

INSTRUCTIONS FOR CROSS-BORDER SHIPMENTS

TOSHIBA Global Commerce Solutions

Global Logistics and Trade Compliance Office - TGCSGLTC@ibm.uk.com

Note: Instructions for Cross-Border Shipments are default minimum requirements for packaging, marking and labeling for all exports to TGCS. The default Terms and Conditions of all TGCS Purchase Orders require that the Supplier is the importer and exporter of record. If your company is the Principal Party in Interest for an import or export transaction (i.e. importer/exporter of record), it is your legal responsibility to understand and comply with all laws and regulations. This document is provided to assist Suppliers when shipping to TGCS, but the guidelines do not substitute for compliance to applicable governmental laws or regulations. This document is not legal advice, and you are encouraged to seek appropriate professional guidance. TGCS is not responsible for your failure to follow applicable transportation, import or export laws or regulations.

CONTENTS

- 1.0 Introduction and Compliance
- 2.0 Documents for Cross-border Shipments
 - 2.1 General Document Requirements
 - 2.2 Commercial Invoice Requirements
 - 2.3 Packing List Requirements
 - 2.4 Transport Document Requirements
 - 2.5 Importer Security Filing and Other Documentation
 - 2.6 Billing Invoice Requirements
- 3.0 Packaging and Labeling
 - 3.1 Packaging
 - 3.2 Labeling
 - 3.3 Country of Origin Markings
- 4.0 Country-Specific Requirements
 - 4.1 Brazil
 - 4.2 Canada
 - 4.3 China
 - 4.4 Japan
 - 4.5 Korea
 - 4.6 Mexico
- 5.0 Shipping Instructions
- 6.0 Supply Chain Security

1.0 INTRODUCTION AND COMPLIANCE

Cross-border shipments require special care. For example, international packaging must protect the goods during a treacherous journey through air turbulence or across rough seas, and the documents accompanying international shipments must include specific information not normally required for domestic orders. Inadequate packaging can result in damage to the goods, and inadequate documents can result in delays or costly fees which could be assessed by the local customs authority. As a TOSHIBA Supplier, you have agreed to partner with us in the challenging and rewarding task of participating in an international supply chain.

Instructions for Cross-Border Shipments are default minimum requirements for packaging, marking and labeling for all cross-border shipments (i.e. exports) to TOSHIBA. The default Terms and Conditions of all TOSHIBA Purchase Orders require that the Supplier is the importer and exporter of record. The importer and exporter of record are responsible for all import and export compliance to applicable laws and regulations. You should contact your TOSHIBA Procurement representative if any instructions appear to conflict with any law, regulation or other contractual responsibility. You must receive authorization to deviate from any Instructions for Cross-Border Shipments before shipment. Requirements vary depending on the particular goods, circumstances origin and destination, and we encourage you to contact your TOSHIBA Procurement representative to resolve any questions before shipping any goods.

Compliance to the Instructions for Cross-Border Shipments will be enforced as a condition of purchase according to TOSHIBA Purchase Orders. TOSHIBA reserves the right, at any time, to:

- a) reject and return any shipments that are improperly packaged, documented or identified;
- b) charge the shipper for the cost of labor and materials for any repackaging resulting from noncompliance with these instructions or other specifications referenced on the Purchase Order; and
- c) remove any supplier from its list of approved suppliers if the supplier, after notice of noncompliance, continues to fail to comply with its shipping responsibilities.

Although this document is written for traditional Suppliers, it is also suitable for TOSHIBA partners in research, development, engineering and other non-traditional sources of goods shipped to any TOSHIBA worldwide location.

2.0 CROSS-BORDER DOCUMENTS

Cross-border shipments to TOSHIBA must include proper documentation.

2.1 General Document Requirements

- a) All documents must be in the appropriate language (e.g. English to U.S.; Spanish or Spanish translation available to Mexico).
- b) Currency on commercial invoice, purchase order, billing or other documents must be the same.
- c) The transport document, commercial invoice and packing list must be provided to the party who will be transporting your shipment.
- d) Country of origin information on documents must use 2-character ISO code (e.g. US, GB, JP) or the full name of the country in the appropriate local import language and be consistent between documents and product markings.
- e) Ask your TOSHIBA Procurement representative if manufacturing assist or other additions or deductions should be shown on the invoice.
- f) The Returned Material Authorization (RMA) number must be noted on all documents. “[country of import] Goods Returned” must only be used when the goods are re-imported in the same condition as they were exported. The value of the items should be the same as indicated on the export invoice, and the export invoice number and date should be included on the documents.
- g) Documents are required for all cross-border shipments, whether charge or provided at no-charge.

2.2 Commercial Invoice Requirements

- a) A commercial invoice must accompany all cross-border shipments delivered to a TOSHIBA location and must match the billing invoice for Supplier shipments (See: 2.X Billing Invoice Requirements).
- b) At least one original and two copies of the commercial invoice must accompany the shipment into the country. Some countries may have different requirements, and you are responsible for knowing requirements before shipping any goods.
- c) Information must exactly match the physical goods, shipping labels and other documentation (e.g. air waybill, bill of lading, packing list).
- d) Any items provided free of charge (“no-charge”) must have accurate values assigned for customs declaration purposes, and the statement “Goods provided at no charge. Value for customs purposes only” must be included to clearly mark which goods were provided at no charge. An additional description of the purpose of a no-charge order is helpful and sometimes required by local customs (e.g. “Commercial samples – not for resale.” or “Goods returned after repair. Value of repair 545 USD.”).
- e) For software shipments, the license value and the carrier media value must be listed separately on the commercial invoice.

- f) The TOSHIBA purchase order number and TOSHIBA part numbers must appear on the invoice.
- g) Machine or equipment “built to order” as a single product with value driven by options should be valued at only the total price if the final product forms a single unit. Individual charges for options should not be identified as separate commodities on the commercial invoice. Accessories that do not form standard equipment for the machine, however, should be itemized separately.
- h) The commercial invoice must conform to industry standards and any origin export or destination import requirements. The following are the minimum data required on the commercial invoice:
 - i) commercial invoice number;
 - ii) invoice date;
 - iii) complete address for “sold to” and “ship to”;
 - iv) the invoice must specify that TOSHIBA is the “bill to,” “invoice to” or “sold to” party, not just “ship to” TOSHIBA (the detail is required so TOSHIBA is able to act as importer of record for the shipment, and it also applies to partner or no-charge shipments where no sale is taking place);
 - v) complete address, contact name and phone number for the “shipped from” Supplier;
 - vi) Incoterms valid for the method of transportation being used and matching the terms of the contract;
 - vii) quantity and unit of measure of shipping units;
 - viii) total gross and net weight of each individual shipping unit shown separately (weight in kilograms);
 - ix) total length, width and height of each individual shipping unit shown separately (dimensions in centimeters);
 - x) sufficient description of each product being shipped (sufficient descriptions are clear and precise enough for customs in the importing country to verify the identity and classification of the products; acronyms, abbreviations and industry-specific terms should be avoided);
 - xi) TOSHIBA Purchase Order number (for Supplier shipments);
 - xii) TOSHIBA part number (if none, then use Supplier part number);
 - xiii) name of the TOSHIBA Procurement representative;
 - xiv) country of origin for each product;
 - xv) unit of measure from the Harmonized Tariff System (HTS);
 - xvi) quantity of product shipped;
 - xvii) invoice currency;
 - xviii) unit price of each item shipped;
 - xix) extended total price of each item (i.e. unit price x quantity);
 - xx) total value of all goods (i.e. sum of all line item total prices);
 - xxi) any additional charges associated with the shipment, such as assists, international freight, special handling, or extended warranty (charges must be listed on your Purchase Order for payment to be made); and
 - xxii) invoice total of all items and additional charges, identified as “total invoice amount payable” or similar language.

2.3 Packing List Requirements

- a) A packing list must accompany all cross-border shipments delivered to a TOSHIBA location and must exactly match the details of the commercial invoice (See: 2.2 Commercial Invoice Requirements).
- b) A copy of the packing list must be placed in an envelope attached to each separate case (or one per pallet, if palletized). If the packing list is sealed inside the case, then the outside of the package should be marked, “Packing List Enclosed.”

- c) The packing list must include the following minimum information:
 - i) TOSHIBA purchase order number (if applicable);
 - ii) item identifiers (part number, machine model and/or serial number);
 - iii) quantity of each item;
 - iv) country of origin of each item; and
 - v) case number (unique number assigned to the transport unit).

2.4 Transport Document Requirements

- a) A transport document must accompany each shipment. The transport document is an air, ocean, truck or rail waybill or bill of lading.
- b) At least one original and three copies of the transport document are required.
- c) The information on the transport document must be consistent with all other documentation (e.g. commercial invoice and packing list).
- d) The following information must be included on the transport document:
 - i) shipper information (name, address and account number);
 - ii) consignee name and address (must be consistent with the destination “ship to” address on the commercial invoice, purchase order and shipping labels);
 - iii) commercial invoice numbers for all goods in the shipment;
 - iv) goods value (declared value for insurance should be NVD (“No Value Declared));
 - v) number of pieces (e.g. cases or pallets) with number of packages noted (e.g. “1 pallet STC 14 cartons”);
 - vi) references numbers (cases, pallet numbers or other identifying information);
 - vii) weights and dimensions (metric unless specifically agreed otherwise);
 - viii) description of the goods (consistent with commercial invoice);
 - ix) requested service level; and
 - x) special shipping instructions, if applicable.

2.5 Importer Security Filing and Other Documentation

- a) Suppliers must assist TOSHIBA with any legal obligations and all reasonable optional documentation for cross-border shipments. Certain documents may be required for specific goods or destinations, and specific formats may be required for certain documents. Examples of other documentation include, but are not limited to:
 - i) certificate of origin (See: 3.3 Country of Origin Markings);
 - ii) certificate of conformity;
 - iii) wood packaging certification;
 - iv) consular legalization;
 - v) data required for EU Intrastat movement of goods reporting; and
 - vi) data required for other required reports.
- b) An Importer Security Filing (ISF) or other similar document may be required for each shipment, depending on destination. The ISF document is used to provide required data to the destination government before the shipment arrives so that the destination officials can assess high-risk shipments prior to arrival. Failure to provide an ISF to the freight forwarder (or appropriate carrier) at the time of booking the shipment could result in government fines or penalties for the importer, which will be charged back to the Supplier.
- c) Examples of information required for documentation or reporting are: indication of goods and services; country of origin of individual items; manufacturer name and address of individual items; shipping country of each item; accurate and complete description of the goods; total weight of each item shipped; value of goods shipped at no charge; and other statistical information.
- d) Your TOSHIBA Procurement representative can advise specific details of any required information and format in which it should be provided.

2.6 Billing Invoice Requirements

- a) Document reconciliation is critically important. Payment of the billing invoice could be held until reconciliation with the commercial invoice is complete.
- b) The billing invoice value must exactly match the commercial invoice value.
- c) The billing invoice number must either match or reference the commercial invoice number so that TOSHIBA can reconcile payment to the commercial invoice value. If any correction is issued after the shipment departed, a copy of the commercial invoice with correction must be forwarded to TGCSGLTC@uk.ibm.com with “VALUE CORRECTION” in the subject line.
- d) All other information included on the billing invoice must be the same as information included on the commercial invoice.
- e) The billing invoice should also include, at minimum:
 - i) the TOSHIBA Procurement representative name;
 - ii) TOSHIBA Purchase Order number; and
 - iii) an appropriate, conspicuous remark explaining any international invoice which will not match to an import declaration, for example “No import – goods shipped domestically” or “No import – service invoice only.”

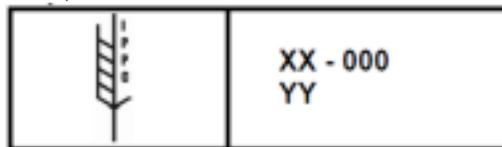
3.0 PACKAGING AND LABELING

Suppliers must package and label all cross-border shipments with appropriate packaging and labeling for the particular goods and destination.

3.1 Packaging

- a) All shipments to TOSHIBA must be packed so that the contents arrive safely and intact at the destination.
 - i) Packaging must be reasonably strong enough to withstand rough handling, weather conditions, tampering and pilferage encountered during transportation.
 - ii) Dangerous goods (i.e. hazmat or restricted articles) must use U.N. Performance Oriented Packaging (UN POP).
- b) All shipments with packaging components made of non-manufactured or solid wood packaging (e.g. pallets, crates, bracing, dunnage) must meet the minimum requirements of the International Standard for Phytosanitary Measures Publication 15 (“ISPM-15” dated 2009) or other current regulations typically adopted and harmonized for cross-border shipments.
 - i) All non-manufactured or solid wood packing materials must be debarked, treated and marked according to ISPM-15 standards.
 - ii) All packing materials treated to ISPM-15 standards must be marked on at least two sides with the International Plant Protection Convention (IPPC) logo and treatment initials.

Example IPPC mark:



- iii) Manufactured wood (e.g. plywood, presswood, composite) that is not subject to restrictions must be marked to distinguish from restricted type wood. There is no official mark for manufactured wood.
- c) Some countries may have other packaging restrictions, and the supplier is responsible for knowing packaging requirements. TOSHIBA Suppliers and partners must know and comply with local packaging regulations. Some examples:
 - i) EU does not accept products or packaging containing Dimethyl Fumarate (DMF).

(DMF is a skin irritant present in some types of desiccants.)

- ii) Ports in India require bolt seals on shipping containers.

3.2 Labeling

- a) All shipments to TOSHIBA must be labeled so that the contents will arrive to the correct destination and so customs or other necessary parties can identify the packages.
- b) All labels must exactly match all other shipping documents (e.g. commercial invoice, packing list, transport document).
 - i) Each package should be labeled with a unique number if the consignment contains more than one shipping unit.
 - ii) Each package should be marked with: contents, quantity, consignee name and address, country of origin, net weight, gross weight marks, numbers and any other details relevant to the specific contents.
 - iii) Dangerous goods (i.e. hazmat or restricted articles) must be labeled according to the appropriate regulations (usually IATA Dangerous Goods Regulations (DGR) or IMDG Code).
 - iv) Labels must also conform to any specific labeling requirements for certain goods.
 - v) Labels must never include false or misleading claims about the contents, including no false or misleading country of origin information, intellectual property claims (e.g. no counterfeit goods will be accepted).
 - vi) Labels must be in a language appropriate to the importing country.

3.3 Country of Origin Markings

- a) Country of origin must be marked on all products in a conspicuous, legible, indelible and permanent manner.
 - i) Country of origin marking must be easily seen with normal handling of the article or container.
 - ii) Country of origin marking must be easily ready by a person with normal eyesight.
 - iii) Country of origin marking must resist fading and be able to survive normal handling and distribution to the greatest degree possible as the nature of the article and container will permit.
 - iv) Country of origin markings must not be abbreviated without specific approval from TGCS prior to shipment.
- b) Country of origin markings should conform to the country of origin regulations of the country of import.
- c) Many countries participate in trade agreements with other countries. The country of origin determines for which trade agreement the goods could qualify, and the certificate of origin must accompany the goods in order to receive preferential treatment under the trade agreement. Suppliers must assist TOSHIBA with any reasonable documentation, which may include specific formats for certificates of origin (e.g. NAFTA or CBSA Form A).

4.0 COUNTRY-SPECIFIC REQUIREMENTS

Instructions for Cross-Border Shipments are default minimum requirements for packaging, marking and labeling for all cross-border shipments (i.e. exports). TOSHIBA requires additional country-specific documentation, marking or labeling for some countries. You should contact your TOSHIBA Procurement representative if any instructions appear to conflict with any law, regulation or other contractual responsibility. You must receive authorization to deviate from any Instructions for Cross-Border Shipments before shipment. Requirements vary depending on the particular goods, circumstances origin and destination, and we encourage you to contact your TOSHIBA Procurement representative to resolve any questions before shipping any goods.

Several countries have strict documentation and certification requirements for importing used or refurbished machines or other materials. Used or refurbished goods must never be shipped without prior approval from

TOSHIBA Procurement.

4.1 Brazil

- a) Minimum two (2) original invoices signed in blue ink.
- b) All invoices must include the name of an employee of the Supplier who is responsible for the shipment. A responsible employee has information or can get information about the shipment.
- c) For cross-border shipments originating in Brazil, the freight forwarder (Panalpina) must provide a Proof of Delivery (POD) receipt, stating at minimum the quantity of pallets delivered to its warehouse or received at the at the Supplier's facility.
- d) For shipments to Brazil originating in the U.S., a pre-advise of the shipment must be sent to Panalpina and Geodis to ensure that freight is pre-booked on the next available flight. Freight routing and contact information are on the Shipping Transportation Guidelines available through the Supplier Portal.

4.2 Canada

- a) All documents must be e-mailed [itsteamibm@ups.com and ggsres@ca.ibm.com] or faxed [905.677.4643] to the broker, UPS-SCS, the day the shipment leaves your company.
- b) If your standard commercial invoice does not provide all Canada Customs Invoice requirements, the Canada Customs Invoice (CCI) must be used. The document is available through the Canada Border Services Agency (CBSA) website [<http://cbsa-asfc.gc.ca>].

4.3 China

- a) To avoid customs clearance delays or confiscation, shipments from Taiwan should not have "Republic of China" or "ROC" included on the invoice.
- b) For any part being imported to China for the first time, the following information must be provided: net unit weight, gross unit weight, English and Chinese part description, part specification sheet and drawing, and the Export Control Classification Number (ECCN).
- c) Suppliers must provide the China Compulsory Product Certification (CCC) for their products, if required.
- d) Suppliers must provide Battery Registration Certificate (BRC) when arranging battery product shipment (i.e. before shipment).

4.4 Japan

- a) TOSHIBA Procurement must provide a Supplier Code which must be referenced on the commercial invoice and billing invoice to ensure timely payment.

4.5 Korea

- a) Suppliers must provide the Korea RRA "KC mark," if applicable.

4.6 Mexico

- a) Goods delivered under the DDP (Delivered Duty Paid) Incoterm should be marked as such when the Supplier is the importer of record into Mexico. The billing invoice must include a statement indicating that the Supplier was responsible for Customs clearance into Mexico.
- b) For cross-border shipments originating in or delivered to Mexico, the freight forwarder must provide a Proof of Delivery (POD) receipt, stating at minimum the quantity of pallets delivered to its warehouse or received at the at the Supplier's facility.

5.0 SHIPPING TRANSPORTATION GUIDELINES

Suppliers must comply with the TOSHIBA Shipping Transportation Guidelines provided on the Supplier Portal for all shipments of goods under Incoterms which require TOSHIBA to pay freight costs. Likewise, Suppliers must use the TOSHIBA nominated broker for any shipment of goods under Incoterms which require TOSHIBA to be the importer

of record (principal party in interest) in the country of import.

6.0 SUPPLY CHAIN SECURITY

Suppliers must be knowledgeable with applicable supply chain security recommendations issued by governments and industry standards organizations. You must make your best efforts to comply with such recommendations. TOSHIBA has provided Supply Chain Security Guidelines as a reference document to assist you, and the document is available on the Supplier Portal. Supply Chain Security Guidelines is a summary of regulations and guidelines published by a variety of sources, but it does not control your security activities. Each Supplier must determine which supply chain security procedures are appropriate according to the nature of the goods, locations and other circumstances.