



HP Trade and Logistics Compliance and Operational Requirements

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Abstract	This document states HP's standard trade compliance and operational requirements ("Requirements"). They apply in all cases by default and can only be modified by a Business Agreement (BA), Addendum, Exhibit, Attachment, or other similar written agreement, and only with prior approval from HP Trade and Logistics.
Applicability	These requirements have been developed by the HP Global Trade and Logistics organizations. Supplier is solely responsible for developing and implementing procedures to comply with these requirements.
Status	Approved

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Introduction

This document contains standard HP Trade compliance and operational requirements that apply in all relevant cases unless otherwise agreed by HP in writing. It can only be modified by a Business Agreement (BA), Addendum, Exhibit, or Attachment, or another written agreement, and with prior approval from HP Trade and Logistics. It includes requirements for the following topics:

- General trade matters, including authorization, terms of sale, records, and incidents
- Classification
- Export
- Customs
- Export and import documentation
- General shipping
- Anti-terrorism security measures Appendix A lists defined terms.

1. Trade Compliance

These Requirements establish HP's minimum trade compliance expectations for Supplier locations. Each Supplier and Supplier shipping location is responsible for its own compliance with these Requirements and with all applicable U.S. and other national export, import, customs, and trade-related laws and regulations, and for implementing procedures to comply with the same.

2. Authorizations and Permits

Supplier is responsible for export, import, or both must also obtain all authorizations and permits required by law or regulation in order to ship products, unless otherwise agreed with HP.

3. Terms of Sale and Passage of Title

Supplier is responsible to implement Incoterms 2010 sales terms as agreed with HP, which may include, but are not limited to, the following:

- Warehouse labor at point of origin
- Export packing
- Loading at point of origin
- Inland freight to origin port
- Port receiving
- Loading on vessel
- International freight/transport
- Customs clearance at destination port
- Delivery to final destination

If the term of sale is DDP, Supplier MUST have a legal presence in the destination country, must be registered to make and manage imports into the destination country, and must conduct the importation into the destination country.



When merchandise is part of a Supplier-managed inventory program, title and risk of loss and damage to each unit passes from the Supplier to HP when HP (or its agent) pulls product from the Supplier's inventory. In all other cases, title and risk of loss and damage passes from Supplier to HP upon delivery as defined by the applicable Incoterm stated in the sales contract signed by both parties.

4. Records

Supplier site must maintain a system for retention, retrieval, and reproduction of original shipping, export, customs, import, and other trade-related documentation ("Trade Control Records") pertaining to the international transport of HP products. That system must preserve records as designated by law . It must also comply with legal requirements in the U.S. and other nations including, but not limited to, requirements in Parts 762 and 772, U.S. Department of Commerce Export Administration Regulations and U.S. Customs Record-Keeping Regulations, 19 C.F.R. 163.

Within ten (10) days of receiving HP's written request, or such other shorter period as required by government order or subpoena, Supplier must collect, reproduce, and provide to HP (at Supplier's expense) originals or satisfactory copies of all Trade Control Records HP designates. Supplier must not destroy or render inaccessible any Trade Control Records relating to HP transactions without HP's advance written consent.

5. Trade Incidents

Unless legally prohibited, Supplier must notify HP immediately of any action by any government's customs or export authorities related to goods or services. The Supplier must provide to HP, including but not limited to cargo detentions, cargo seizures, subpoenas, record production requests, and search warrants. Supplier must also notify HP immediately if it thinks a violation may have occurred involving HP products, regardless of whether any government has taken action.

Supplier must give HP and its agents reasonable access to Supplier's premises for trade compliance audit purposes, consistent with supplier's security and visitor access policies. Supplier must fully cooperate with HP in all such audits, respond in a timely manner to HP's requests for Trade Control Records, and comply with all corrective actions HP may specify.

Supplier must comply with all regulations of any government applicable to the manufacture, import, export, and re-export of military-related goods, technology, and services. In the U.S., these include but are not limited to the Arms Export Control Act (AECA) and International Traffic in Arms Regulations (ITAR) administered by the U.S. Department of State's Office of Defense Trade Controls (DTC).

6. Classification Requirements

Item	Description
Export Control Commodity Numbers (ECCN)	Supplier shall obtain and provide to HP all ECCN for all products for which it has export responsibilities.
Classification of HP products	HP will provide Supplier with Harmonized Tariff Schedule (HTS) numbers for of products of HP's design, technology, software, or which are manufactured to HP specifications. Supplier must not export, re-export, or otherwise disclose in any way technical data or any information derived from such technical data received from HP without HP's prior written consent.



Classification of Supplier products	Supplier will provide HP with either the ECCN classification or with sufficient information to determine an ECCN classification for products of Supplier's design, technology, software, or manufactured to Supplier's specification. Supplier must provide the information on the HP-provided Supplier Declaration form, available from the HP Global Trade Classification Manager. Supplier must support HP by providing any other information requirement, as required by the export license determination authority, if applicable.
Classification of other products	When HP is the importer, it will classify products produced by non-HP entities. Supplier will share information necessary to ensure HP classifications match Supplier import classification declarations if required by HP to import such products.

7. Export Requirements

7.1 Right to Export Assurance

By transacting with HP, Supplier will be deemed to have represented and warranted that no government department or agency has denied or abridged Supplier's export privileges. Supplier shall notify HP immediately if their export privileges are questioned, suspended, restricted or denied

7.2 Transaction and Third-party Screening

HP Supplier is fully responsible to screen and monitor their transactions and their subcontractors, component suppliers, vendors, and all other third parties with whom they work when dealing with HP in order to ensure continuing compliance with HP policy provisions. Supplier must exercise commercially reasonable care and due diligence to ensure such third parties are not knowingly:

- A. Identified as, or engaged in, prohibited nuclear, missile, chemical, or biological weapons of mass destruction end users or end uses, respectively (U.S. Export Administration Regulations, Part 744, <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>)
- B. Associated with circumstances or engaged in activities such as to suggest a "red flag" risk of illegal diversion (U.S. Export Administration Regulations, Part 732, Supplement 3, <https://www.bis.doc.gov/index.php/documents/regulation-docs/411-part-732-steps-for-using-the-ear/file>)
- C. Requiring the Supplier to accept prohibited boycott terms or conditions (U.S. Export Administration Regulations, Part 760, <https://www.bis.doc.gov/index.php/documents/regulation-docs/428-part-760-restrictive-trade-practices-or-boycotts/file>)
- D. Located in a restricted or embargoed country (Country Groups E1 and E2, U.S. Export Administration Regulations, Part 740, Supplement 1, <https://www.bis.doc.gov/index.php/documents/regulation-docs/2255-supplement-no-1-to-part-740-country-groups-1/file>)
- E. Qualified or designated as any of the following:
 1. On the Denied Persons List, Entity List, or Unverified List (Bureau of Industry and Security, U.S. Department of Commerce):



- Denied Persons List (U.S. Export Administration Regulations, Part 736.b.4, <http://www.bis.doc.gov/index.php/component/content/article/12-policyguidance/list-parties-of-concern/321-the-denied-persons-list-standard-order>)
 - Entity List (U.S. Export Administration Regulations, Part 744, Supplement No. 4, <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>)
 - Unverified List (Bureau of Industry and Security, U.S. Department of Commerce) (U.S. Export Administration Regulations, Part 744 Supplement 6, <https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/unverified-list>)
2. Specially Designated Nationals and Blocked Parties List (Office of Foreign Assets Control, U.S. Department of Treasury) (U.S. Export Administration Regulations, Part 764, Supplement No. 3, <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>)
 3. On the List of Debarred Parties; United Nations Security Council Embargoed Persons and Entities (Directorate of Defense Trade Controls, U.S. Department of State). (22 U.S. Code of Federal Regulations 126.7.a and 127.11.a, https://www.pmdotc.state.gov/ddtc_public?id=ddtc_kb_article_page&sys_id=c22d1833dbb8d300d0a370131f9619f0)
 4. Designated Foreign Terrorist Organization (Office of Coordinator for Counterterrorism, U.S. Department of State) (<https://www.state.gov/foreign-terrorist-organizations/>)
 5. Parties Engaged in Prohibited Proliferation Activities (Bureau of Nonproliferation, U.S. Department of State) (<https://www.state.gov/key-topics-bureau-of-international-security-and-nonproliferation/nonproliferation-sanctions/>)
 6. Subject to economic, financial and/or other sanctions or restrictive measures imposed by the European Union (EU), <https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions>

7.3 Technology Statement of Assurance

Supplier must not export, release, or transfer by any means or method any :

- HP restricted technology consisting of technical data and technical assistance,
- Any content in any form which is derived from such restricted technical data and technical assistance, or
- HP proprietary or licensed software or any portion thereof, or the source code for such software, to those countries or any nationals of such countries listed in country groups D:1, E:1 and E:2, as per Supplement No. 1, Part 740, U.S. Export Administration Regulations (<https://www.bis.doc.gov/index.php/documents/regulation-docs/2255-supplement-no-1-to-part-740-country-groups-1/file>), without first obtaining all required licenses, permits, or other government authorizations.



7.4 In-Transit Cargo Shipment Country Restriction

Suppliers who provide transportation services using non-HP designated or authorized freight forwarders or carriers must not route or cause to be routed, any of (HP's/Buyer's/ Purchaser's) products or cargo through a country subject to the in-transit country restrictions in Part 736.2(b)(8) of the U.S. Export Administration Regulations (<https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>), without first obtaining in advance all required U.S. government licenses, permits or authorizations for the same.

8. Customs Requirements

8.1 Country of Origin

The “country of origin” is where a product is wholly manufactured or the final location in which a “substantial transformation” of the product occurs. A product is “substantially transformed” if the end product functions in a significantly different manner than the individual components. To decide this, customs authorities usually look to whether the final assembly has a new and different “name, character, and use” as compared to the component-level parts.

Supplier must determine the appropriate country of origin (CO) for products they make or assemble and must mark the products accordingly.

Supplier must cooperate fully with HP in supplying data to facilitate HP’s origin reporting requirements and qualification for preferential origin programs such as NAFTA, IFTA, FIMF, EXIM, TAA and the like, including but not limited to all requested origin analysis, certificates of origin, manufacturer’s affidavits, data transmissions, and special reporting.

8.2 Marking and Labeling

Every article must be marked with the English name of the country of origin preceded by the HP standard nomenclature, “MADE IN” for products destined for countries in Europe, the Middle East, or Africa. For products destined for countries in Asia or the Americas, either “MADE IN” or “PRODUCT OF” is acceptable. This marking must appear in a conspicuous, legible, indelible and permanent form on the outermost packaging (for example, the pallet), on the consumer packaging (box in which the item will arrive at the ultimate consumer), and on the product itself. If the product is exempt from marking under applicable law, then its immediate container must be marked.

For the human readable portion of HP’s standard label, the CO must be indicated by the complete country name, abbreviations are unacceptable. For the barcode scan area, the CO should be represented by the two-digit ISO country code; one-digit codes (for example A = US) are NO LONGER ACCEPTABLE or supported by HP. Material with multiple COs must be segregated, separately palletized (if applicable), and separately scanned, so as to be represented on the commercial invoice as individual invoice line items with individual COs.

CO product markings or labels must ALWAYS match the markings or labels on the packaging, the CO indicated on the commercial invoice, and the shipping confirmation signal. Supplier must ensure that labels are checked for accuracy and audited against shipping documentation or data transmissions.

If goods imported into the United States contain foreign content, they cannot be marked as having U.S. origin unless the statement is qualified. If the goods are of U.S. origin but contain foreign content, the proper mark, as dictated by ECN 137169, is "Product of the US (includes foreign content)".



8.3 Valuation

When an HP subsidiary is the importer of record for a transaction with Supplier, Supplier must ensure that the transaction's documentation complies with local law and regulation and accurately reflects the actual price paid or payable, including the value of any Assists.

Any supplier responsible for generating commercial documentation on behalf of HP must ensure that all commercial documentation between HP subsidiaries complies with local law and regulation and reflects the actual price paid or payable between those HP subsidiaries, including the value of any Assists. HP will provide Supplier with relevant intercompany values.

Suppliers must reconcile their financial records against HP commercial documentation in order to validate HP's use of Transaction Value for customs declarations; no alternate valuation methods are used or approved for HP transactions. If a transaction value cannot apply, a supplier must work with HP to develop a value that complies with WTO valuation rules.

Zero-dollar values are unacceptable. Commercial invoices for items provided "free of charge" must nevertheless reflect their fair market value; the phrase "Value for Customs Purposes Only," may be used in these instances.

8.4 Preferential Trade Programs

HP Global Trade must approve in writing before Supplier files any claim under a Preferential Trade Program. Supplier must thereafter keep the product eligible for Preferential Trade Programs by choosing suitable components and manufacturing sites or else notify HP in writing when the product no longer qualifies for Preferential Trade Programs.

Supplier must enclose appropriate, accurate and compliant forms or documents in every eligible shipment to comply with any Preferential Trade Program requirements.

8.5 Duty Drawback

If HP is not the importer of record but has paid or arranged deposit of customs duties for products and Supplier later obtains duty drawback rights for those products, Supplier will on request provide HP with documents required by relevant customs authorities to prove importation and to transfer duty drawback rights to HP.

8.6 Certifications of Supplier Products

Supplier will provide HP before first import with the correct certification numbers or information for products of the Supplier's design, technology, software, or which manufactured to the Supplier's specification, and with sufficient technical information to satisfy all regulations administered or enforced by Customs authorities (e.g. FCC, FDA, TSCA, Ministry of Finance, Dept. of Trade & Industry, etc.).

8.7 Antidumping and Countervailing Duties

Governments throughout the world employ Antidumping duties and Countervailing duties (ADD/CVD) to protect their domestic industries against unfair or market-distorting private and public Trade practices (such as dumping and subsidies) in producer countries. Such supplemental duties are in addition to the standard duties and taxes applied to similar merchandise and are typically collected by Customs Authorities at the time of importation.

Supplier is required to inform HP when any goods are potentially covered under an Antidumping or Countervailing duty order.



9 Export or Import Documentation Requirements

Supplier must comply with the following international documentation requirements when shipping to or on behalf of HP in order to mitigate the risk of export or import clearance delays to HP's supply chain. Supplier must also be able to produce and support any additional documentation needed for other export, import, transportation, or customer requirements. Specific requirements may vary based on shipping origin, shipping destination, transportation lane, delivery tracking, and customer.

9.1 General Requirements

9.1.1. When HP is exporter or importer of record, Supplier must provide all relevant documents and information in form designated by HP and within legal/regulatory timelines to complete HP records/customs systems and ensure accurate reporting to government authorities.

9.1.2. Supplier must produce accurate and complete shipping documentation for every shipment. All text must be in English and all amounts must be stated in U.S. dollars.

9.1.3. Supplier must be able to reproduce shipping documents on demand for at least sixty (60) days after shipment. It must have internal audit procedures in place to verify or correct all outbound documentation.

9.1.4. On HP's request, Supplier must be able to create a second commercial invoice that shows the sale between the HP party purchasing materials from Supplier to the HP entity doing the importation into the destination country or to the ultimate customer. HP will supply the values to be used.

Suppliers must provide Certificates of Origin to facilitate letters of credit, importation, or participation in preferential duty rate programs. 9.1.6. Supplier must also provide line-level itemization on all customs invoices for CPU, mouse and keyboard for desktop computers and software for all items shipped with uninstalled software. Software country of origin is the location where programming or recording is installed on the media. Software value is to be indicated according to the media type (such as unrecorded CD, diskette, or tape) value only.

10. Shipping documentation Requirements

Required shipping documents are as listed in Table 1 below.

Table 1: Matrix of shipping documentation requirements					
Document elements	Required on:				
	Commercial Invoice	Packing List	Shipping Labels	HAWB*	Pre-arrival notification**
Ship from	Yes	Yes	Yes	Yes	Yes
Bill from	Yes	No	No	NO	No
Ship to	Yes	Yes	Yes	Yes	Yes
Bill to	Yes	No	No	No	Yes
Import Classification	Yes	No	No	No	Yes
ECCN (Export Control Classification Number)	Yes	No	No	No	Optional
Country of origin	Yes	Optional	Yes	Optional	Yes



Serial Number	Yes	Optional	Yes	No	Optional
Unit Value	Yes	No	No	No	Yes
Extended value	Yes	No	No	No	Yes
Description	Yes	Yes	Yes	Yes	Yes
Quantity	Yes	Yes	Yes	Yes	Yes
Part Number	Yes	Yes	Yes	Optional	Yes
Invoice Date	Yes	No	No	Yes	Yes
Invoice Number	Yes	No	No	No	Yes
Assist	Yes	No	No	No	Yes
Purchase Order Number	Yes	Yes	Yes	Optional	Yes
Destination Control Statement	Yes	No	No	Yes	No
Ship date	Yes	Yes	Yes	Yes	Yes
Shipment's Originator	Optional	No	No	No	Yes
***Delivery Term	Yes	No	No	Yes	Yes
Weights/ box numbers	Yes ****	Yes ***	Yes	Yes	Yes
Carrier Name	Yes	Yes	No	Yes	Optional
Bill of Lading/AWB Number	Yes	Yes	No	Yes	Yes

* HAWB or similar document

** A pre-alert notification is discretionary.

*** Delivery Term or International Commercial Terms (Inco terms) should be as per the recommended International Chamber of Commerce (ICC) format, i.e:

**** Total GW and NW of shipment and # of cartons

Incoterm abbreviation (e.g. DDP, FCA) + Named Location + Incoterms 2010

For example: FCA, Denver Airport, Incoterms 2010

Table 2: Alternative forms of customs invoices	
Commercial Invoice	Also known as the shipping invoice. Identifies seller and buyer, invoice number, date, shipping date, mode of transport, delivery and payment terms, and contains a complete listing and description of goods or services including prices, discounts, and quantities.
Pro forma Invoice	Used when the information necessary to create a commercial invoice is not available at the time of shipment. Pro Forma Invoices are used when the formal bill for the goods will be transmitted at a later date.
No charge Invoice	An invoice type used when there is no financial transaction between the shipper and consignee.



Packing List	Lists the contents of a shipment. Required for customs purposes in the country of destination. The exporter and importer use the packing list as a content checklist.
Shipping or Packaging labels	Labels that are used to identify the product, its country of origin, and other elements not required by Customs to facilitate the shipping and receiving process.
Bill of Lading or HAWB	A document issued by carriers to a shipper, both as receipt of merchandise and a contract to deliver. There are several types of Bills of Lading depending on the mode of transportation. Such documents are required for Customs clearance at destination.

Table 3 describes shipping document elements in their typical sequence.

Table 3: Shipping document elements	
Shipping document element	Description
Ship to	Name and Address to which goods are being shipped.
Bill to	Name and Address to which billing information will be sent.
Ship from	Name and Address from which goods are being shipped.
Bill from	Name and Address from which billing information will be sent.
Import Classification (Harmonized Tariff Schedule [HTS])	Each tangible item that will be shipped internationally (hardware, software, components, and parts) must be assigned a harmonized tariff schedule (HTS) classification prior to shipment. The export invoice must report the HTS of the importing Country.
ECCN (Export Control Classification Number)	Must be assigned to each commodity. It consists of a five-character number that identifies categories, product groups, strategic level of control, and country groups.
Country of Origin (CO)	Used for customs purposes to determine tariff, import controls, and information to potential buyers on product origin.
Serial Number	<p>A unique number used to identify products and confirm Country of Origin. Also used by Customs to ensure the temporary or re-export unit is the same as previously received and has not been replaced by another unit.</p> <ul style="list-style-type: none"> o Mandatory when dealing with a temporary importation or re-exportation of products (e.g. for demonstration, repair, etc.). o The format for HP serial numbers is US12345678. <p>The first 2 letters are the ISO-abbreviation for the country of manufacture and the last 8 numbers are a division-unique identifier.</p>
Unit Price	Actual dollar value to be paid to Supplier for one unit of a particular part or product number.



Extended Price	Sum of the quantity field multiplied by the unit price.
Total Value	Sum of extended values for all line items.
Description	<p>The following standard format must be used:</p> <ul style="list-style-type: none"> o Product: a noun followed by adjectives or modifiers: <ul style="list-style-type: none"> ▪ Noun: generic name of the article (Example: Printer, LaserJet) ▪ Adjectives or modifiers: technical parameter of the item (Printer, LaserJet, 20 ppm)
Quantity	Number of units of the particular part or product shipped.
Assist	Any item provided directly or indirectly, free of charge, or at a reduced cost, for use in the production or sale of merchandise for export (for example, materials, parts, tools, dies, molds). Assists are computed as part of the transaction value upon which duty is charged, when the duty rate is a percentage of the value of the merchandise. The Assist must be declared, regardless of whether the imported goods are dutiable. Its value must be added to the commercial invoice price when declaring the product's value at the time of Customs entry and declared at the first importation of the goods for which the assist is provided.
Purchase Order Number	HP-generated purchase order number under which the shipment is placed.
Sales order number	Supplier-generated sales order number under which the shipment is placed.
Ship ID number	Unique number assigned to each outbound shipment. This number should never be repeated.
Destination Control Statement (DCS)	<p>The US Government has revised the DCS required on commercial invoices. There are no longer different DCS statements for International Traffic in Arms Regulations (ITAR) and non-ITAR products. Supplier must verify that the following DCS is reported on all customs or commercial invoices, as well as the bill of lading and airway bill :</p> <p><i>“These items are controlled by the U.S. Government, E.U., & other national governments, and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government, and where required, E.U. & other national governments, or as otherwise authorized by U.S., E.U., or other national government law and regulations”</i></p>
Ship date	Actual shipment date.



Originator	Person or department who initiates the shipment of goods.
Delivery Term (Incoterm)	Specify the costs, risks, and obligations of the buyer and seller with respect to the carriage of goods and import/export clearance. Delivery terms do not indicate title transfer.
Gross weight	Sum weight of individual boxes covered by the invoice, expressed in kg.
Box numbers	Unique identification number of each box.
Total number of boxes	Total number of boxes covered by the invoice.
Carrier name	HP-approved courier or freight forwarder handling the transport.
Bill of lading/AWB number	Bill of lading or air waybill number utilized for transport.
Page number	Multi-page invoices will follow the format 1/4, 2/4, etc.
Terms of payment	Agreed-upon payment terms (for example "End of accumulation period (EOAP) plus 60 days").
License	Export license exception, if applicable.
Part/product number	HP or Supplier part or product number assigned to the product.

11. General Shipping Requirements

Supplier must meet the following outbound logistics requirements in order to ship product to HP specified destinations. At any time, HP may require additional outbound logistics assistance from Supplier, e.g. new customer requirements or process integration and improvements.

11.1 Physical Shipment Preparation

Item	Requirement
Packaging	Supplier must preserve, package, handle, and pack all product so as to protect them from loss, damage, and electrostatic discharge and otherwise in conformance with good commercial practice, applicable law, or other applicable standards, as may be agreed.
Packing and Marking	Supplier must pack and mark all products so as to meet HP's and commercial standard transportation and legal requirements.
Palletizing	Supplier must palletize products for shipments, when required, based on the transportation mode. Supplier must provide documented pallet specifications for HP approval based on product dimensions.
Carton Quality	Supplier must meet acceptable carton quality requirements as agreed, which address, e.g., cosmetic appearance and physical condition of shipping cartons, etc.



11.2 Carrier/ Freight Forwarder Requirements

- Supplier must arrange carrier pickup, provide required shipment documentation, and generally support varying transportation modes, carriers, and delivery service levels as determined by HP.
- If HP and Supplier have no separate agreement in place that includes HP's Embedded Logistics Freight ("ELF") terms and conditions for a designated lane and mode of transportation, Supplier will select the carrier to be used for product shipment.
- If Supplier ships in a way other than as specified in the accepted order, Supplier will pay any resulting increase in shipping costs.
- HP may request, or in the case of HP's ELF Program, will require the use of HP carriers. In all such cases, Supplier will be required to schedule shipments with HP-designated carriers. Carrier assignments may vary based on shipping origin, shipping destination, customer, shipment size, product type, and other factors. When HP carriers are used, HP will provide Supplier a routing guide with routing parameters and specific carrier preferences.
- Transportation Insurance. HP is self-insured and HP policy requires written pre-approval from HP to include additional insurance coverage to transport HP Products. In the event approval is not obtained by HP, suppliers will reimburse HP for any additional insurance that Suppliers procured for a shipment of HP Products.

11.3 Shipment Quantities

All accepted orders are to be shipped complete unless approved by HP for partial shipment. For partial shipments, Supplier will ship available quantities unless directed by HP to reschedule delivery.

If Supplier ships more product than is covered by an accepted order, the amount of the over shipment may be either retained by HP for application against future orders or returned to Supplier at Supplier's risk and expense, as HP may determine.

HP may use drop ship to any destination, *provided that* if HP drop ships outside the country in which the accepted order is placed, all resulting additional costs will be subject to allocation by mutual agreement.

11.4 Inspection and Audits

- Inspection

An HP or HP-designated subcontractor will inspect product upon delivery to verify whether HP or the HP-designated subcontractor has received the quantity and category of product shown on Suppliers' packing list and to detect any visible damage or any apparent damage from transportation to the boxes or packaging of product. The HP or HP-designated subcontractor will promptly notify Supplier of any such damage to the boxes or external packaging as delivered and will make a notation on the common carrier's waybill of such damage or of any shipment shortages. The HP or HP-designated subcontractor will also promptly notify the Supplier of any delivery discrepancies as compared with Supplier's packing list.

- Responsibility for damage.

Supplier is responsible and liable for any loss or damage due to its failure to properly preserve, package, handle or pack product. If Supplier is responsible for carriage, neither HP nor any eligible purchaser will be required to assert any claim for such loss or damage against the common carrier involved, nor will either be liable for any loss or damage due to a release of chemicals or other



hazardous materials to the environment by reason of improper delivery or non-conforming product.

- Costs

Supplier will make all reasonable effort to minimize freight and duties.

- Logistics Audits

Supplier may be required to support logistics process and system audits related to the outbound logistics requirements. This will include hosting HP Business Unit Logistics personnel and providing process details, sample documents, and physical access to the operations areas, as requested by HP. Audit findings and observations will be shared with Supplier as a means of improving logistics execution to ensure all customs and customer requirements are successfully supported.

12. Anti-Terrorism Security Measures, Transportation Regulations, and Storage and Warehousing

Compliance with laws

12.1. Anti-Terrorism Security Measures

It is critical that Supplier be aware of all international security initiatives and develop plans to comply with all laws and regulations of governments worldwide which are designed to secure borders and restrict weapons trafficking.

United States

HP is certified by U.S. Customs and Border Protection as compliant with the Customs-Trade Partnership Against Terrorism program (“C-TPAT”). HP suppliers must familiarize themselves with C-TPAT standards (<https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism/apply/security-criteria#>). Those who deal with HP in the supply chain of product imported into the United States must (i) implement a verifiable, documented program that complies with C-TPAT standards that will not endanger HP’s C-TPAT certification, or (ii) otherwise prove that they are C-TPAT compliant. If HP has received notice of Supplier’s non-compliance with C-TPAT from the U.S. Customs and Border Protection or a court or federal agency of competent jurisdiction, HP may give Supplier written notice stating in reasonable detail the basis for HP’s claim of non-compliance by Supplier, whereupon the parties will attempt to resolve HP’s claim promptly or in case not resolved within required/statutory time limit, then the claim is to be addressed under such remedial terms as agreed upon.

Importer Security Filing

Importer Security Filing is a US Customs requirement that requires specific information to be filed with US Customs on all ocean-borne imports no later than twenty-four (24) hours before ocean container departure from port of origin. Details are available at (<https://www.cbp.gov/border-security/ports-entry/cargo-security/importer-security-filing-102>)



Information Items	Responsible Party
<input type="checkbox"/> Manufacturer name/address <input type="checkbox"/> Seller name/address <input type="checkbox"/> Buyer name/address <input type="checkbox"/> Ship to name/address <input type="checkbox"/> HTS Number (HP Part#) <input type="checkbox"/> Country of Origin of parts	Supplier of goods – Information must match the invoice data <u>that will be used for Customs entry</u>
<input type="checkbox"/> Container Stuffing Location <input type="checkbox"/> Consolidator (Stuffer) name/address	Either Supplier or freight forwarder depending on who arranges for the activity
<input type="checkbox"/> Consignee # <input type="checkbox"/> Importer of Record #	Broker has the information on file, no need to provide information.
<input type="checkbox"/> The AMS BOL	Freight forwarder to provide – lowest level bill

The HP process for compliance with the above is as follows:

HP's designated broker gives Supplier an ISF data sheet for data gathering. The roles of the parties are:

- Supplier fills out the sheet and provides it to the freight forwarder at least seventy-two (96) hours before the relevant product container leaves port on the designated vessel. If there is no freight forwarder involved, Supplier is to complete and send all data to the broker 72 hours prior to vessel loading of the cargo or container.
- The freight forwarder checks to confirm Supplier data is complete, adds its own information and then sends the data sheet to the broker at least seventy-two (72) hours before the products are loaded onto the vessel. The intention is that Supplier provides the data sheet to the forwarder and they fill out their part and send it to the broker. This should all happen on the same day within the 72 hour time period.
- The broker confirms the data sheet is complete and then files it with US Customs at least 24 hours before container departure.

Canada

HP is certified by the Canada Border Services Agency as compliant with the Partners In Protection program (PIP). HP Supplier must familiarize themselves with PIP standards <http://www.cbsaasfc.gc.ca/security-securite/pip-pep/menu-eng.html>. Those who deal with HP in the supply chain of product imported into the Canada must (i) implement a verifiable, documented program that complies with PIP standards that will not endanger HP's PIP certification, or (ii) otherwise prove that they are PIP compliant.

European Union

Supplier must be familiar with EU standards of Authorised Economic Operator (AEO) (http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm#auth_eco). to the extent it deals with HP in the supply chain of product imported into or exported from the European Union. Supplier must implement a verifiable, documented program that complies with AEO standards.



Asia Pacific

Supplier must be familiar with standards of Asia Pacific Authorized Economic Operator (AEO) programs, i.e. Australia AEO, Japan AEO, Korea AEO and or other similar type programs, e.g. China AA Program, New Zealand SES, Singapore STP (Secure Trade Partnership) programs to the extent they deal with HP in the supply chain of products to be imported into or exported from the Asia Pacific region.

Supplier must be familiar with the trade Licensing regimes, Technical, Consumer Protection and Environmental standards regulations, Pre-Shipment Inspection / Load Port Survey regulations and such other Non-Tariff Barriers applicable to exports or imports into / from the Asia Pacific region, in so far as they relate to goods for which HP is part of the supply chain.

12.2 Transportation Regulations and Storage and Warehousing Compliance

- 12.2.1. General assurance of compliance with all applicable transport regulations and requirements: HP Suppliers responsible for the classification, packaging marking, labeling, documentation, transportation, warehousing or storage of dangerous goods shipments must comply with all applicable international, state, and local laws and regulations, including but not limited to requirements concerning dangerous goods.
- 12.2.2. Training and Certification: HP Suppliers responsible for the classification, packaging, marking, labeling, documentation and transportation of dangerous goods shipments must complete formal dangerous goods training, testing, and certification. This requirement applies to all modes of transportation, including the preparation and signing of a Shipper's Declaration of Dangerous Goods. Anyone preparing or signing a Shipper's Declaration of Dangerous Goods for transporting shipments must first complete formal Dangerous Goods training, testing and certification.
- 12.2.3. Training Record Keeping: HP Suppliers must keep records of training, testing and certification. Access to these records will be provided to HP upon request, Training and Record Retention will comply as applicable with DOT CFR (Code of Federal Regulations) Section 172.704 Training Requirements and or UN Model Regulations Part 1 General Provisions Definitions, Training and Security.
- 12.2.4. Management Systems: HP Suppliers are to maintain effective management systems that integrate regulatory compliance with transportation into their business and decision-making processes. This includes establishing appropriate objectives and targets, regularly measuring and assessing performance and practicing continual improvement.
- 12.2.5. Information Access: HP Suppliers are to provide clear, timely, accurate and appropriate reporting to HP upon request.
- 12.2.6. Audit: HP Supplier will provide upon HP's request proof of dangerous goods training and certification for anyone who stores, handles, prepares for shipment or ships dangerous goods.

Appendix A: Definitions of Terms

The following terms are used in this document and are defined here for convenience.

Definitions of terms:	
CO	Country of Origin
DDP	Delivery Duty Paid
DAP	Delivered at Place
DDU	Delivery Duty Unpaid
ECCN	Export Control Classification Number



EXIM	Export Import Bank (http://www.exim.gov/)
FCA	Free Carrier
FMF	Foreign Military Financing
FOB	Freight on board
HTS	Harmonized Tariff Schedule
HAWB	House Air Way Bill
IFTA	Israel Free Trade Agreement
NAFTA	North American Free-Trade Agreement
WTO	World Trade Organization
Assists	<p>Goods or services provided directly or indirectly by the buyer of imported merchandise, free of charge or at reduced cost, for use in the production and sale for export of the imported goods. This includes:</p> <p>Materials, components, parts, and similar items incorporated in the imported goods;</p> <p>Tools, dies, molds, and similar items used in the production of the imported goods;</p> <p>Materials consumed in the production the imported goods;</p> <p>Engineering, development, artwork, design work, and plans and sketches that are undertaken (carried out) elsewhere than in the country of importation and necessary for the production of the imported goods. This also applies to software/firm ware development that is incorporated into or shipped with a product</p>

Revision History:

Revision, Date, Change Number	Brief Description of change
A, 10-Jan-2007	Initial document. This document is an update to the Trade and Logistics Requirement form, Rev 03, and has been changed in format.
B, 03-Dec-2007, DCN 02874	Section 1.11, Anti-Terrorism Security Measures, modified to include E.U. requirements.
B1, 05-Jan-2009, DCN 02922	New owner identified.
C, 21-Aug-2009, DCN 02970	Section 1.4 modified to reflect record retention according to the HP Records Management Policy, and in section 1.5, deleted the words 'trade audit' in describing access controls.



D, 08-Jun-2010, DCN 03020	Section 1.6 (section 3) added the following text to first sentence - Supplier will provide HP with “either” the ECCN “assessment or” with sufficient technical information to determine “the ECCN” classification. Also, in Section 1.6 (section 4), the original text has been deleted and replaced with the following: If HP is the importer, HP will classify products produced by non-HP entities. Supplier will share information necessary to ensure HP classification assessments are compatible with Supplier determinations.
E, 04-Jan-2011, DCN 03061	Section 1.3 modified to reflect the use of version “Incoterms® 2000” for the Supplier’s terms of sale implementation
F, 09-Jun-2011, DCN 03085	Section 1.11 modified to include service providers compliance in respect to Transport regulations and requirements for Dangerous Goods shipments.
G, 27-Jul-2011, DCN 03091	Section 1.7.2.E.6 and 1.7.2.F added for entities subject to U.S. trade sanctions or controls, Section 1.8.1 added TAA in Country of origin preferential programs, Section 1.9.1 Table 1 included Note to Delivery Terms, Section 1.9.2 Table 2: Shipping Documents, Section 1.10.2.3 added Embedded Logistics Freight
H, 23-Aug--2012, DCN 03145	<p>Revision date amended on Page 1. Copy right year added 2012 on page 1.</p> <p>Section 1.3 Added allowance of Incoterms 2000 or 2010 based on mutual agreement between HP and Supplier.</p> <p>Section 1.5 Trade incidents amended,</p> <p>Section 1.7.2 Transaction and third party screening, Point E – 4, 6 & Point F amended.</p> <p>Section 1.9.1,1 general requirement to Export/Import documentation requirements amended.</p> <p>Prescribed Incoterm format in table to Section 1.9.1, below Table 1.</p> <p>Section 1.9.2.1, table 3 – Terms of payment example amended.</p> <p>Sections 1.10.2.3 defined ELF acronym.</p> <p>Section 1.11.1 modified the link to C-TPAT guidelines .</p> <p>ISF – Importer Security Filing details added to Section 1.11.1.</p> <p>Section 1.11.1 Added the paragraph on AEO certification in Asia Pacific</p>



21-Mar-2013	<p>Responsible group change</p> <p>Clause 1.8.2 Modified to show the applicability to Middle East vs Europe for the CO - country of origin labeling</p> <p>01-April-2013 – Minor correction in the section 1.7.2. Correction as follows Subject to economic, financial and/or other sanctions or restrictive measures imposed by the European Union (EU), http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm Located in Burma/Myanmar (as long as HP has a policy in place not to do business in that country).</p> <p>Now reads</p> <p>Subject to economic, financial and/or other sanctions or restrictive measures imposed by the European Union (EU), http://eeas.europa.eu/cfsp/sanctions/index_en.htm including but not limited to parties on the “Consolidated list of persons, groups and entities subject to EU financial sanctions, http://eeas.europa.eu/cfsp/sanctions/consollist_en.htm In addition, to ensure such third party will not export or re-export HP products and/or services to Burma/Myanmar in accordance with HP’s policy not to do business in that country.</p>
J, 14-Oct- 2013	<p>summary of changes</p> <ul style="list-style-type: none"> • Document Date change in Header Page 1 • Responsibility Group named amended along with Abstract & Applicability on Page 1. • Copy right year changed to 2013 on Page 1. • Revision date amended along with Table of Contents numbering reduced from 3 digits to 2 digits in Page 1 and in whole document. • General legal verbiage amendments to the whole document to improve language and flow • 7.2. - Transaction and Third-party Screening, E, 1. Denied Party List – Link updated • 8.2 – Marking and Labeling amendment • 8.4 – Preferential Trade Programs – minor amendment • 12.1 – ISF(Importer Security Filing) – typo error corrected (word “designed” changed to “designated”) • 12.2.2 – Training and Certification: amended • Appendix A: Definitions of Terms – added DAP and Assists definitions



K, 22-Sep - 2014	<p>Summary of changes</p> <ul style="list-style-type: none"> • Document Date change in Header • Copy right year changed to 2014 on Page 1 • Revision date amended in Page 1 • 3- Terms of Sale and Passage of Title - Deleted Incoterms 2000 • 8.7 Antidumping and Countervailing Duties • 10 - Shipping documentation Requirements – Deleted reference to Incoterms 2000 • 12.1. Anti-Terrorism Security Measures – Canada inserted • 12.1 Asia Pacific – added text • 12.2.2. Training and Certification: Amended to cover all modes of transportation
01-Aug-2015	Cloned for HPI
L, 10-Aug-2016	<ul style="list-style-type: none"> • Revision date & header amended in header and in 1st page • Copyright year amended to 2015 • 7.2 Transaction and Third-party Screening: Deleted item (7) dealing with Burma / Myanmar • Point 10, table 3 – Destination Control Statement revised
M, 26-Sep-2016	<ul style="list-style-type: none"> • Replaced the link to the “Specially Designated Nationals and Block Persons list” in Section 7.2 item E 2. The correct link is: https://www.treasury.gov/resource-center/sanctions/SDNList/Pages/default.aspx
N, 13-Nov- 2018	<ul style="list-style-type: none"> • Updated document URL links for clause 7 based on inputs from Global Trade • Edited document language and grammar
O, 17-Mar-2020	<ul style="list-style-type: none"> • Updated document URL links in the Sections: <ul style="list-style-type: none"> - 7.2 Transaction and Third-party Screening, - 7.4 In-Transit Cargo Shipment Country Restriction, - 12.1. Anti-Terrorism Security Measures - Import Security Filing • Deleted document link on Corporate standards on last page