DESCARTES™

Uniting the People & Technology
That Move the World.

Network. Applications. Content. Community.

Delivering Global Trade Compliance Excellence

Restricted and Denied Party Screening

Agenda
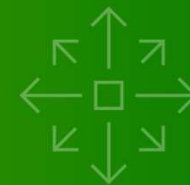
Today's
Compliance
Challenges

Why Descartes
Visual
Compliance

Customer
Success
Stories

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Today's Compliance Challenges

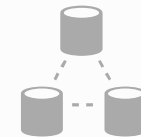# Compliance Challenges Are Constant and Increasing

New and expanding regulations

Constantly changing denied party screening lists

Complex trade documentations required by country

Multiple business systems

Multiple divisions and business units

Disparate transportation, logistics, and compliance teams
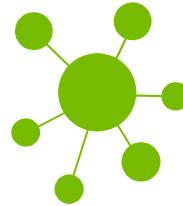
Manual, time-intensive compliance processes

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Ignoring the Challenges Can Disrupt Business

Creates financial risks

- ✓ Fines and penalties
- ✓ Legal costs
- ✓ Bottom line
- ✓ Bad publicity

Impacts supply chain performance

- ✓ Shipment delays
- ✓ Added logistics costs
- ✓ Possible penalties

Impacts day-to-day business

- ✓ Further resources
- ✓ Added customer service
- ✓ Impacts public relations

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Any business can fall foul of international trade laws

Major **banks, telecoms companies, tech firms** and others have entered into Settlement Agreements over the years to correct shortcomings.

In addition, **Homeland Security-sensitive industries** such aerospace and defense, energy and research institutions are perceived to **have a higher bar to meet**.

But, **any business can fall foul of the law**. Among those fined recently were a seed distributor, a car leasing company, a passion fruit buyer and a travel agency.

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Penalties for non-compliance are steep

U.S.-based regulatory bodies alone have been stepping up violations in recent years

BIS stats from 2017; OFAC first four months of 2019. Fines in USD

$1,277,477,614
In 13 OFAC penalties

$692,296,5000
in administrative penalties

576 months
Prison time

Large Fines & Penalties Are Being Issued for DPS Non-Compliance

31 convictions

$287,102,532
in civil penalties

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Penalties Impact Every Industry—and around the globe

US$90,000 fine for approving financing for the lease of cars to a Cuban Embassy

$4M for selling seeds to Iranian distributors

Fined US$1,870,000 after Chinese-based acquisition violated Iran sanctions

$600,000 fine handed down to a juice company

Fined more than £80,000 for exporting military goods without a license

Bank fined in excess of US$1.34B for violations of the Trading With the Enemy Act.

Two years in prison for violating EU sanctions regulations

$5.5M fine for Cuban Assets Control Regulations violations

$1.19 billion for violating U.S. sanctions

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Compliance provides major business benefits

- Strengthens Governance, Risk, and Compliance (GRC) processes

- Increases visibility on priority items that need attention

- Mitigates risk of fines and other penalties

- Support revenue growth in expanding export markets

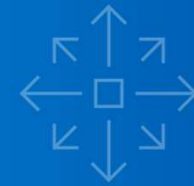- Improved customer fulfillment with more streamlined logistics

- Always prepared for compliance audit

- Saves time, money

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Why Descartes
Visual Compliance

Successful Trade Compliance Requires an Enterprise Class Solution

Export Classification

Denied Party Screening

Product Trade Manager

Compliance Audit Manager

DESCARTES™ Visual Compliance

Export License Manager

Compliance Manager Workflow

Trade Agreement Manager

Export Documentation Manager

And More

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Why Descartes Visual Compliance

Rapid time to value – Get Success in Days/Weeks Versus Months

Scalable, modular approach with solutions that work together

Comprehensive trade content covering global trade compliance requirements

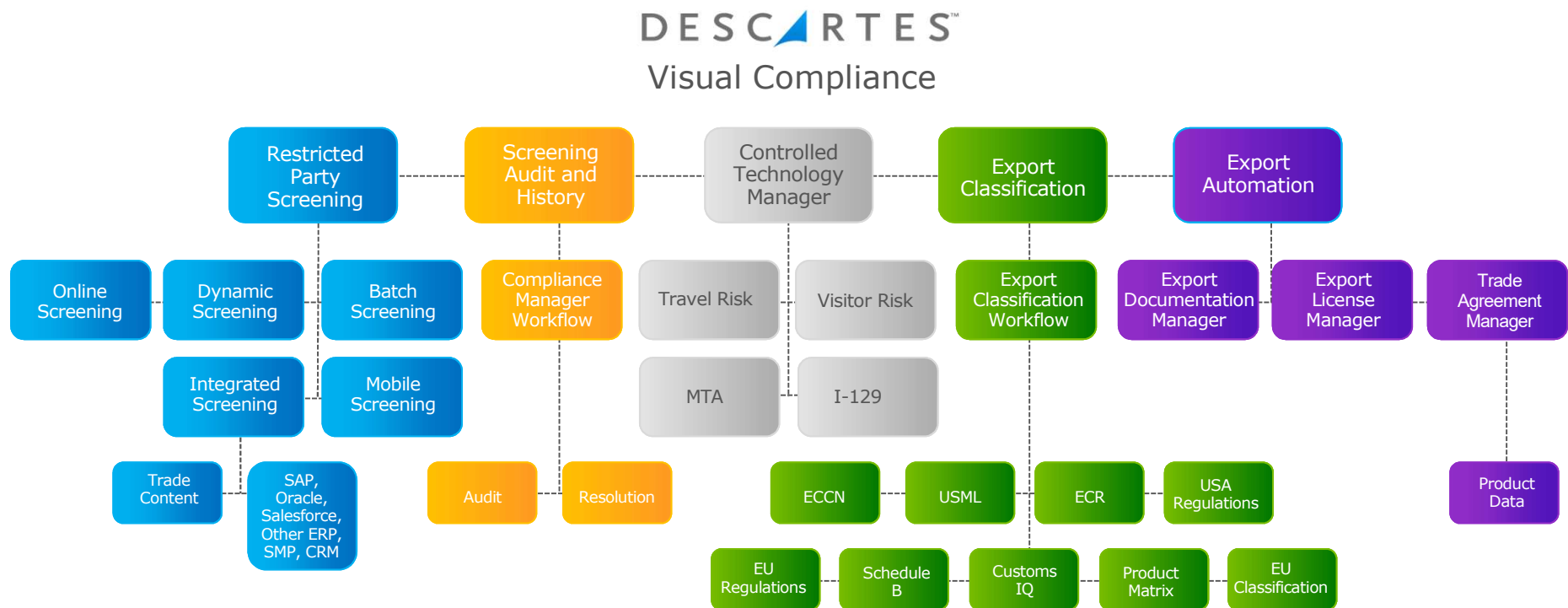Advanced matching algorithms to maximize compliance and minimize false positives

Customer success team that works collaboratively driving success
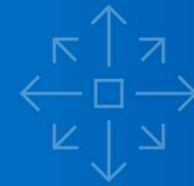
Intuitive user interface accelerates and maximizes adoption

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Our Family of Trade Compliance Solutions

Customer Success Story

Reliance Steel

30,000 man-hours saved

- A large U.S.-based manufacturing company implemented *Visual Compliance–Online Restricted Party Screening* to help reduce compliance risk and exposure across its worldwide businesses

> " **The initial feedback from employees was that this is awesome. This is a huge improvement.** "

CHALLENGE

Needed an automated screening solution with centralized visibility across 45 subsidiaries and 250 locations worldwide.

SOLUTION

Implementation of *Visual Compliance–Online Restricted Party Screening* with *Dynamic Screening*

RESULT

Established a consistent screening process, replacing a largely manual process and saving 28,000 man-hours per year, as well as reducing compliance risk and exposure.
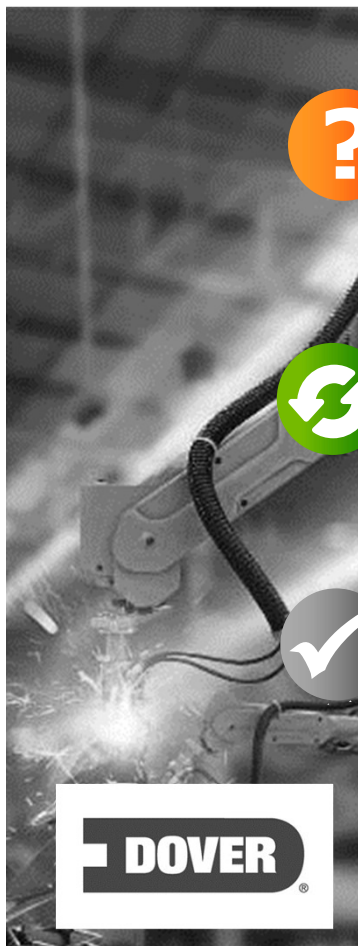
RELIANCE
STEEL & ALUMINUM CO.

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CHALLENGE

Were screening vendors, customers, and employees manually, using a free database system.

SOLUTION

Company-wide subscription to *Visual Compliance-Restricted Party Screening*, integrated screening into multiple business systems.

RESULT

Dover is now able to screen thousands of names quickly and easily, achieving export compliance with just a few keystrokes
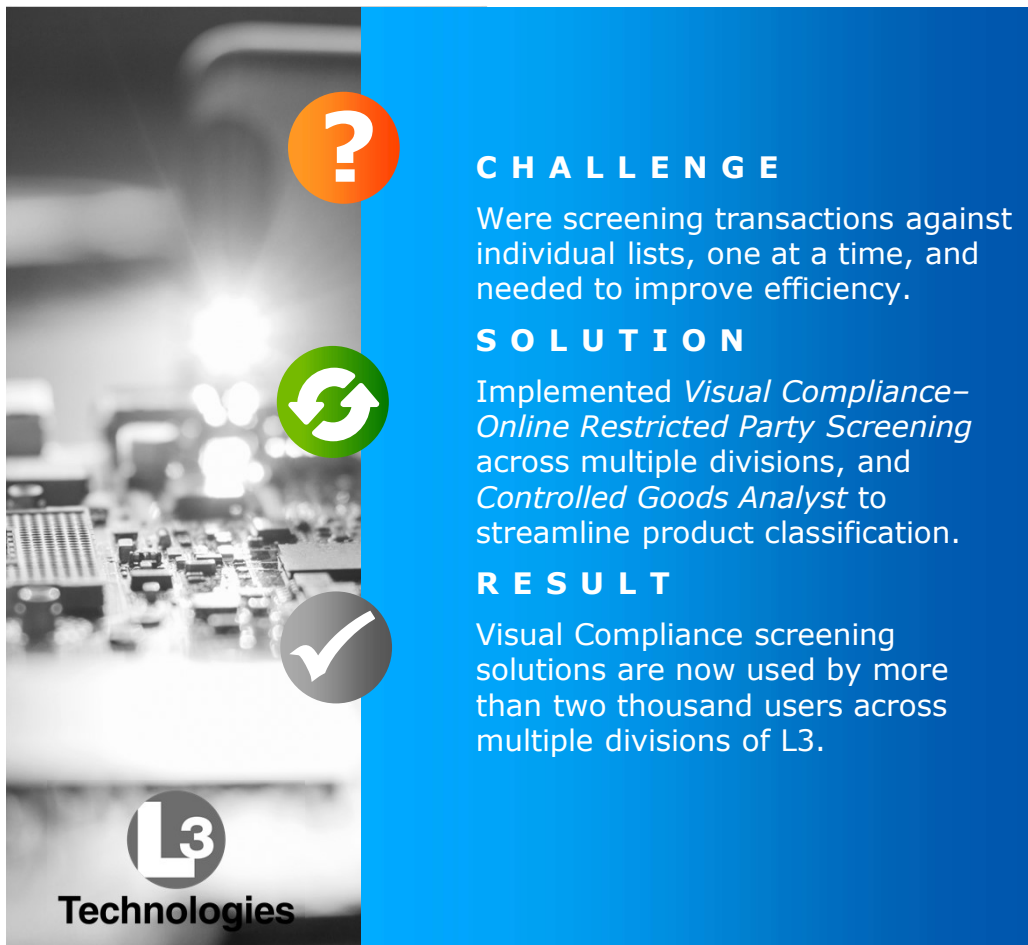
DOVER®

Dover Corporation

Integration with Multiple Business Systems

- Dover Corporation, a multinational, multi-billion dollar Fortune 500 manufacturer of specialized industrial products and equipment integrated *Visual Compliance-Restricted Party Screening* with multiple business systems.

> **I can't think of any way that Visual Compliance could have done better in helping us achieve what we wanted.**

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L3 Technologies

Consistent Screening Across Multiple Divisions

CHALLENGE

Were screening transactions against individual lists, one at a time, and needed to improve efficiency.

SOLUTION

Implemented *Visual Compliance–Online Restricted Party Screening* across multiple divisions, and *Controlled Goods Analyst* to streamline product classification.

RESULT

Visual Compliance screening solutions are now used by more than two thousand users across multiple divisions of L3.

- L-3 Technologies, a leading aerospace and defense contractor, implemented *Visual Compliance–Online Restricted Party Screening* organization-wide to improve the efficiency of their compliance program.

> **We use *Visual Compliance* because we find it consistently intuitive, reliable, and very user-friendly.**

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CHALLENGE

Were screening with *Visual Compliance*, but relied on individual employees to create audit records.

SOLUTION

Implemented *Visual Compliance–Compliance Manager Workflow* as a unified and automated compliance recordkeeping hub.

RESULT

Fully digitized recordkeeping eliminated need for printouts to maintain an audit trail.

Leonardo S.p.A.

Creating an audit trail across a large company

- A top manufacturer and supplier of military goods, Leonardo S.p.A. implemented *Visual Compliance–Compliance Manager Workflow* to streamline audit recording and screening match vetting.

" The fact that I can purchase a service, implement it across the entire company, and know search records are being maintained is invaluable. "

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CHALLENGE

Needed help extending its compliance program across its eleven design and production facilities worldwide.

SOLUTION

Implemented *Visual Compliance–Online Restricted Party Screening* on a company-wide basis, and integrated screening with Microsoft Dynamics.

RESULT

Established a single compliance process across the entire company, with automated screening being performed on every Thorlabs transaction entered into Microsoft Dynamics.

Thorlabs

Achieving Compliance Through Automation

- Thorlabs Inc., a company specializing in photonic and fiber optic technology, integrated *Visual Compliance–Restricted Party Screening* with their existing Microsoft Dynamics environment.

" Visual Compliance's sales representative was one-hundred per cent honest with me." "

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