

Dillard's, Inc.

1600 Cantrell Road • Little Rock, Arkansas 72201

Memorandum

TO: ALL MANUFACTURERS (where Dillard's, Inc. is listed as "Importer of Record")

RE: AGREEMENT AND ACKNOWLEDGMENT OF CTPAT OBLIGATIONS

As part of Dillard's, Inc.'s on-going commitment to working in partnership with U.S. Customs & Border Protection ("CBP"), Dillard's is voluntarily participating in the Customs Trade Partnership Against Terrorism ("CTPAT"). Under CTPAT, importers and others involved in the global supply chain are expected to develop and/or enhance existing procedures to ensure the integrity and sanctity of their supply chain.

Dillard's is working with CBP to ensure that Dillard's and its vendors are in full compliance with the obligations and standards established under CTPAT. Dillard's, Dillard's agents and/or CBP may review the procedures in place at your facility relative to supply chain security, consistent with [CTPAT Foreign Manufacturer Security Recommendations](#) located on CBP's website: www.cbp.gov/ (click on the links in blue to go to the website). CBP has published the Manufacturer Security Recommendations in 12 languages. In anticipation of the possibility of a CBP review, we would ask that you review the Recommendations to ensure that you are operating in accordance therewith. To the extent that you are not, we would request that you review your existing operations to determine how best to meet the expectations of both Dillard's and the U.S. Government.

It is Dillard's policy to favor those suppliers who operate consistent with the expectations of the Company, including those related to product sourcing, quality control, labor rights and supply chain security. To that end, Dillard's will continue its practice of using its overseas agents and sourcing personnel to review vendors' adherence to those expectations, and to reevaluate its existing relationships where the results of those reviews so warrant.

Below is the CTPAT questionnaire that will be issued yearly through our extranet application Dillard's Product Sourcing (DPS). All factories have 30 days to answer the questionnaire. A separate questionnaire must be completed on DPS for each manufacturing facility. If the survey is not completed in this time, the facility may be prevented from consideration of future orders.

DILLARD'S, INC. CTPAT FACTORY QUESTIONNAIRE

<<MANUFACTURER NAME>>

Issued Date:

Started Date:

Completed Date:

MANUFACTURER INFORMATION

MANUFACTURER NAME			
Address			
City		State	
Country		Zip	
Contact		Title	
Fax		Phone	
Email			

FACTORY INFORMATION

FACTORY NAME			
Name Line 2			
Factory	of	Last Evaluation Date	
Address			
City		State	
Country		Zip	
Contact		Title	
Phone		Phone Ext	
Phone Cntry Code		Phone City Code	
Fax		Fax Cntry Code	
Fax City Code		Mobile	
Mobile Cntry Code		Mobile City Code	
Dillard's Factory Since			
Email			

AGENT INFORMATION

AGENT NAME			
Address			
City		State	
Country		Zip	
Contact		Title	
Fax		Phone	
Email			

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1. ADDITIONAL FACTORY INFORMATION

1. Agent worked with Vendor/Factory since (insert year):

2. Number of employees:

3. List all nationalities:

4. List all religions:

5. Years in Business at this location:

6. Vendor has worked with Factory since (date 'yyyy-mm-dd' format):

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2. GENERAL

7. Has factory undergone a CTPAT evaluation for another US importer?

8. If so, list name of importer and attach copy of requested corrections and response.

9. Has factory undergone a CTPAT certification?

10. If so, list the date of certification and any corrections made.

11. Is factory eligible to participate in a supply chain security program being administered by its Customs Administration?

12. If so, do you participate?

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3. PHYSICAL ACCESS CONTROLS

Unauthorized access to the shipping, loading dock and cargo areas should be protected.

13. Is there a positive identification process for recording all visitors?	
14. Do visitors need to present photo identification upon arrival?	
15. Are visitors required to wear identification badges while on the premises?	
16. Does an authorized employee escort visitors through the premises?	
17. Is employee's access to secure areas limited to access needed for the performance of their duties?	
18. Are there controls in place to monitor the issuance and removal of visitor identification badges?	
19. Are there documented procedures for the issuance, removal and changing of access devices (e.g. keys, key cards, etc.)?	
20. Are arriving packages and mail periodically screened before dissemination?	
21. Are there procedures in place to identify, challenge and address unauthorized/unidentified persons?	
22. Does the factory have written access control procedures?	
23. Are visitors subject to other security controls? (e.g. magnetometer screening or X-ray of personal belongings)	
24. Do visitor procedures apply to service/repair workers such as caterers and/or plumbers?	
25. Do the visitor badges carry numbers for easy identification?	
26. Are records kept of all authorized/unauthorized entries?	
27. Are employees trained not to report any unauthorized/unidentified persons to security?	
28. Do truck drivers need to pass a gate check point upon arrival and departure from the factory?	
29. Are truck drivers required to show proof of identification?	
30. Are truck drivers required to show a truck manifest upon entry and departure from the factory?	
31. Is a log maintained to ensure that the truck license and driver names are checked and listed?	
32. Is a log maintained to ensure that the time of entry/exit is checked and listed?	
33. Is a log maintained to ensure that the record of manifest is checked and listed?	
34. Is a log maintained to ensure that the seal number is checked and listed?	
35. Is a log maintained to ensure that the name of guard is checked and listed?	
36. Is the interior cargo handling and storage area separated so as to restrict access only to authorized employees?	

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4. PHYSICAL SECURITY

All buildings should be constructed of materials, which resist unlawful entry and protect against outside intrusion.

37. Are domestic, international, high value and hazardous cargos segregated by interior fencing?	
38. Do you regularly inspect all fencing for integrity and damage?	
39. Are the gates through which vehicles and/or personnel pass manned and/or monitored by security guards/CCTV?	
40. Is the number of factory gates as low as possible to allow easier monitoring?	
41. Are the private passenger vehicles parking lots separate and secure from the cargo handling and storage areas?	
42. Are all buildings in the factory constructed of materials that prevent unlawful entry?	
43. Are factory buildings periodically inspected for structural integrity and repaired?	
44. Are internal and external doors, windows, gates and fences protected by adequate locking devices? Examples include keys, cards or codes.	
45. Are locking devices inspected and in working order?	
46. Is there an individual management/security employee responsible for distributing and maintaining keys/code cards?	
47. Is adequate lighting inside and outside the factory including entrances and exits, cargo handling and storage areas, fence lines and parking areas?	
48. Are alarm systems and video surveillance cameras utilized to monitor premises and prevent unauthorized access to cargo handling and storage areas?	
49. Is access to CCTV monitors controlled with records dating back 6 months	
50. Does the factory have written physical security procedures?	
51. Does the factory have intrusion detection or an alarm system?	
52. Is the alarm actively monitored?	
53. Is the alarm connected to the local authorities?	
54. Are locking devices inspected?	
55. When an employee leaves the company, are keys/ cards returned or codes changed?	
56. Is the perimeter secured by one of the following: chain-link fence, masonry wall, steel wall, electric fence or concertina wire?	
57. Is the entire fence/barrier less than 8 feet (2.4 meters) high?	
58. Does the fence have a top guard such as barbed wire or metal spikes to discourage entry?	
59. Is there a designated container storage area, which is at an adequate distance from the fence to prevent illicit entry to the factory?	
60. Does the factory have a designated security guard force to monitoring the factory	
61. If factory employs security guards via contractors, are background checks carried out?	
62. Do the guards staff the factory 24 hours a day, 7 days a week?	
63. Are there communication channels between the central security office and the exterior guard posts? (Examples include radio, cell phone, pager or walky talky.)	
64. Do the guards receive specific security training?	
65. Are employees able to go in and out of the factory without signing in?	

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5. PERSONNEL SECURITY

Companies should conduct employment and interviewing of prospective employees to include periodic background checks and application verifications in accordance with applicable status and regulations.

66. Are there processes in place to carry out security screening upon prospective employees and periodic security check upon existing employees?	
67. Do you maintain a current permanent employee list (containing all names, dates of birth, national identification numbers or social security numbers and the corresponding position held) and submit this information to the U.S. Customs and Border Protection upon written request, to the extent permitted by law?	
68. Is application information (such as employment history and reference) verified prior to hiring?	
69. Do you conduct background checks on prospective employees for criminal records and verify past addresses? (These investigations should be consistent with foreign, federal, state and local regulations.)	
70. Do you perform periodic checks and reinvestigations based on cause and/or the sensitivity of the employee's position?	
71. Are any migrant workers hired under contract?	
72. Are there procedures in place to remove identification, facility, and system access for terminated employees?	
73. Does the factory have written personnel security procedures?	
74. Does the factory have written personnel security guidelines for hiring?	
75. Do the same security requirements apply to temporary and part-time employees?	
76. Are applicants hired without an interview?	
77. Does the factory retain copies of the employee's official identification?	
78. Does the factory keep records of employee international travel?	
79. Do employees wear their own identification badge within the factory?	
80. Does the identification badge include a photograph of the employee?	
81. Are lost IDs replaced and recorded as missing?	
82. Does the factory issue temporary identification badge to those employees who lost their IDs?	

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6. PROCEDURAL SECURITY

Measures for the handling of incoming and outgoing goods should include the protection against the introduction, exchange or loss of any illegal materials.

83. Are there procedures in place to ensure that all documentation used in the clearing of merchandise/cargo is legible, complete, accurate and protected against the exchange, loss or introduction of erroneous information?	
84. Are there procedures in place to ensure that information received from business partners is reported accurately and timely?	
85. Are there procedures in place to ensure that all bills of lading and other documentation submitted for cargo is complete?	
86. Are there procedures in place to verify the accuracy of the weight, marks and quantity of the shipment?	
87. Are there written procedures in place to ensure the prevention of pest contamination in Wood Packing Materials (WPM)?	
88. Is arriving cargo reconciled against information on the cargo manifest?	
89. Is arriving cargo accurately described, weighed, labeled, marked, counted and verified?	
90. Is departing cargo checked against purchase or delivery orders?	
91. Are drivers delivering or receiving cargo positively identified before the cargo is received or released?	
92. Are all shortages, overages, and other significant discrepancies or anomalies resolved and/ or investigated appropriately?	
93. Are U.S. Customs and Border Protection and/or other appropriate law enforcement agencies notified if illegal or suspicious activities are detected?	
94. Are there security measures in place to prevent tampering of goods during production?	
95. Are there security measures in place to prevent the introduction of foreign material(s) into the assembly area?	
96. Are there security measures in place to prevent the introduction of foreign material(s) into the packing area?	
97. Are employees free to access restricted areas?	
98. Do ID's specify which area of the factory they allow access to? (This may be done by color coding, number coding, map coding or electronic coding.)	

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7. SECURITY TRAINING AND THREAT AWARENESS

A threat awareness program should be established and maintained by security personnel to recognize and foster awareness of the threat posed by terrorists at each point in the supply chain.

99. Does the factory have a comprehensive general and specialized security training and awareness program that new and current employees are required to take?	
100. Does the factory have a written awareness program for employees to be made aware of the security procedures the company has in place and how to report any security violations?	
101. Is additional training provided to employees in the shipping and receiving areas, as well as those receiving and opening mail?	
102. Is specific training offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies and protecting access controls?	
103. Does the factory offer incentives for active employee participation in the above training programs?	
104. Does the factory conduct periodic unannounced security checks to ensure that all procedures are being performed in accordance with defined guidelines?	
105. Are there confidential means for employees to report internal violations to factory's security program?	
106. Does the factory have evidence of training such as training logs, sign in sheets (roster), or electronic training records that includes the date of training, names of attendees, and the topics of the training?	
107. Are safe security procedures displayed throughout the factory? (Suggested mediums posters, bulletin board, etc.)	
108. Does the factory conduct training to ensure the prevention of pest contamination, knowledge of regulatory requirements applicable to wood packaging materials (WPM), and identification of infested wood?	
109. Are drivers and other personnel that conduct security and agricultural inspections of empty conveyances and instruments of International Traffic (IIT) trained on the following topics: Signs of hidden compartments, Concealed contraband in naturally occurring compartments, and signs of pest contamination?	
110. Is there training for applicable personnel on the factory's cybersecurity policies and procedures that includes the need for employees to protect passwords/passphrases and computer access?	
111. Does factory personnel that operates and manages the factory's security technology systems undergo any sort of training whether self-taught or otherwise? Prior experience with these systems is an acceptable form of training.	

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8. INFORMATION TECHNOLOGY SECURITY

Automated systems must use individually assigned accounts that require a periodic change of password. Information technology (IT) security policies, procedures and standards must be in place and provided to employees in the form of training. A system must be in place to identify the abuse of information technology (IT) including improper access, tampering or the altering of business data. All system violators must be subject to appropriate disciplinary actions for abuse.

112. Does the factory limit the access to its computers and other information systems via individually assigned accounts that require a periodic change of password?	
113. Are the information technology security policies, procedures and standards in place and provided to employees in the form of training?	
114. Is there a system in place to identify the abuse of information technology including improper access, tampering or the altering of business data?	
115. Are all system violators subject to appropriate disciplinary actions for abuse?	
116. Has there been security software installed in the company members' computer systems to protect against viruses, spyware, worms, Trojans, etc and internal/external intrusion (firewalls)?	
117. Does the factory ensure the security software is current and receives regular security updates?	
118. Are there policies and procedures to prevent attacks via social engineering?	
119. In case of a data breach or unseen events, is the recovery or replacement of IT systems and/or data included in the procedures?	
120. Do the factory's cybersecurity policies address how the factory shares information on cybersecurity threats with the government and other business partners?	
121. Are the factory's cybersecurity policies and procedures reviewed at least annually, and if so, updated if necessary?	
122. Is user access to factory computer systems restricted based on job description or assigned duties?	
123. Is authorized access to sensitive systems based on job description reviewed on a regular basis?	
124. Is computer and network access removed upon employee separation?	
125. Do factory employees with access to Information Technology (IT) systems use individually assigned accounts?	
126. Is access to IT systems protected by passwords, passphrases, or other forms of authentication?	
127. Are passwords and/or passphrases changed as soon as possible if suspicion or evidence of compromise exists?	
128. Are there secure technologies in place such as VPNs to allow safe access to the company's network?	
129. Are there procedures in place to ensure the employees' personal devices adhere to the company's cybersecurity policies and procedures to ensure regular security updates and a method to securely access the company's network?	
130. Are all factory media, hardware, or other IT equipment that contain sensitive information to the import/export process accounted for through regular inventories?	
131. If so, if they are disposed of, are they properly sanitized and/or destroyed in accordance with the National Institute of Standards and Technology (NIST) Guidelines for Media Sanitization or other appropriate industry guidelines?	

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9. CONTAINER SECURITY

Container integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At point of stuffing, procedures must be in place to properly seal and maintain the integrity of the shipping containers. A high security seal must be affixed to all loaded containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.

132. Is the loading and departure of containers supervised by a security officer?	
133. Is loading dock access restricted to authorized personnel only?	
134. At point of stuffing, are procedures in place to properly seal and maintain the integrity of the shipping containers?	
135. Do your high security seals meet or exceed the current PAS ISO 17712 standards and then affixed to all loaded containers bound for the United States?	
136. Is there an inspection process in place to verify the physical integrity of the cargo container structure prior to loading? i. 5 points for full containers (left side, right side, roof, outside doors/hinges/haps and undercarriage) ii. 7 points for empty containers (front wall, left side, right side, floor ceiling/roof, inside/outside doors/hinges/haps and outside/undercarriage)	
137. Are written procedures in place stipulating how seals are to be controlled and affixed to loaded containers?	
138. Do you maintain procedures for recognizing and reporting compromised seals and/or container seals to U.S. Customs and Border Protection or the appropriate foreign authority?	
139. Are there designated employees to distribute container seals for integrity purposes?	
140. Are containers stored in a secure area to prevent unauthorized access and/or manipulation?	
141. Do you maintain procedures for reporting and neutralizing unauthorized entry into containers or container storage areas?	
142. Are there procedures in place to ensure cargo containers are free of pest contamination?	
143. Is there a designated company representative responsible for providing accurate information on the company products to the broker/forwarder/carrier?	
144. Has the above-mentioned company representative been trained on the information requirements for shipments to the United States?	
145. Do you maintain records on all shipments which leave your factory?	
146. Are all empty containers and trucks inspected upon arrival, including the interior of the truck and container?	
147. Are empty containers identified, labeled, weighted and counted upon arrival?	
148. Does the factory check the integrity of seals on incoming containers?	
149. Are broken or tampered seals reported to the transport carrier/supplier?	
150. When broken seals are discovered, is there an examination of the container's contents?	
151. Do you document the results of such examinations?	
152. Are doors secured by a lock and/or bar?	
153. Does the factory notify its carriers of the CTPAT recommendations and the need to commit to them?	
154. Does the factory review and verify the security commitments of its carriers?	
155. Does your factory ship Full Container Loads?	
156. If yes to the above question, are the shipping containers fully loaded and sealed at this location?	
157. The factory has reviewed and trained their staff on Dillard's 7 Point Container Inspection and the Suspicious Activities documentation? Dillard's 7 Point Container Inspection and Suspicious Activities Document	

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10. CONTAINER and TRAILER SECURITY: CONVEYANCE TRACKING and MONITORING

Container integrity must be maintained to protect against the introduction of unauthorized material and/or persons. Exporters must ensure that they have written procedures in place to properly track and monitor the transportation of their goods to the stuffing location.

158. Is the Conveyance and container integrity maintained while in route to stuffing facility?	
159. Does the factory keep a tracking/monitoring log of freight being delivered to stuffing facility?	
160. Does the driver verify and log the container integrity?	
161. Does the factory have predetermined routes to and from stuffing facility, at time of loading point/trailer pickup to delivery and returning to factory, including during peak and non- peak times?	
162. Does the driver log and notify dispatcher/factory of any route delays due to weather, traffic and/or rerouting?	
163. Does the transportation provider management perform a documented, periodic, and unannounced verification process to ensure the logs are maintained and conveyance tracking and monitoring procedures are followed and enforced?	
164. Do the drivers report and document any anomalies or unusual structural modifications (i.e. pest contamination) found on the conveyance or container?	

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