



www.fednav.com

FEDNAV INTERNATIONAL LTD.
1000 de La Gauchetière Street West
Suite 3500
Montreal, Quebec H3B 4W5
Canada

Telephone 514.878.6500
Fax 514.878.6642

July 1, 2010

Certified in the Customs-Trade Partnership Against Terrorism (C-TPAT) program since February 2003, Fednav was audited and validated by Customs and Border Protection (CBP) as a C-TPAT carrier in April 2005. In addition to this, Fednav was certified into the Partners-In-Protection (PIP) program in August 2004. This means that, beyond compliance with the reporting regulations, Fednav is also committed to remaining alert to the presence of suspicious activity within our trade chains and advising Customs whenever we detect anything unusual which might be construed as a threat to security. We are further committed to bringing this to the attention of our partners within the trade chain and recommending to all those with whom we do business to consider joining the C-TPAT and PIP initiatives or, at least, to assist us with our commitment to Customs.

The benefit to be gained from C-TPAT and PIP participation will be realized in the form of some leniency from Customs in their scrutiny of our manifest submissions and fewer cargo inspections. The level of benefit will, of course, increase as each member in a trade chain joins the program(s) thereby enhancing the security profile of the entire chain. Nevertheless, the manifest reporting rules are very strict, and Customs has made it very clear that C-TPAT and PIP membership does not mean they will ignore noncompliance, and they will certainly reject our manifest submissions unless we conform to their rigid standards.

Thus, as part of our commitment, we are required to seek your cooperation in verifying if you are presently participating in these programs. Please send your replies to security@fednav.com.

- A. If your company is participating in the C-TPAT and/or PIP program(s) please send us your C-TPAT SVI number (through the C-TPAT portal) and/or your PIP Membership number for our records.
- B. If you are unable to participate at this time in these programs, would you please review the security procedures described below and confirm your understanding and agreement to comply with the requirements when booking cargo/space with FIL.
 - Providing FIL with an accurate and detailed description of the goods to be loaded.
 - Advising FIL at the commencement of negotiation when the proposed cargo is classified as dangerous goods under the IMDG Code or the BC Code.
 - Reporting immediately to FIL whenever any concern regarding the nature or the description of the cargo is discovered.
 - Where appropriate, ensuring that all requested manifest information is obtained and transmitted to the relevant authorities in good time.

We thank you for your prompt attention to the above. If you require any further explanation, please do not hesitate to contact security@fednav.com.

Fednav Operations