

Howmet Policy is in compliance with the laws and regulations governing imports into Mexico. Howmet has developed a Shipping Guide to help understand the basic requirements that must be followed and applicable to all Howmet Mexico shipments from international suppliers. The accuracy and completeness of information are imperative to meet the reasonable care guideline and legal obligations for importing into Mexico.

Failure to comply with these requirements could result in unexpected delays, unnecessary costs, potential fines/penalties, inspection, seizure of inbound shipments for non-regulatory compliance and loss of business continuity.

I. - EXPORTING TO MEXICO

Purchase Order

All International Suppliers will receive a written e-mail containing a purchase order document when products are ordered. Please, carefully review the purchase order. If there is any discrepancy, contact immediately the Howmet Procurement Area.

Purchase Order must specify information as: product description, Howmet's part number, quantity, unit of measure, HTS code, value, total cost, buyer, consignee, seller, shipper, logistics shipping instruction, dates of shipping, method of shipment, international terms conditions and other specifications.

Entry Documents

All international suppliers are responsible for providing to Howmet the necessary documents for import clearance into Mexico, including:

- Commercial Invoice. Please review the [ANNEX I, declared on HMH Letter Commercial Invoice Requirements.](#)
- Buyers Purchase Order. Number provided with our Howmet purchase order.
- Packing List. Document that details the contents of a shipment including name, shipping destination, date of shipment, purchase order number, Howmet part number, description of goods, quantity, type and number of packaging, country of origin, gross and net weight.
- Waybill/BOL. Airway bill or Bill of Lading are negotiable instruments that allow the carrier to transport a merchandise shipment from a shipper to a consignee. Ensure the document contain a cross number reference related to each invoice and/or purchase order.
- Certificate of Origin (COO). Document attesting that goods have been produced, manufactured or processed in a country. The origin must be stated within the corresponding Free Trade Agreement Certificate of Origin, document that certifies goods that qualify for the preferential tariff treatment accorded by specific rule of origin."
- Additional Documents. Howmet could request extra documents based on licenses, permits or customs requirements as technical information (TECH SPECS), milling certificates, etc. The supplier should have the information readily upon request.
- Wood packing material is defined as wood or wood products (excluding paper products, such as corrugated paper cartons) used in supporting, protecting or carrying a commodity (includes tonnage). Wooden packing materials include: Pallets, crates,

boxes, packing blocks, drums, cases, skids and pieces of wood used to support or brace cargo.

Regulations and standards as NOMS are applicable to wood packaging in Mexico, Canada and US.

Your wooden pallets or wood packaging must comply with the International Standards for *Phytosanitary Measures of the Food and Agriculture Organization of the United Nations (FAO)* and *IPPC* (International Plant Protection Convention) standards. For more information, please visit www.aphis.usda.gov/ppq/swp/industry (USA), or www.semarnat.gob.mx (MEX).

Marking/Labeling Requirements

The purpose is to acquaint by manufacturers and exporters in other nations with the country of origin marking requirements for goods imported into Mexico.

Goods and containers must be conspicuously marked as legibly, indelibly, and permanently as possible with the names of the articles' countries of Origin in Spanish (or in French or English for goods).

Country of Origin identification must be consistent with other records (e.g., labels, certificates of origin, correspondence with supplier, invoices, BOL).

Goods or container must indicate the country of origin or declare with the words "Made in _____ [insert country of origin]"

Requirements for Marking Imported Products Under USMCA

- A. Mexico's marking laws and standards require to be clearly marked with country of origin at the time of entry. The goods must be marked depending upon whether the item is imported from a USMCA or non-USMCA country.
- B. All merchandise subject to marking requirements must clearly indicate the country of origin, the full name of the country of origin is preferred; however, abbreviations that still convey the country of origin to the ultimate purchaser may be used where space limitations exist. Any marking provided must be legible, sufficiently permanent and capable of being easily seen. For products imported from USMCA countries that require marking, the usual container may be marked in lieu of the product itself if the merchandise will reach the ultimate purchaser in that condition.
- C. There are exceptions to the marking requirements for some imported items. Certain types of goods, or goods imported under specific conditions may be exempt from the requirement for country of origin marking:
 1. Goods, for purposes of temporary duty-free admission, that are in transit or in bond or otherwise under customs administration control
 2. Goods that are incapable of being marked
 3. Goods that cannot be marked prior to exportation without causing injury to those goods
 4. Goods that cannot be marked except at a cost that is substantial in relation to their customs value so as to discourage their exportation
 5. Goods that cannot be marked without materially impairing their function or substantially detracting from their appearance

6. Goods that are in a container marked in a manner that will reasonably indicate the goods' origin to the ultimate purchaser
7. Goods that are crude substances
8. Goods that are to undergo production in Mexico by the importer, or on that importer's behalf, in a manner that would result in the goods becoming goods of which the country of origin is Mexico
9. Goods in respect of which, by reason of their character or circumstances of their importation, the ultimate purchaser would reasonably know their country of origin even though these goods are not marked with country of origin
10. Goods that are imported without the required marking and cannot be marked after their importation except at a cost that would be substantial in relation to their customs value, provided that the failure to mark those goods before importation was not for avoiding compliance with the requirement
11. Goods in respect of which there is no ultimate purchaser

Marking Considerations for Foreign Origin Products

- A. Marking issues will need to be considered when sourcing products from a foreign country.
- B. Before shipping a product to be imported, you will be asked the following questions:
 1. Consider whether there might be any problem with plainly and permanently marking the item with country of origin. For example, is the item too small to mark?
 2. If there might be a problem with marking a new item, consider whether the item might fall under an exception to the marking requirements.
 3. Procurement area and Trade Compliance Department will review and approve reliance on a marking exception for a new item.
 4. If a marking exception applies, and the item has never been imported by the Company before, or a new port will be used for items previously imported, Procurement area and Trade Compliance Department should be consulted to determine whether any pre-importation approval will be needed.
 5. If the merchandise is being imported from Canada or the United States, verify the applicable USMCA marking regulation requirements with the Liaison.
- C. During the Negotiation stage:

Procurement area is going to determine terms and conditions in addition to review if marking exemption applies, requesting the product origin marking on Invoice/Statement/COO, notifying foreign vendor of Country's import marking requirements and communicating import marking violations to vendor and possible future request regarding the method for determining origin of items by the vendor for audit purposes.

 1. Howmet contact is going to request a confirmation on what country the item was manufactured. If the item will undergo manufacturing operations in more than one country, contact Procurement area and Trade Compliance Department to review the item's country of origin for Customs purposes. It is

not sufficient to mark the product as originating from the last point of manufacture. An assessment must be undertaken to determine the proper country of origin.

2. It is important to consider and have a clear understanding:
 - a. The foreign item and all its containers must comply with all applicable Customs marking requirements, the invoice accompanying also must identify the product's country of origin.
 - b. Any shipment that does not comply with Customs marking requirements will be considered non-conforming and will be rejected and returned to the supplier.
3. You will be asked how the product and container(s) will be marked to make sure the proposed methods comply with the requirements of Mexican law, as described above. If there is any question about the marking requirements for the item, contact Procurement area and Trade Compliance Department for clarification.

D. When receiving the purchase order, the following declaration will be included:

"Every item and its containers must be marked with the item's country of origin in accordance with Mexican law. All invoices must show each item's country of origin. If a marking exception applies, a copy of Customs approval of the requested marking exception must accompany each shipment. If any item or its container is received without a required country of origin marking, that item will be considered non-conforming and may be returned to supplier at supplier's expense".

If we, at Howmet for some reason happen to receive non-conforming material, you will receive a letter

containing the following provision:

"By shipping foreign-origin merchandise to Howmet without required country of origin markings, you have violated the terms of our sales contract and placed Howmet in the position of having entered unmarked merchandise into Mexico. This non-conforming merchandise is being rejected and must be promptly replaced with properly marked merchandise. Unless we receive other instructions from you within 10 business days, we will return this non-conforming merchandise to you at your expense".

When order confirmations are received of foreign products, we will verify that you confirm the marking specifications stated in the Company's purchase order. If marking specifications are not shown on the order confirmation, we will need to get written acknowledgment from you that marking specifications will be met.

Note: If an article is excepted from marking, all containers in which it is imported and resold must be marked with the article's country of origin.

Certificate of Origin

Most free trade agreements can be supported by a certification attesting to the imported product's originating status. This attestation is called a Certification of Origin. Howmet could request support of Vendor's method for determining origin of items for import and audit purposes.

USMCA Certificate must be provided in original and properly signed to Howmet Procurement area and Trade Compliance Department, it may be issued on a shipment-by-shipment or "blanket" basis. Blanket USMCA COO may cover a period of up to one calendar year. When



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possible, for purposes of administrative convenience, blanket USMCA COO should be generated at the beginning of each year by the International Supplier.

II. - SHIPPING INSTRUCTIONS

It is required to communicate the carrier name, waybill or tracking number to WMXLogistica@howmet.com.

Carrier Waybill/BOL: Airway bill or Bill of Landing are negotiable instruments that allow the carrier to transport a merchandise shipment from a shipper to a consignee.

	To Internacional Airport Mariano Escobedo, Apodaca, N.L.	To Laredo, Texas
Company:	Howmet Wheel Systems México, S. de R.L. de C.V. c/o Agente Aduanal Jamco International Inc.	Howmet Wheel Systems México, S. de R.L. de C.V. c/o Agente Aduanal Jamco International, Inc.
Address:	Aeropuerto Internacional Mariano Escobedo, Apodaca Nuevo León 66600 México	Warehouse 2 Jamco International, Inc. 8405 Milo Road Embarcadero Commerce Center Laredo, Texas 78045
Jamco Contact	Gaby Martínez Mex Ops. Brokerage Supervisor Telephone: 956 717 3322	
Howmet Contact	Logistics Department: WMXLogistica@howmet.com Procurement Department: WMXPurchasing@howmet.com	

Air Shipments and LTL (Less than Truck Load) Shipments

Origin Region	0 - 50 Lb	50 - 500 lb	500 - 1000 lb
USA & Canada	Contact Howmet Logistics Department to schedule a pick up. WMXLogistica@howmet.com	Please refer to LTL and contact Howmet Logistics Department to schedule a pick up. WMXLogistica@howmet.com	Please refer to LTL and contact Howmet Logistics Department to schedule a pick up. WMXLogistica@howmet.com
Asia & Europe	Contact Howmet Logistics Department to schedule a pick up. WMXLogistica@howmet.com		

Air shipments over 250 Lb. shipped directly to the Monterrey Airport are allowed only if the Howmet request is received by e mail.

Shipment documents must be provided to Howmet Procurement Department WMXPurchasing@howmet.com based on follow instructions:

Ocean Shipments	Land Shipments	Air Shipments
Within 5 days of shipping	Send documents the same shipping day	Send documents the same shipping day



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Fixed Assets shipments

Howmet Procurement area and Trade Compliance Department will request picture and information of Fixed Asset to import as: Description, brand, model serial, country of origin, HTS code, value, weight and dimensions, unit of measurement and quantity. This information must be provided before ship.

Recommendations

- Do not separate the machine in more than one truck
- Do not ship containers with oil and or lubricant, even if it is part of the engine container needs to be empty.
- Do not ship bulk wood without wood packing requirements
- Do not ship fabrics are not part of machinery
- Do not ship tools, hardware that are not part of the whole item.
- Do not ship raw materials with machinery
- Do not ship spare parts with machinery that are not accessories of the whole machine required for its operation
- Do not ship discrepancies of physical machinery vs customs and logistics documents

HOWMET DIRECTORY

PROCUREMENT	WMXPurchasing@howmet.com
LOGISTICS	WMXLogistica@howmet.com
TRADE COMPLIANCE	mxtradecompliance@howmet.com

INCOTERMS

International Commerce Terms and conditions that identify the trade contract responsibilities and liabilities between buyer and seller. Define the transportation obligations, costs and risks.

Based on terms and conditions agreed between supplier and Howmet, If the FCA incoterm is applicable to the shipment, supplier must contact Howmet Logistics Department to schedule a pick up. WMXLogistica@howmet.com

INCOTERMS® 2020

RULES FOR ANY MODE(S) OF TRANSPORT			TERMS											
			Seller Location	Export Formalities	Freight/Carriage Not Unloaded	Delivery of Named Place Port/Terminal	Loading Alongside Vessel	Onboard Ship/Aircraft	Main Carriage	Discharge at Port of Destination	Delivery of Named Place Port/Terminal	Onward Carriage Not Unloaded	Import Formalities & Duties	Buyer Location Unloaded
EXW	Ex Works	Cost	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FCA	Free Carrier	Cost	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FAS	Free Alongside Ship	Cost	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FOB	Free on board	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CFR	Cost & Freight	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
CIF	Cost Insurance & Freight	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer
CPT	Carriage Paid To	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
DPU	Delivered at Place Unloaded	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer
DAP	Delivered at Place	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer
DDP	Delivered Duty Paid	Cost	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer
		Risk	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer