



SUPPLY CHAIN SECURITY

Protecting the supply chain from illegal activity and/or dangerous activity is an essential element in Starline's supply chain. We focus our efforts on insulating our supply chain against terrorism, piracy, theft, and more. To ensure these standards are met, Starline is C-TPAT Tier II Certified. We have been C-TPAT members since April 9, 2012.

STARLINE C-TPAT COMPLIANCE

It is the responsibility of every Starline Employee to comply with Starline's C-TPAT policy and procedures and to uphold Starline's C-TPAT Certification. Employees who do not adhere to Starline's C-TPAT procedures will be subject to disciplinary action.

SERVICE PROVIDER SELECTION AND MONITORING

Customs requires that Starline have written and verifiable processes in place for the selection of service providers. Starline selects and uses C-TPAT certified service providers when possible. When service providers are not C-TPAT certified, they must verify that they are meeting Custom's Security Criteria. Starline regularly engages with its service providers and conducts service reviews on a periodic basis to accurately determine performance and detect areas of deficiency.

When a prospective service provider is being considered, Starline's selection criteria includes verification of the service provider's participation in C-TPAT, participation in other WCO accredited security program, or evidence of security procedures that meet or exceed Custom's Security Criteria. Starline regularly interacts with these service providers to monitor and evaluate key performances indicators.

RISK ASSESSMENT

Conducting a Risk Assessment based on a reasonable methodology is a key component in identifying threats to the supply chain.

When a prospective international supplier is being considered, Starline's selection criterion requires each international supplier to meet or exceed Customs' Security Criteria for C-TPAT. Starline regularly interacts with its international suppliers and monitors key performance indicators (Vendor Scorecard).

The evaluation of risk as it relates to Starline's international supply chain is accomplished through a five step risk assessment. Starline's initial risk assessment was performed in November of 2011. Going forward, the risk assessment will be performed on an annual basis.

CARGO RECEIVING AND SHIPPING

It is Starline's policy to ensure that all received imported cargo is appropriately reconciled, and any discrepancies are documented and communicated to appropriate Starline personnel for resolution.

Conveyances on company premises are to be appropriately secured to prevent unauthorized access. Detection of security violations are to be communicated to Customs and local law enforcement.