – **5 years**

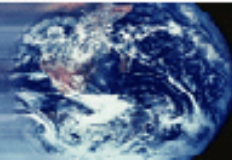
Global standardization captures the lowest common denominator, allowing for unique circumstances.



Facility Internal Controls - Import

- Compliance Coordinators
 - Global network of facility level compliance personnel
- Intranet – Compliance Databases & Guidance
 - Convert Government Regulations to Business Language
- Import Compliance Software
 - Identify the correct Import Classification for Each Product
 - Electronically Audit Import Transactions
 - Maintain FTA Documentation
- Import Compliance Decision Trees
 - Translate Complex Regulations into Business Language

Import Compliance Requires Specialized Tools & Processes for Effective Compliance



Compliance Coordinator Development

- All Sites Informally Had the Import / Export Compliance Function, with Varying Degrees of Focus & Effectiveness
- Kick Off Training Sessions Held for Site Coordinators
 - Forced Local Management to Identify Accountable Coordinators
- Coordinators Provided Special Training During Corporate Audit Process At Their Sites
 - Challenge To Make Role Upgraded In Status & Pay, While Reducing Unrelated Functions
 - “Dotted Line” Relationship to Corporate Trade Group
- Compliance Coordinators Enable Decentralized Plants to Meet Centralized Corporate Compliance Standards

The Site Compliance Coordinator Acts As the Thin Line Between Compliance Success & Failure



Import Compliance Software

- Web-based software tool provides worldwide access for import classification information
- Enables Electronic Auditing of Import Entries
 - Facilitates Timely Post-Entry Amendments, if required
- Direct link to Customs Brokers Enables Real-Time Information Exchange
 - Enhances Data Accuracy and Consistency

Import Compliance Software Helps Flowserve Exercise Reasonable Care



Example of Import Classification Database



Current Language: English Current Partner: Flowserve

[Login](#) [Classification](#)

Country: United States Search: ProductNum Select Criteria: for [Go...](#) Records to display

25631 records found

Classification	ProductNum	ProductDesc	ProductMaterial	HsNum	BusinessDivision	BusinessUnit	SupplierID	SupplierName
Edit	DT86377A-DS	BODY 14BX2W1 (DT86377A CV DS)		8481909060	FCD	COK	COK_9567	GWASF/CO ELECTROH 067978CVO
Edit	098284A300.000	BE;DWGREV: 02;CASTING, YOKE, SIZE 100/200 LIN, 4.00/4.75 SPUD, 4 STROKE, SMHW, 2 DWGS, ECO		7325991000	FCD	SPV	SPV_4459	
Edit	0009427-TFE	SEAT RING SET 6AKH2A (0009427 CV TFE)		8481905000	FCD	COK	COK_8677	FLOWSERVE AHAUS GM 052789CVO
Edit	0329229CPV0	TRIM KIT BS CV = 0.47 EP 1/2" S10 PTFE/PVCV		8481909085	FCD	PIT	PIT_2720329	
Edit	MT3G3235AR3	GASKET DURAFLOX	Plastic	3926904510	FSD	KAL	KAL_PUSA12844	FLOWSERVE MEXICANA
Edit	LE3F2375D23	COLLAR	Stainless Steel	8413919080	FSD	KAL	KAL_PUSA12844	FLOWSERVE MEXICANA
Edit	SNA050S08	ACTUATOR SNA050S08 FCW ACT/BU (SNA050S08 CV ALL)		8412390040	FCD	COK	COK_10295	FLOWSERVE SPA 08322
Edit	DY100160A-D4	BODY 3BX2W3 ROUGH MACHINE (DY100160A CV D4)		8481909060	FCD	COK	COK_9567	GWASF/CO ELECTROH 067978CVO
Edit	184814.L18.0008300	;DWGREV: 00;POST, FLANGED, ABD, MAXFLO 3, 6" & 8", CL 150/300, SQUARE END, EN10213-2		8481909085	FCD	SPV	SPV_4459	
Edit	4R9874LO	ROT FACE ASSY UC2500		8413919080	FSD	KAL	KAL_PUSA16423	FLOWSERVE CHILE
Edit	164492.150.000	ME;DWGREV: 00;PLUG, MK1, MGSTRM, PB, 3", =%, TN 1.62, CL 150/600, PTFE/O-RING, 1.50 STROKE, 316 Stainless Steel (UNS S31600);Old #10160037		8481909085	FCD	SPV	SPV_4459	
Edit	185263604	BELLOWS EXTENSION 1/2" PN 160-400 316L 1.4404		8481909085	FCD	PIT	PIT_2720329	
Edit	PSA82734	PLUG STEM AND BELLOWS ASSEMBLY 3" 41500		8481909085	FCD	PIT	PIT_2720329	
Edit	ARMH150	HANDWHEEL AUTOMX 150MM DIA (ARMH150 CV ALL)		8481903000	FCD	COK	COK_10295	FLOWSERVE SPA 08322
Edit	A-1X2X7A1DX35	CASING ASSEMBLY	HASTELLOY	8413919080	FPD	MSC	76767	FLS WOODBRIDGE
Edit	3VP361E	DISCHARGE HEAD	STEEL CASTING	8413919080	FPD	MSC	25197	CANADA ALLOY CASTIN
Edit	M981GT009	SHIM PACK LAMINATED		8413919080	FPD	TAN	329632	FLOWSERVE NEWARK
Edit	2469A20X13AB	CASING	STEEL CASTING	8413919080	FPD	MSC	25197	CANADA ALLOY CASTIN
Edit	A-D07658-00-06	CASING ASSEMBLY	CA6NM-353	8413919080	FPD	MSC	76767	FLOWSERVE WOODBRI
Edit	RC30964	IMPELLER	MONEL	8413919080	FPD	MSC	73093	FLOWSERVE ARNAGE
Edit	DY57831B-SR	BASEPLATE	CARBON STEEL	8413919080	FPD	CHS	4289	WUXI JINLONG
Edit	PTA-6013062111127	MANUAL ACTUATOR	MULTIPLE	8483401000	FCD	LYB	LYB_1495	DURAGEAR LIMITED, 8 AVENUE, SCARBOROUGH CANADA
Edit	834470MG	MM O-RING 58.0 X 4.0		4016935010	FSD	KAL	KAL_PUSA25533	FLOWSERVE ROOSEND
Edit	TK11693A1	TRIM KIT CV = 0.74 EP 1/2" ALLOY 6/ALLOY 6		8481909085	FCD	PIT	PIT_2720329	
Edit	0023059-PFA	KIT 1.5AKH2 BODY SET (0023059 CV PFA)		8481905000	FCD	COK	COK_8677	FLOWSERVE AHAUS GM 052789CVO
Edit	3R22962DB	D\BELLOWS ADAPTER BXRH1875		8413919080	FSD	TEM	KAL_PUSA12844	FLOWSERVE MEXICANA
Edit	280710007	CASING ASSEMBLY		8413919080	FPD	MSC	MSC_11987	FLS COSLADA
Edit	980099-96	IMPELLER	GI CAST	8413919080	FPD	TAN	37705	LAKE FOUNDRY
Edit	4R9597QF	SEAT GSKT B\XH2625		6815100000	FSD	KAL	KAL_PUSA12844	FLOWSERVE MEXICANA

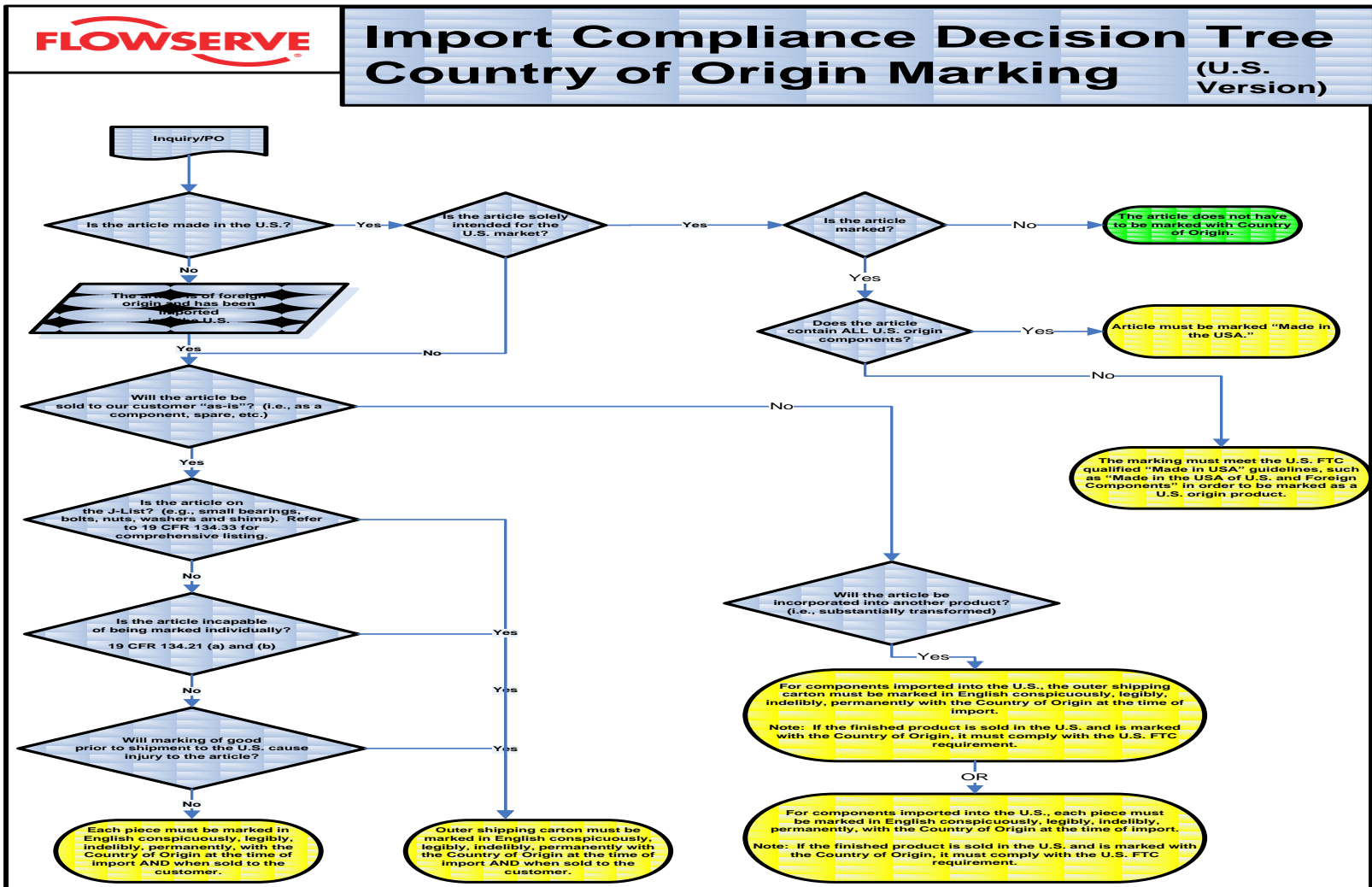


TRADE COMPLIANCE



Import Compliance Decision Tree

- Located on Company Intranet Site

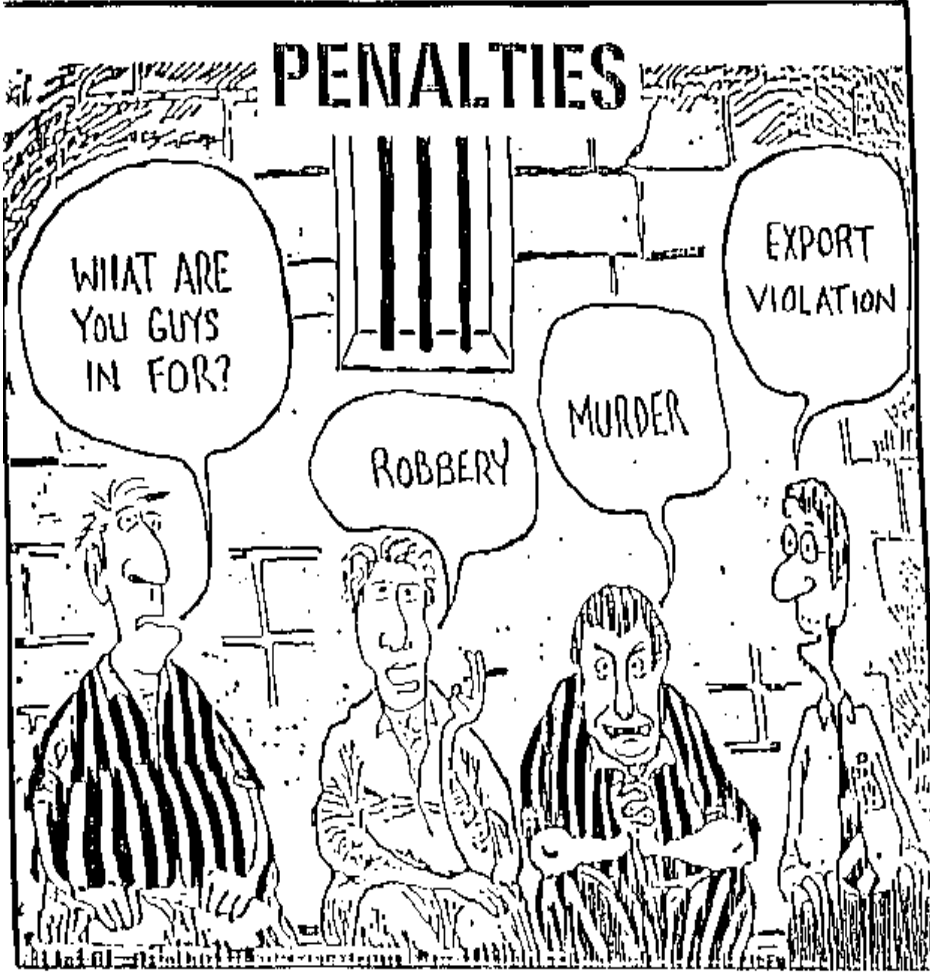


Effective Internal Controls - Summary

- Speak the language of the business
- Training, training and more training
- Develop local accountability
- Capture 'lowest common denominator'
- Global standardization addresses 80%+



Objective ... Avoid Penalties and Stay Out of Jail!



Questions?

