

CENTENNIAL WAREHOUSING

FTZ Procedures Manual

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STATEMENT OF CORPORATE POLICY

Summary

Centennial Logistics LLC d/b/a Centennial Warehousing (hereinafter “Centennial Warehousing”) is an FTZ operator in Foreign-Trade Zone 107, Site 1. Centennial Warehousing is, therefore, committed to working with the Foreign Trade Zone Board (“FTZB”), the U.S. Customs and Border Protection (“CBP”) and the Zone 107, Site 1 Grantee to ensure that it is in compliance with all applicable FTZ and U.S. Customs laws, regulations and policies. This commitment extends from senior management to all employees involved in the importation and exportation of Centennial Warehousing’s products into and from the FTZ. To this end, Centennial Warehousing has created this Procedures Manual to set forth the Company’s policies and procedures associated with the use of the zone.

FTZ Procedures Policy

- a. It is Centennial Warehousing’s Policy to comply fully with applicable FTZ and Customs laws, regulations and policies.
- b. It is the responsibility of Centennial Warehousing to maintain and update this FTZ Procedures Manual to ensure that the Company’s activities accord fully with all applicable regulations and policies. As part of this program, Centennial Warehousing has designated certain employees to assume authority and responsibility for day-to-day FTZ compliance issues.
- c. It is the responsibility of Centennial Warehousing’s management to ensure that all employees have sufficient training and resources to carry out their responsibilities.

1.0 GENERAL INFORMATION

1.1 Purpose

This Procedures Manual serves as a general reference for the procedures to be followed during the development, purchase, shipment, reception, storage and withdrawal of products in the FTZ. This Manual is an educational tool. It sets out procedures in general terms with a view to assuring that all Centennial Warehousing personnel who are responsible for inventory control and recordkeeping functions will have a clear understanding of how their responsibilities contribute to Centennial Warehousing's compliance with FTZ laws, regulations and policies. In addition, this Manual sets forth the procedures to be followed by Centennial Warehousing to ensure that the FTZ compliance policy is carried out.

This Manual documents FTZ operating procedures. It is not intended to operate as a substitute for the ongoing decisions or directives of management. Questions with regard to FTZ procedures should be referred to the FTZ Procedures Manager, the individual tasked with primary responsibility for interacting with the government on behalf of the Company. Questions on the legal implications of any issue related to importation should be referred to the Procedures Manager who is responsible for seeking guidance from Centennial Warehousing's trade counsel, Sandler, Travis & Rosenberg, P.A., where warranted.

1.2 Operations Overview

Centennial Warehousing is headquartered at 10400 Hickman Road, Clive, Iowa 50325, and the FTZ Procedures Manager for this entity is headquartered in the Clive office. Centennial Warehousing operates as a general-purpose zone warehouse.

1.3 Employer Identification Number

Centennial Warehousing has the following EIN: [27-2229554](#)

1.4 FTZ Compliance Department

FTZ Compliance Manager: Mr. Jason Middendorf

2.0 ADMINISTRATIVE PROCEDURES

2.1 Manual Update Log

The industry is constantly changing. To monitor the effectiveness of this procedures manual, periodic updates to this Manual will be provided.

Centennial Warehousing will maintain a record documenting all changes, additions, etc. to this Procedure Compliance Manual ("PM").

1. All copies of the Procedure Manual will contain an update log.
2. Each time the Procedures Manager makes a change to a current procedure, or a procedure is added or deleted, the Manager must indicate the date, procedure addition or change, page number and initial the *Update Log*.
3. The Procedures Manager will review the Update Log annually to ensure that the Procedure Manual contains the most current materials.

2.2 Reasonable Care and Continuing Education

Under the Customs Modernization Act (hereinafter "MOD Act"), importers have responsibility to exercise Reasonable Care in securing compliance with Customs and FTZ laws and regulations. Importers and agents have the ultimate responsibility to educate themselves and use that knowledge in the management of their FTZ programs.

As part of complying with the reasonable care standard, Centennial Warehousing will provide continuing education opportunities for employees involved in the FTZ process. Continuing education includes attending conferences and webinars conducted by Sandler Travis & Rosenberg, P.A., etc., on FTZ operations and management.

3.0 COMMUNICATIONS

3.1 Customs Broker

Centennial Warehousing utilizes the services of Customs brokers to submit FTZ admission and withdrawal documentation to CBP and ensure that imported goods are properly cleared. Customs brokers do business with numerous clients, some of which may import products similar to Centennial's other customers. In order for Centennial Warehousing to remain competitive in the marketplace, it is important that any proprietary information received by the Customs broker remain confidential. The Code of Federal Regulations, 19 CFR 111.24, states that the records pertaining to the business of the client serviced by the broker will be considered confidential and that the broker will not disclose their contents or any information connected therewith to any persons other than such clients and the Regional Director, Regulatory Audit, the Special Agent in Charge or other duly accredited agents of the U.S. except on subpoena by a court of competent jurisdiction.

The Customs broker often sends the importer letters, faxes, and other communications pertaining to the importer's business. Any such correspondence pertaining to Centennial Warehousing's imports that is kept in the ordinary course of business *must be retained for five (5) years*. See Section 4.2 pertaining to Recordkeeping Requirements.

Procedure

- a. The Procedures Manager will send a letter to each Customs broker stating the following information:
 - i. The Customs broker and its employees will not disclose any information obtained about Centennial Warehousing through the course of the brokerage business to any third party except for use in performing its obligations normally associated with standard Customs and FTZ clearance activities.
 - ii. The Customs broker will immediately notify Centennial Warehousing of any standard or investigatory inquiry from any CBP employee. The same contact is required if an unannounced visit/request for information is received by the Customs broker.
- b. Any correspondence received from the Customs broker will be maintained *for five (5) years*. Correspondence related to a specific shipment will be maintained in the shipment file. Each Customs broker utilized by Centennial Warehousing will have a specially designated file for the retention of correspondence and agreements. General-purpose information not related to a specific shipment will be maintained in that Customs broker's master file.
- c. The Customs broker will ensure that all admission and withdrawal filings are either provided or readily available for Centennial Warehousing's review.
- d. In the event that the Customs broker or zone operator finds an error in any admission or withdrawal filed with CBP, they will immediately bring the issue to the other party's attention for correction with CBP and other government agency, as applicable.

4.0 INVENTORY MANAGEMENT, RECORDKEEPING AND ANNUAL REPORTS

4.1 Inventory Management

The Procedures Manager will be responsible for inventory control of product admitted into and withdrawn from the Subzone. Access to the Zone shall only be allowed by persons under the supervision and control of the Inventory Manager. The Procedures Manager shall employ warehouse management software to assist in inventory management and control. The software employed delivers automated compliance from inventory admission via a CBP Form e-214 to withdrawal via a CBP Form 7512, and everything in between. Key features include inventory management in both the FIFO and Lot Control methods. Automated document generation and electronic filing, custom report design, a document binder for record retention, and a complete audit trail of the activities also comprise the inventory management system.

4.2 Recordkeeping

FTZ operators are required to keep all import-related documents for five years from the date of admission.

Procedures

- a. All financial and accounting records of Centennial Warehousing concerning the zone site shall be retained for five years from the date the act or occurrence recorded on or after the product covered by such records has been forwarded to the zone site, whichever is longer. All such records shall be available for inspection and audit by any appropriate government agency and by the zone Grantee during normal business hours.
- b. Centennial Warehousing shall comply with all CBP regulations, in particular, those set forth in 19 CFR Part 146 and with all FTZ Board Regulations, in particular, those set forth in 15 CFR Part 400.
- c. Centennial Warehousing also will familiarize itself and comply with the requirements set forth in the CBP FTZ Manual, including but not limited to the following topics:
 - Applicable Laws and Regulations
 - Operator Responsibilities
 - CBP Fees
 - Zone Status
 - Merchandise Admission
 - Recordkeeping and Reporting Responsibilities
 - Zone Operations
 - Merchandise Transfer
 - Discrepancy Reporting and Liability

- Prohibitions, Restrictions & Special Merchandise
- Bond Obligations, Liquidated Damages & Enforcement Actions

The FTZ Manual can be found here: <https://www.cbp.gov/document/guides/foreign-trade-zones-manual>.

- d. Centennial Warehousing is responsible for maintaining records and making reports to the extent described in the operating agreement between the Operator and the Grantee.
- e. The Procedures Manager has primary responsibility to ensure that all required records are retained.
- f. The Procedures Manager should perform routine record-keeping audits to ensure that all documents are being properly maintained by the responsible parties.
- g. Correspondence from Customs brokers, CBP, the Grantee, or other parties that does not relate to a particular FTZ transaction will be kept in a separate correspondence file and will be maintained by Centennial Warehousing.
- h. The Procedures Manager will conduct a review of the record-keeping process. The review process will involve the audit of several transactions. Files for any shipments found to have missing records will be completed immediately. The Procedures Manager will prepare and distribute a report of the record-keeping review. If the review produces significant discrepancies, the Procedures Manager will be responsible for initiating new procedures designed to ensure enhanced compliance with the record-keeping requirements.

4.3 Annual Reports

- a. The Grantee and Operator, each are responsible to prepare and submit an annual report covering each calendar year.
- b. The Operator Annual Report shall be prepared in compliance with the requirements of 15 CFR 400.51.
- c. The Annual Report will be submitted through the FTZ Board's Online FTZ Information System (OFIS).
- d. Grantee must file the Annual Report no later than the last business day of March of each year for the previous calendar year. To assist the Grantee in preparing, submitting, and distributing the Annual Report, Centennial Warehousing will submit their Annual Report information no later than February 28 to allow the Grantee time to prepare the Annual Report. The Annual Report prepared by Centennial Warehousing will otherwise comply fully with the requirements of 15 CFR Part 400.

UPDATE LOG

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