

Exotic Metals Forming - International Shipping Terms and Conditions

1) English Language

The parties agree that all contractual documents, correspondence, invoices, notices, and other documents, shall be in American English. Any necessary conversations shall be in English.

2) United States Currency

Unless otherwise specified elsewhere herein, all prices, values and payments shall be in the currency of the United States (U.S. Dollars), with no prices or payments adjusted for changes in currency rates.

3) Import/Export

- a) Purchase orders issued shall specify the applicable International Commercial Terms of Sale (Incoterms) and the United States Importer of Record for all items.
- b) All Parties shall comply with all applicable export, import and sanction laws, regulations, orders, and authorizations, as they may be amended from time to time, applicable to the export (including re-export) or import of goods, software, technology, or technical data (Items) or services, including without limitation the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, Export/Import Laws).
- c) The Parties shall obtain all export or import authorizations which are required under the Export/Import Laws for said Party to execute its obligations.

4) Duty Free/Special Tariff Programs/Free Trade Agreements

In addition to the required commercial invoice, packing list and bill of lading, Seller/Customer shall provide documentation to support any duty free, special tariff programs or free trade agreements as applicable prior to shipping to the United States.

5) Packing, Shipping, and Transportation

- a) General Packing and Shipping Instructions
Unless a corresponding contract specifies otherwise, Seller/Customer will ship the Goods in accordance with the following instructions. If Seller/Customer is unable to comply with the packing and shipping instructions, Seller/Customer will contact Exotic representative for further assistance.

- b) Packing
Exotic assumes no liability for damage or deterioration of any Goods as a result of improper packing or packaging by Seller/Customer.

Wood Packaging Materials (WPM) – All wood packaging for items being imported to the United States shall meet the requirements of International Standards for Phytosanitary Measures.

All Goods to be furnished to Exotic shall be prepared and packed for shipment in a manner acceptable to Exotic to comply with carrier regulations and prevent damage or deterioration during handling, shipment, and storage.

- c) Packaging Design
When requested by Exotic, Seller/Customer shall submit to Exotic copies of Seller's/Customer's proposed preparation procedure and packing design, not less than 30 days before first shipment, for Exotic approval, and Seller/Customer shall prepare and package in accordance with the procedure and design approved by Exotic.
- d) Inner Package
In addition, each unit container shall be marked in English in accordance with Exotic written instructions. The number 1 shipping container of each shipment shall contain:
 - i) A packing list indicating in English the contents of the entire shipment in accordance with Exotic written instructions.
 - ii) Commercial Invoice/Pro Forma Invoice
 - iii) One copy of any test or other report required (if applicable)
 - iv) Securely attached to its exterior, one copy of Commercial Invoice/Pro Forma invoice enclosed in a waterproof wrapper and clearly marked "Commercial Invoice."
 - v) Additional copies, if any, of packing lists, reports, and U.S. Customs or other invoices shall be furnished to Exotic via email to import.export@exoticmetals.com prior to package pickup by shipping company.

- e) Documents
The shipping documents shall describe the material according to the applicable classification and/or tariff. A shipment containing dangerous goods and non-dangerous goods must have separate packing sheets. Shipments by Seller/Customer or its subcontractors must include packing sheets containing Exotic's reference number for the shipment (i.e. purchase order, quote number, return authorization, etc.), line item number, description and quantity of Goods shipped, part number or size, if applicable and appropriate evidence of inspections. The total number of shipping containers will be referenced on all shipping documents. Seller/Customer will mark each shipping container with the reference number for the shipment.
- f) Dangerous Goods (Hazardous Materials)
The term Dangerous Goods includes hazardous substances, hazardous wastes, marine pollutants, elevated temperature materials, materials designated as hazardous in the Hazardous Materials Table (49 CFR 172.101) and materials that meet the defining criteria for hazardous classes and divisions in part 173 subchapter C of 49 CFR. The Seller/Customer must package and ship the dangerous goods in accordance with U.S. hazardous materials transportation law.
- g) Country of Origin Marking
Each article of foreign origin imported in the United States shall be marked with the country of origin in accordance with U.S. Customs regulations 19CFR134. Rubber stamp and other surface marking methods, including inks, paints, and coatings, shall be used in accordance with this specification. Intrusive methods are not authorized. Location and part mark method shall be consistent with drawing part mark requirements, if applicable.

Exceptions: The following items are not required to be marked with the Country of Origin, but the Country of Origin shall be marked on the packaging/container which ordinarily reaches the ultimate purchaser (CFR 134.22)

- i) Articles that are incapable of being marked, 19 CFR 134.32 (a)
 - ii) Articles that cannot be marked without damage to the article, 19 CFR 134.32 (b)
 - iii) Products of the United States, 19 CFR 134.32 (m)
 - iv) Articles cited on the J-list, 19 CFR 134.33
- h) Pre-Alert and Confirmed on Board Information for U.S. Customs Pre-Clearance Purposes
- i) Seller/Customer shall require the nominated freight forwarder to send pre-alert and confirmed on board (COB) information on all shipments to Exotic's designated U.S. Customs broker at the U.S. port of entry to facilitate U.S. Customs and Border Protection pre-clearance purposes in advance of the shipment arrival into the United States to **import.export@exoticmetals.com**
 - ii) The Seller/Customer is required to support Pre-Alert requirements whether or not shipments to the United States are collected by Exotic's approved freight forwarder or prepaid by Seller's/Customer's approved freight forwarder.
 - iii) The pre-alert documentation consists of:
 - (1) Copy of the commercial invoice
 - (2) Copy of the packing list (when available)
 - (3) Copy of any pertinent documents requested by the company
 - (4) Master airway bill number or master ocean bill of lading number and copy of document if available
 - (5) House airway bill number or house bill of lading number and copy of document
 - (6) Other documents deemed applicable or required for airfreight shipments. These documents must be sent prior to uplift at the first port of departure. For ocean shipments, these documents must be sent within 48 hours of vessel departure from the first port of lading.
 - iv) Confirmed on board information consists of:
 - (1) Complete flight or vessel information including:
 - (a) Date and port of departure
 - (b) Any international transshipment port
 - (c) First U.S. port of arrival and estimated time of arrival
 - (d) Final U.S. port of destination and estimated time of arrival
 - (e) Carrier name
 - (f) All flight or voyage numbers
 - (2) Copy of any inbound document or inbound information (if paperless)
 - (3) Destination cargo location, address and telephone number, etc.
 - (4) Destination forwarder name, address, telephone number and contact name
 - (5) Other information deemed applicable or required

- i) **Commodities and Equipment Subject to the International Trade In Arms Regulations (ITAR)**
Shippers must utilize the services of an Exotic approved international freight forwarder. The customs clearance must be performed by the Exotic contracted customs brokers for all U.S. customs clearances. A list of these commodities and equipment are located on the USML. For assistance in identification of commodities and equipment subject to ITAR requirements, or exceptions, please contact Exotic representative.
- j) **Shipment Security**
For those Goods that are warehoused and/or shipped by the Seller/Customer to/from the United States and its insular possessions on Exotic's behalf where Exotic is the US Importer or Exporter of Record (also known as US Principal Party in Interest – PPI), Seller/Customer agrees to comply with the shipment security requirements from the Point of Origin as provided below. The Point of Origin is the site where such Goods are assembled, manufactured, packaged and shipped.

Seller/Customer shall include this provision with applicable Subcontractors. Subcontractors shall be defined as those sub-tier manufacturers or suppliers from which the shipment of Goods is shipped directly from said manufacturers or supplier's facilities to Exotic, including any direct or sub-tier suppliers engaged in packaging or transport of Exotic shipments (including but not limited to freight forwarders, 3rd party logistic companies, packagers). Seller/Customer shall be responsible to Exotic for any breach of such requirement by its subcontractor.

- i) Seller/Customer is encouraged to participate in national supply chain security programs including, but not limited to the Customs-Trade Partnership Against Terrorism ("C-TPAT"), Authorized Economic Operator ("AEO") and equivalent programs. Seller/Customer shall notify Exotic to the extent it participates in such programs and the countries of participation and initiate monitoring when applicable. Seller/Customer shall provide Exotic with prompt notice of any changes to its shipping security program status.
- ii) **Security Controls and Procedures:** Seller/Customer will maintain adequate security controls and procedures as further described in this Section 6.J
 - (1) **Physical Security:** Seller/Customer must protect facilities against unauthorized access including but not limited to cargo handling and storage facilities which shall have physical security deterrents. Seller/Customer will ensure that:
 - (a) All entry and exit points for vehicles and personnel are controlled.
 - (b) All external and internal windows, gates, and doors through which unauthorized personnel could access the facility or cargo storage areas are secured with locking devices.
 - (2) **Access Controls:** Seller/Customer will prevent unauthorized entry into facilities using access controls which may include but are not limited to badge readers, locks, key cards, or guards.
 - (3) **Personnel Security and Verification:** Seller/Customer will screen prospective employees consistent with local regulations and verify employments application information prior to employment.
 - (4) **Ocean Container and Truck Trailer Security:** Seller/Customer will maintain container and trailer security to protect against the introduction of unauthorized material and/or persons into shipments. In the event containers are stuffed, Seller/Customer will inspect all ocean containers or truck trailers prior to stuffing, including but not limited to the inspection of the reliability of the locking mechanisms of all doors.
 - (a) **Ocean Container and Truck Trailer Seals:** Properly seal and secure shipping containers and trailers at the point of stuffing in accordance with PAS ISO 17712 standard for high security seals.
 - (b) **Ocean Container and Truck Trailer Storage:** Seller/Customer will store empty or stuffed ocean containers and truck trailers in a secure area to prevent unauthorized access and/or manipulation.
- iii) The Seller/Customer will, when requested, provide Exotic with detailed mapping for planned routings and identify any subcontractors involved in the transport of Exotic shipments. If there are any long term changes to routings or routing subcontractors, Seller/Customer shall communicate such changes to Exotic within ten (10) business days of such change.
- iv) Seller/Customer shall notify Exotic at import.export@exoticmetals.com of any actual or suspected breach of security involving Exotic's cargo or cargo with Exotic designated as the Ultimate Consignee, in Seller/Customer or subcontractor's control within 24-hours of incident discovery. This shall include cargo theft, or tampering by unauthorized third parties with the cargo and/or manifests. When applicable Seller/Customer and its subcontractors and agents will verify that their business partners and parties involved in the import/export transactions are not listed as denied parties. Entities identified as denied parties on prohibited lists maintained by the Department of Commerce/Bureau of Industry and Security (BIS), Department of State/Directorate of Defense Trade Controls (DDTC), and Department of Treasury/Office of Foreign Asset Control (OFAC) must be reported immediately to Exotic within 24 hours of discovery.
- v) In the event Exotic identifies new or increased threats or risks to shipping security, Exotic may request additional security measures from the Seller/Customer to ensure the security of shipments.

6) Gifts, Gift Foods, Promotional Items, Unsolicited Items and Personal Effects

Seller/Customer shall not include any gifts/gift foods, promotional items (e.g., pens, t-shirts, souvenirs, posters, magazines, recorded music and movies), unsolicited items or any other personal effects inside the packages or containers. Only items properly listed on the customer invoice/pro forma invoice shall be shipped to Exotic. Unmanifested or uninvoiced items which are not properly documented may cause delays in customs clearance. Certain commodities may require additional customs, other government agency forms and filing requirements.

7) Invoices and Packing Sheets

- a) CBP requires a commercial invoice for all imports into the United States. A commercial invoice is one prepared by the Seller or shipper of the goods and contains sufficient information for U.S. Customs to determine the value, tariff classification, and admissibility of an import shipment.
- b) A commercial invoice is normally a document accompanying the import shipment. The invoice can be a commercial or invoice generated specifically for the purpose of declaring the import shipment to U.S. Customs, particularly in the case of non-purchased goods.
- c) Each commercial invoice of imported merchandise shall set forth the following information:

Commercial Invoice Requirements

- i) In English
- ii) Provide the current purchase order and line item/line unit or contract number, if applicable
- iii) Location and names of Seller/Customer and/or shipper, Exotic, and date
 - (1) Date when the merchandise is sold or agreed to be sold
 - (2) Merchandise shipment date (month, day, year). Provide the date that the merchandise was shipped from the Seller's/Customer's factory or facility.
 - (3) Name and address of the Seller/Customer (company name and address) and/or name and address of the shipper, if the Seller/Customer is not the shipper.
 - (4) Name and contact information for an employee, employed by the Seller/Customer and or shipper, who has detailed knowledge of the sales transaction.
 - (5) Name and address of Exotic and name and phone number of prime point of contact at Exotic's site.
- iv) U.S. port of entry. Record the port of entry at which the CBP will clear the merchandise
- v) Quantities, weights, and measures: Record the specific quantity, weights, and measurements of each part number in the shipment
- vi) Detailed description of each item being shipped, to ensure proper classification of the product in accordance with the Harmonized Tariff Schedule (HTS), including:
 - (1) Full name by which each item is known.
 - (2) Part number as appears on the contract or order. Exotic may request additional descriptive information, as applicable.
- vii) Country of Origin: Indicate the country of manufacture of each item
- viii) Terms of Sale: Specify on the invoice the Incoterms as agreed to in accordance with the Exotic contract, purchase order or work authorization.
- ix) The unit cost of each part and the total value of the entire shipment (in USD).

Items Procured Pursuant to U.S. Government Contract

- i) If a government contract applies, the prime contract number and, if applicable, contract number (PO XXXXXX) or delivery order number must be noted on the commercial invoice. Additionally, the following government contract statement must appear for military programs:

“UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE Duty-Free Entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VII, Item 9808.00.30 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at the appropriate port of entry, District Director of Customs, please release shipment under 19 CFR part 142 and notify Commander, Defense Contract Management Agency (DCMA) New York, ATTN: Customs Team, DCMAE-GNTF, 207 New York Avenue, Staten Island, New York, 10305-5013, for execution of Customs Form 7501, 7501A, or 7506 and any required duty-free entry certificates.”
- ii) Commercial invoice must show that the shipment is consigned to a U.S. government agency (e.g., U.S. Department of Defense), in care of Exotic, when a shipment has a prime contract number.

U.S. Department of State License or Exemption

If the items were exported from or are to be imported into the United States under authority of a Department of State License or license exemption, information must appear on the invoice as noted in the following examples (contact Exotic for license number or license exemption if unknown):

- (1) Originally exported from the United States under DSP-XX license number XXXXXX dated XX/XX/XXXX
- (2) Import into the United States in accordance with 22 CFR XXXXX.
- (3) Import into the United States under the authority of DSP-XX license number XXXXX.

Packing Sheet/Slip Requirements

Include packing sheet/slip number(s) on commercial invoice

8) Incoterms

Incoterms 2010, published by the International Chamber of Commerce, shall govern this contract to the extent this contract specifies terms covered by Incoterms 2010, provided that in the event of any conflict between this contract and Incoterms 2010, this contract shall govern. Unless otherwise agreed to in an order, contract or other work authorization, Exotic standard requirement for shipments being sent to Exotic is DDP.

9) Importer Security Filing

In the event that CBP assesses Exotic with liquidated damages, fines or penalties either for failure to file the Importer Security Filing (ISF) data, or for late or inaccurate filing of ISF data, Seller/Customer shall assist Exotic with investigating and resolving the situation. Such assistance shall include but is not limited to (i) upon Exotic's reasonable request, providing Exotic with relevant documentation and making Seller/Customer personnel available to answer questions, and (ii) taking such corrective action as is necessary to minimize the risk of additional damages, fines or penalties. Seller/Customer shall be responsible for all liquidated damages, fines or penalties related to failure to file the ISF data or late/inaccurate filing of ISF data.

10) Mandatory Flow Downs

Seller/Customer shall flow down to each sub-tier supplier, the provisions of these International Shipping Terms and Conditions.

11) Preferred Carriers/Customs Broker

To minimize erroneous customs issues and delays, Exotic prefers to work with the following carriers:

UPS
DHL
Expeditors

For instances where a customs broker is required, Exotic authorizes the use of the following:

UPS Customs Brokerage
1201 C Street NW
Auburn, WA 98001
Phone: (253) 395-6429
Email: seachb@ups.com

For additional questions about international shipments, please send your inquiry to: import.export@exoticmetals.com