



C-TPAT
Training - 2020



What is C-TPAT?

Customs-Trade Partnership Against Terrorism

- Voluntary business-government initiative to strengthen supply chain security
- Importers, carriers, consolidators, US Customs brokers and manufacturers are eligible
- Security practices and guidelines verified
- Participation provides various benefits
- Global mutual recognition

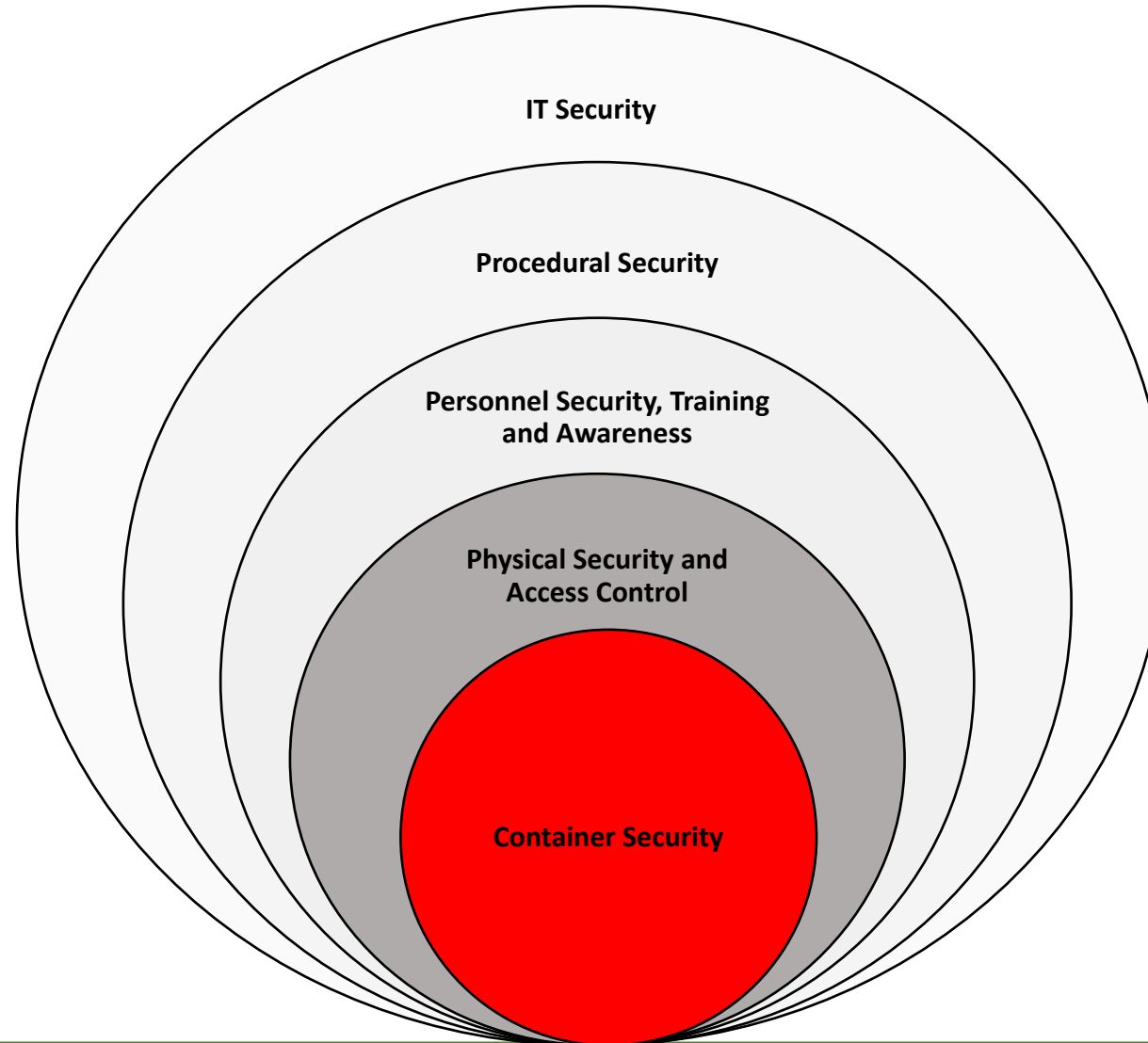


C-TPAT Member Requirements

- Comprehensive assessment of supply chain
- Maintain verifiable written processes for selection of business partners
- Ensure business partners develop and maintain C-TPAT approved security practices
- Provide Security and Threat Awareness training



C-TPAT Components



Roles & Responsibilities

- **Warehouse**
 - Recognize and report potential risks
- **Management**
 - Act on reports of suspicious activities/risks
- **Security**
 - Provide physical plant security
- **Trade Compliance**
 - Works with US Customs to address risk
 - Provide instructions to Management



Warehouse – Recognizing Risks

- Unauthorized personnel on premises
- Delivery personnel/truckers without proper paperwork and/or company ID
- Compromised incoming ocean containers
- Inconsistencies between goods and paperwork
 - Non-standard/damaged/irregular packages



Container and Seal Inspections

Upon receipt of full ocean containers:

- Complete thorough security and agricultural/pest inspection using the container checklist, which will be filed with the bill of lading and seal records
- During this inspection you will be looking for security breaches in the container and the seals
 - Container (or trailer) damage or alterations
 - Broken or compromised container (or trailer) seals





Checklist for Full Ocean Container Unloading

WHS-20033-04 Rev 00

1.0 Checklist must be completed for every full ocean container unloaded by Callaway Golf personnel

2.0 Trucker makes an appointment for delivery of full ocean container

- Print House bill of lading and packing list
- Highlight seal number
- Print this document to be used during container inspection

3.0 Inspect trailer once trucker arrives with Trucker bill of lading (Delivery Order)

- 3.1. Check container integrity from outside for any irregularities
 - under chassis
 - roof
 - side walls
 - front
 - back
 - hinges and door locks (check for tampering)
- 3.1.1. false walls
- 3.1.2. welded boxes below floor
- 3.1.3. welds in side walls
- 3.1.4. any deviation from normal container
- 3.2. Take photo(s) of any irregularities
- 3.3. Notify Management if any irregularities are found while inspecting outside of the container
- 3.4. Check seal
 - Match seal number on Trucker bill of lading (Delivery Order) to House bill of lading
 - Pull seal to confirm lock is secure



NOTE: If seal numbers do not match, or if seal number is only hand written on the Trucker bill of lading (Delivery Order) **DO NOT OPEN CONTAINER – DO NOT BREAK SEAL** – Notify Management. If seal has been broken, notify Management. Have driver move the container to another part of the yard if other freight needs to be unloaded at the same warehouse door. **DO NOT ALLOW CONTAINER TO LEAVE YARD BECAUSE CUSTOMS MAY WANT TO INSPECT CONTAINER.**

4.0 Open container if there are no problems with the seal

- Break seal
- Open trailer doors
- Examine freight for irregularities (leaking / wrong/ out of place boxes)
- 4.1. Take photo(s) of any irregularities
- 4.2. Notify Management if any irregularities are found while inspecting freight in the container

5.0 Receive product as normal if no irregularities are found

- 5.1. Check container integrity from inside for any irregularities
 - floor
 - ceiling
 - side walls
 - back wall
 - doors
- 5.1.1. false walls
- 5.1.2. uneven floors
- 5.1.3. fills in ribs of side walls
- 5.1.4. any deviation from normal container
- 5.2. Take photo(s) of any irregularities
- 5.3. Notify Management if any irregularities are found while inspecting inside of the container

6.0 Signature of employee breaking seal and performing inspection on the Trucker bill of lading (Delivery Order)

Employee Signature: _____ Date: _____

7.0 This document is to be filed with the Trucker bill of lading (Delivery Order) and seal

8.0 This document is to be kept until Trucker bill of lading (Delivery Order) is destroyed



Container Inspection

7-Point Container Inspection Process:



Export Security Procedure

- When shipping ocean containers:
 - Conduct 7-point container inspection prior to loading
 - Report any signs of tampering or suspicious activity
 - Verify paperwork and seal number
 - Cargo integrity (correct quantity, weight, description)
 - Properly affix high security seal



Agricultural/Pest Inspections

We don't expect you to be a bug expert but sometimes a biosecurity risk is not hard to spot.

What to look for:

- Live or dead animals, including insects.
- Egg masses on any surface (which can resemble pale furry lumps).
- Holes in timber or frass which is the powdery substance expelled from the timber when there is borer activity.
- Mosquito activity around pooled water.
- Plant matter, soil or mud – often combined and attached to a surface (e.g. on machinery).

Where to look:

- Inside and on the outside surface of shipping containers.
- Attached to machinery and vehicles (break bulk cargo).
- In timber (e.g. pallets).
- In packaging including plastic wrapping and cardboard boxes.



Please contact Global Trade Compliance if evidence of agricultural or pest infestation is found

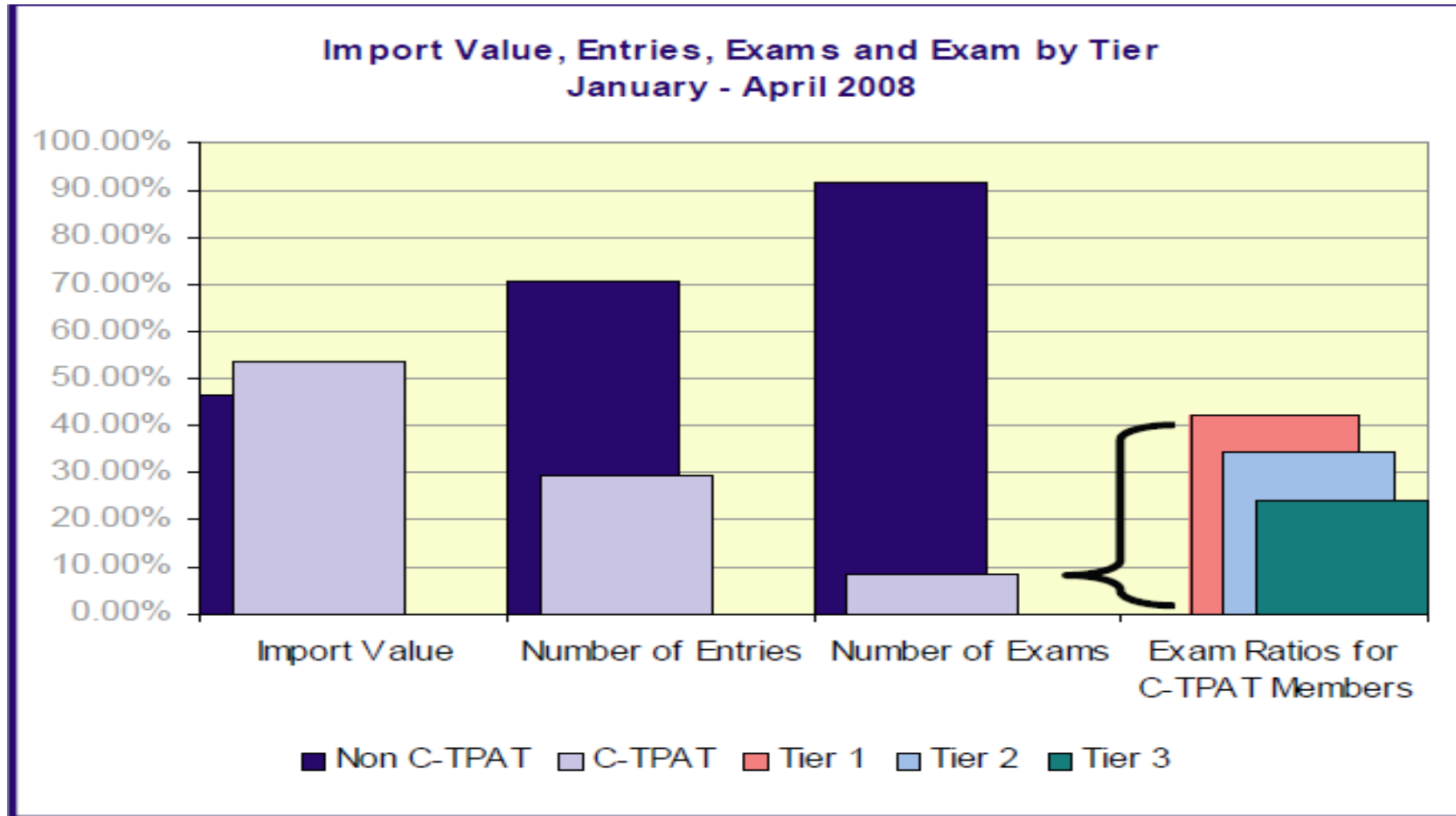


C-TPAT Benefits

- Front of the Line
- Mutual Recognition
- Business Resumption
- Intangibles
 - Best practice approach to security
 - More predictable supply chain



More Benefits – Less Exams!



C-TPAT and YOU!

- Customs Trade Partnership Against Terrorism brings the responsibility for supply chain security to each individual.
- All Callaway Golf employees should participate in keeping their part of the supply chain as strong as possible at their facility.
 - Always be aware of potential security threats
 - Follow procedures
 - Report suspicious activity



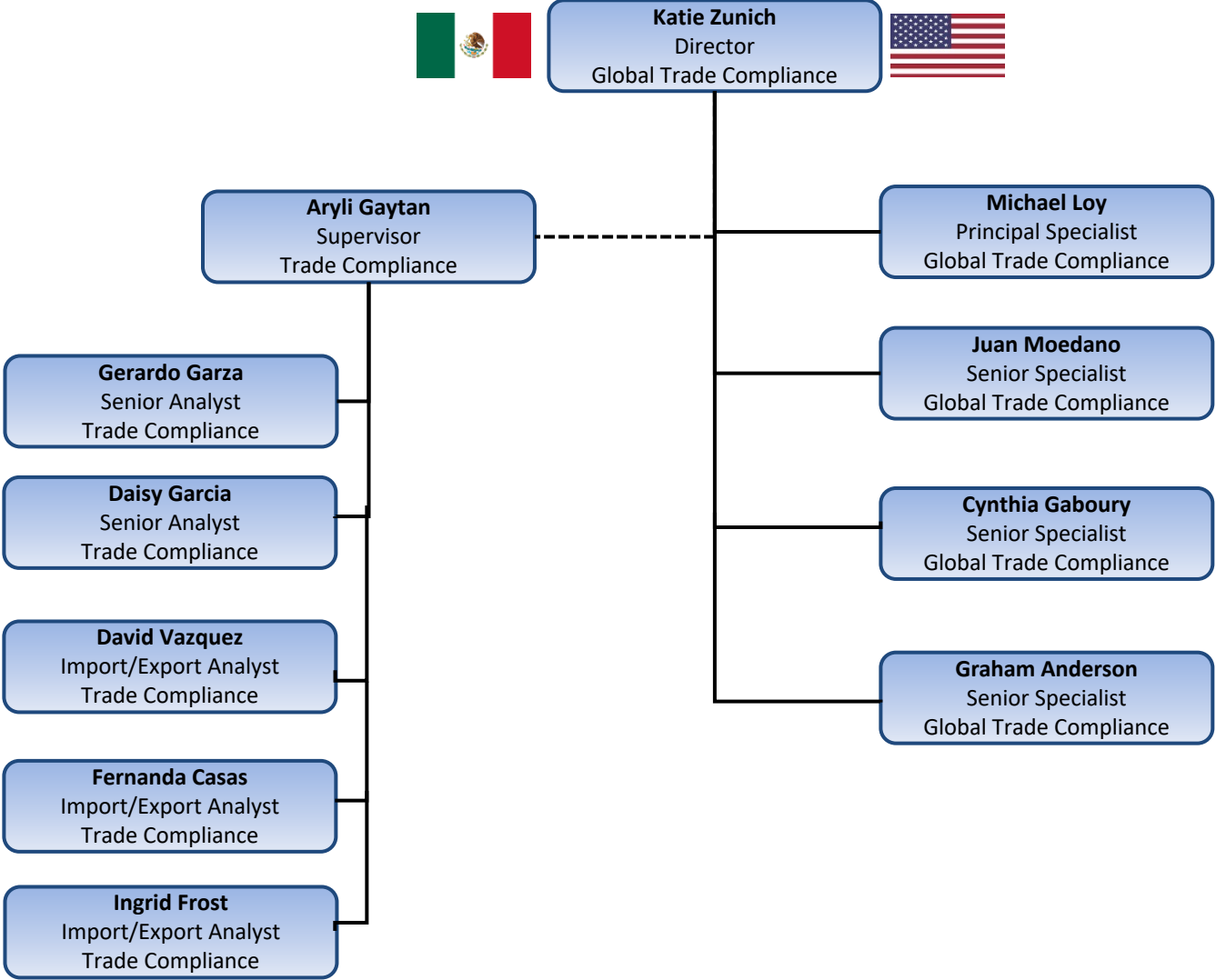
C-TPAT

Membership Requirements

- Comprehensive assessment of supply chain
- Maintain verifiable written processes for selection of business partners
- Ensure business partners develop and maintain C-TPAT approved security practices
- Provide Security and Threat Awareness training
- Annual risk assessment for US and Mexico operations, a joint effort between Corporate Security and Global Trade Compliance



Global Trade Compliance Organization



We Are Here To Help!

