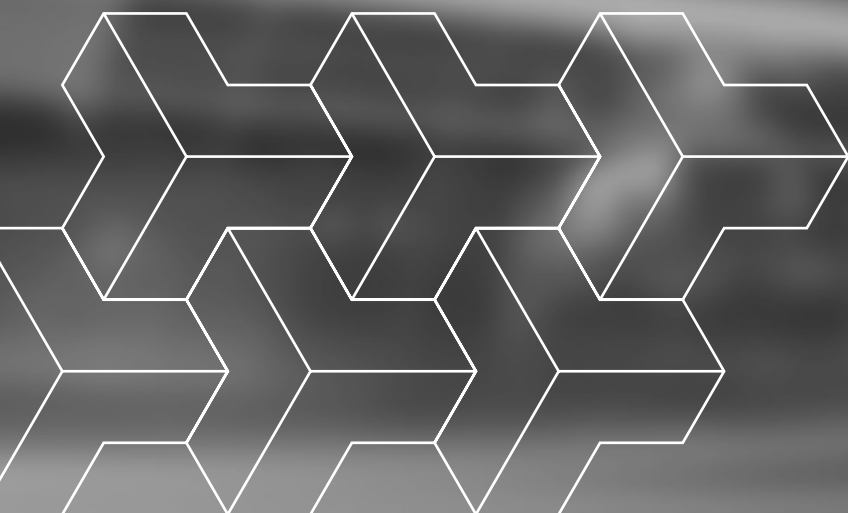




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# Due Diligence

The need for unbiased, trustworthy reporting on global business partners has never been greater. TRACE offers practical, cost-effective solutions that are **reliable** and **defensible**.





# RISK-BASED DUE DILIGENCE

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To meet international anti-bribery compliance and due diligence standards, multinational corporations must establish the volume and degrees of due diligence necessary to vet third party relationships adequately and credibly all while minimizing the drain on financial and internal resources. With the steady pace of enforcement under the U.S. Foreign Corrupt Practices Act (FCPA), and other similar laws including the U.K. Bribery Act, and a stronger focus from regulators on anti-bribery due diligence, companies cannot afford to underestimate third party corruption risk but often feel overwhelmed by due diligence requirements.

TRACE Inc.'s suite of due diligence options provide companies of all sizes with an array of reliable, globally recognized solutions that define international due diligence standards and ease the due diligence burden. Our solutions range from an initial compliance screen to an intensive review of third party intermediaries and business partners, and many offer ongoing monitoring of third party relationships. Flexible and cost-effective due diligence options are available for all intermediary risk levels. TRACE has performed over 300,000 due diligence reviews in over 135 countries. With in-house research capabilities in twenty languages and local expertise around the globe, we never outsource our due diligence reviews to independent contractors.

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# 300,000 DUE DILIGENCE REVIEWS IN OVER 135 COUNTRIES

TRACE has spent over ten years researching and defining the industry standard for risk-based, anti-bribery due diligence by continually benchmarking the practices of hundreds of multinational corporations. Our due diligence reviews are based on internationally recognized “best practices” and are further enhanced by our hands-on experience conducting anti-bribery due diligence for over a decade, across all industries and the globe. Our experience and familiarity with the needs of multinationals drives our efficient and reliable due diligence process.

# 300,000

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# WHAT MAKES US DIFFERENT?

- › TRACE continually benchmarks the due diligence practices of multinational corporations operating in every non-sanctioned country.
- › We communicate directly with intermediaries so that they fully understand the due diligence process and questions, provide more accurate information, and understand the anti-bribery risks inherent in conducting business internationally.
- › We don't compromise on quality. That's why our due diligence team is supervised by multilingual lawyers and we never outsource our due diligence reviews to independent contractors.
- › Our hands-on, real-world experience is unparalleled. TRACE team members have conducted due diligence reviews, anti-bribery in-house trainings and workshops in almost every country.
- › Unlike most vendors, we do not charge a licensing or "set up" fee for access to our online due diligence portal. We have no hidden fees of any kind.
- › TRACE has in-depth expertise in anti-bribery programs and due diligence and is committed to delivering practical and cost-effective solutions.

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# OUR SERVICES

TRACEsort

INTERMEDIARY OR SUPPLIER RISK LEVEL - **LOW-MEDIUM**

INTERMEDIARY OR SUPPLIER RISK LEVEL - **MEDIUM-HIGH**

INTERMEDIARY OR SUPPLIER RISK LEVEL - **HIGH**

INTERMEDIARY OR SUPPLIER RISK LEVEL - **ALL LEVELS**

**M&A DUE-DILIGENCE**

**DUE DILIGENCE METHODOLOGY**

## TRACEsort

Risk-based due diligence is one of the hallmarks of an effective compliance program. TRACE offers a customizable risk assessment tool to help companies determine the level of due diligence appropriate for a third party. The risk assessment is individually crafted to weigh risks specific to the business relation under review.

## INTERMEDIARY OR SUPPLIER RISK LEVEL LOW-MEDIUM

### TRAC

*The global 48 hour solution  
for baseline due diligence*

TRAC (TRACE Registered Access Code) is a global due diligence platform based on social media principles that captures, assesses and shares baseline due diligence information and issues universal ID numbers to approved applicants. It is an easy and efficient way to rapidly exchange verified compliance information, and best of all, it's free for companies to access. The TRAC holder pays a nominal annual fee (US\$80) that enables them to share vetted due diligence information with all of their business partners. A TRAC 12 digit code quickly and cost-effectively establishes a TRAC holder's identity, address, compliance information, and screens the TRAC holder's name against international watch lists. TRAC satisfies the requirement for companies to conduct baseline due diligence on current and potential business partners and vendors to a reasonable, international standard and to conduct ongoing monitoring of their hundreds or hundreds of thousands of business partners and vendors, and at no cost.

Bring your business partners online with TRAC today. To learn more, please visit [www.tracnumber.com](http://www.tracnumber.com) or contact [info@tracnumber.com](mailto:info@tracnumber.com).

### TRACEcheck

*Streamlined due diligence with  
a one week turnaround time*

When you need a fast and cost-effective, yet comprehensive, anti-bribery due diligence review, TRACEcheck is the ideal solution. TRACEcheck is designed for low-risk partners or as a first-run due diligence review on a large number of intermediaries (such as the intermediaries of an acquisition candidate) to determine where further due diligence is necessary. The result is a snapshot anti-bribery review that contains key ownership, personnel and reputational information about the intermediary and actionable insights. Follow up services for any potentially adverse information found during the review may be purchased as needed for an additional fee. A refresher service is offered to customers on an annual basis. This service requires the intermediary to review their questionnaire and update any information that has changed over the year. They must also provide one new reference contact. This service also includes a denied parties/PEP screening and a media search dating back five (5) years on any new entity or individual names provided in the updated questionnaire. TRACE will also rerun a denied parties/PEP screening and perform a media search dating back one (1) year on all entity and individual names carried over from the original questionnaire.

## INTERMEDIARY OR SUPPLIER RISK LEVEL

# MEDIUM-HIGH

### TRACEcertification

*The only third party review,  
analysis and approval available*

TRACE has spent the last decade defining standards for anti-bribery due diligence by working with hundreds of multinationals and thousands of intermediaries to develop internationally recognized “best practices.” TRACEcertification is the result of this collaborative effort and the only due diligence solution on the market that allows commercial intermediaries and third-party service providers to become “certified” on their own initiative, or at the request of a customer, and own their verified due diligence compliance reports. TRACEcertification due diligence reports contain a candidate’s true, beneficial ownership; names and CVs of any owners, directors and key personnel; subsidiaries or joint ventures of the candidate, as well as other outside ownerships, directorships or employment of the individuals listed in the report; copies of applicable business registrations; contact information for three business references; an audited financial statement or a financial reference from a bank, accountant or supplier; responses to compliance questions; and a media search and denied parties and politically-exposed persons screening.

#### *What makes TRACEcertification unique?*

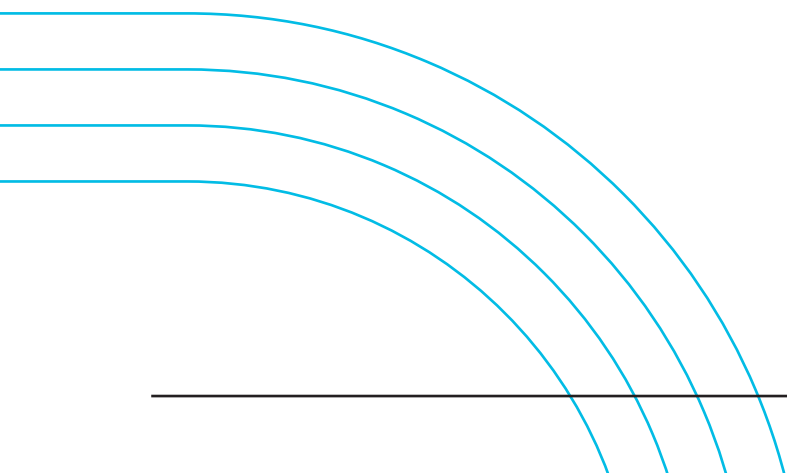
- › Satisfies anti-bribery training requirements for third parties
- › Requires certified intermediaries to adopt an anti-bribery code of conduct and update their due diligence information annually
- › Shifts due diligence costs away from multinationals
- › Enables third parties to own their due diligence compliance reports and share them with all of their business partners
- › Eliminates most of the expense and delay associated with the vetting process
- › Offers ongoing monitoring of third party relationships with constant screening of names against international sanctions and enforcement lists
- › Provides certified intermediaries with the valuable business advantage of being recognized in the compliance community for completing the gold standard in due diligence



## TRACEstandard

### *A Membership-Based Due Diligence Review*

TRACEstandard is a comprehensive and standardized due diligence review, available only to TRACE Corporate Members, that results in a commercial intermediary receiving TRACE membership upon successful completion of the review. The TRACEstandard contains the same components as a TRACEcertification report, together with review of business references and ongoing monitoring. Like the TRACEcertification, the third party must adopt a code of conduct specifically addressing anti-bribery issues, complete the TRACE anti-bribery online training course and update their due diligence information upon renewal annually. The third party, however, does not own the due diligence report and the cost of the review is typically covered by the requesting company. Our shared cost membership model allows us to price TRACEstandard lower than TRACEcertification making it the ideal due diligence solution for TRACE Corporate Members that wish to pay for their third parties due diligence reports, rather than shifting the cost to the intermediary.



## INTERMEDIARY OR SUPPLIER RISK LEVEL HIGH

### TRACEReview

*Intensive, On-the-Ground  
Due Diligence Investigation*

Conducted by an experienced TRACE attorney, a TRACEReview offers an intensive, on-site review of higher risk relationships or relationships for which significant red flags have already been identified. It can also be used to audit third party relationships. This comprehensive intelligence gathering service includes a local public records search, meeting with local U.S. embassies, site visits, detailed in-person interviews, a thorough examination of the third party's business operations, and in-person training of key employees. Our language capabilities and expertise in local culture and compliance issues allow us to build a complete profile of the subject without compromising the quality of our reports.



## INTERMEDIARY OR SUPPLIER RISK LEVEL

# ALL RISK LEVELS

### TRACeselect

*Customizable Due Diligence  
to Address All Risk Levels*

TRACeselect allows companies to order separately priced components of a due diligence report, tailoring their experience based upon their internal policies and priorities. TRACeselect is designed to help companies better manage their commercial intermediaries at all levels of risk and fulfill their unique compliance needs with one simple and cost-effective due diligence solution. Through the user-friendly dashboard, companies can order, track and view reports as well as manage intermediary relationships in one central platform for a comprehensive due diligence solution. Customized reports can include, but are not limited to, the following components:

- › Customizable questionnaires
- › Collection of business and financial references
- › Review of the resumes of key employees
- › Reference from the U.S. Embassy
- › Anti-Bribery Compliance Policy certification
- › TRACE administered, multilingual anti-bribery training
- › Reputational screening, which includes:
  - › media
  - › denied parties
  - › politically exposed persons
  - › internet based searches of the intermediary, owners and key employees



# M&A DUE DILIGENCE

This specialized due diligence service defines the target's anti-corruption risk profile and identifies any red flags so that any bribery risks or possible successor liability can be adjusted for in the valuation, deal structure, transaction documents or ongoing due diligence process. Furthermore, the report contains a concise risk assessment so that the acquiror's compliance program can be appropriately extended to cover the risks presented by the newly acquired business.

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Scope of TRACE Due Diligence Services	TRAC	TRACE check	TRACE certification	TRACE standard	TRACE select
Ownership Information					
Names of Company Directors & Key Personnel					
CVs of Any Owners, Directors and Key Personnel					
Information on Subsidiaries or Joint Ventures					
Key Individuals Outside Ownerships, Directorships or Employment					
Copies of Applicable Business Registrations					
Proof of Company's Address					
Collects Business Reference(s)					
Collects and Checks Business Reference(s)					
U.S. Commercial Service/Local Embassy Contacted					
Audited Financial Statement or a Financial Reference From a Bank, Accountant or Supplier					
Self-Certification of Financial Stability					
Anti-Bribery Compliance Policy Self-Certification					
Number of Compliance Questions					
Media Search					
International Watchlists Screenings: Both Denied Parties and Politically Exposed Persons					
Ongoing Denied Parties Screening					
Online Portal					
Intermediary Receives TRACE Certificate Of Good Standing					
Intermediary Training					
Intermediary Must Provide or Adopt a Code of Conduct					
Customized Questionnaire					
Ability to Shift Cost to Intermediaries					
Requires TRACE Corporate Membership					
Requires Intermediary to Update their Information Annually					
Ability to Select Specific Components of a DD Report, Which Are Each Priced Separately					
Ability to Conduct Search Components Without Contacting the Target					
Questionnaire Multilingual Support					



# METHODOLOGY

TRACE due diligence reports cover key information related to an intermediary's ownership, personnel and reputation and provide insights into competencies, background and compliance track record. Our team of multilingual due diligence analysts and lawyers work with intermediaries to obtain responses to questionnaires and related documentation and carefully vet every due diligence report for accuracy and consistency with external information sources. TRACE follows-up with intermediaries, when appropriate, regarding any discrepancies or adverse information identified during the course of the review.

TRACE's reputational screening process covers thousands of U.S., international and in-country news sources, hundreds of international sanctions and enforcement lists, and a database of politically exposed persons. Reputational screenings also include an internet-based search. TRACE's highly sophisticated search methodology, based on years of research and experience, captures the most accurate results. Searches can be performed in both English and the subject's local language.

- › Most services provide ongoing monitoring of third party relationships with constant screening of names against international sanctions and enforcement lists that are updated every 24 hours
  - › Standard media screening process covers 4,500+ U.S. news sources, 11,300+ international news database and 5,000+ local, country-specific news sources
  - › Our due diligence analysts work with intermediaries to build and verify a complete and accurate profile
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# TRACE TEAM

***The TRACE team*** has unparalleled qualifications and experience in the compliance community and due diligence. Our compliance experts and due diligence analysts studied at internationally renowned universities and joined TRACE after significant law firm experience and leadership roles on in-house compliance teams at Fortune 100 companies. Our in-depth expertise in due diligence and anti-bribery programs and commitment to delivering practical and cost-effective solutions differentiates TRACE from due diligence vendors.



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