

Tyco Fire and Security

Source Tagging Procedure for International Shipments

Purpose

The purpose of this procedure is to set guidelines for international shipments and returns of sample items (owned and shipped by customers) which are received and processed at Tyco's Source Tagging Lab in Boca Raton, Florida.

Responsibility for Implementation

The Global Trade Compliance ("GTC") group is responsible for producing this procedure. Tyco's Source Tagging Management and Product Sales Managers are responsible for communicating and distributing this procedure to international customers shipping or returning products to or from the source tagging lab in Florida. All Source Tagging employees who participate in customer shipments or returns as well as all employees in the GTC group are responsible for becoming familiar with this procedure and for protecting the interests of the company.

Scope

This procedure applies to all legal entities (collectively known as "Tyco Fire and Security" or "TFS") including subsidiaries, affiliates and units wherever incorporated, chartered, organized or located, including related companies and joint ventures in which TFS has a controlling interest. Specifically, the focus for this procedure is on the TFS source tagging operations in Boca Raton, Florida.

Application

This procedure applies to source tagging activities involving international shipments (e.g., sample items shipped from and returned to locations outside the United States) to ensure that all import and export activities are in compliance with applicable laws and regulations.

Procedure

For any sample item, which is submitted to Tyco for testing and certification at the source tagging lab located in Boca Raton, Florida, the customer will retain title to the goods. In other words, there will be no sales transaction involved and the customer will be the owner of the sample items while the goods are physically in Tyco's possession.

Following are the conditions and steps for processing the international shipment to and from Boca Raton, Florida. As referred to above, this procedure is not applicable to shipments within the U.S. :

1. Prior to shipping samples for certification analysis, the customer must decide if the sample items are required to be returned or may be disposed by TFS personnel.
 - a. In the case of disposal, the customer or owner of the goods will provide written instructions to the source tagging lab technician. This must include the following:
 - i. Statement authorizing the disposal of the samples
 - ii. Direction as to acceptable method of disposal
 - iii. Instruction as to what proof of disposal is required to be provided back from TFS.
 - b. In the case of returns, it will be the responsibility of the customer or owner of goods to provide all coordination, direction and information required to import and then re-export the product from the U.S. There are two options (refer to Section 3 below for additional details and requirements):
 - i. The customer will provide a ***prepaid*** carrier "return label and a prepared return commercial invoice" filled out completely with the items to be returned. This will indicate the carrier or courier to be used for the return shipment after the certification process is complete.
 - ii. The lab will notify the customer that the certification process is complete and will request the customer to arrange a pick-up with the carrier or courier. The customer will notify the lab which carrier or courier will be picking up the freight and will provide a contact name and phone number of the carrier. If a courier is used the customer must provide a prepared outbound commercial invoice to TFS for inclusion in the shipment.
2. When shipping into the United States, as owner of the sample items the customer is responsible for paying any and all costs associated with shipment and delivery of the samples to the source tagging lab in Boca Raton, Florida. The terms of delivery will be Delivered Duty Paid or DDP (Boca Raton, Florida). This means the customer is responsible for arranging, documenting and paying for all applicable costs (including freight, insurance, Customs duties, taxes, fees, Customs broker fees, etc.) associated with getting the international shipment from the place of shipment (outside the U.S.) to the place of delivery (Boca Raton, Florida).

Following are additional guidelines:

 - a. Airwaybill or bill of lading must indicate that the shipper or customer is paying for the applicable international freight and insurance charges;

- b. Invoice must indicate the shipper or customer is responsible for paying any applicable Customs and brokerage duties, taxes or fees; and
 - c. Indicate DDP Boca Raton, FL as terms of shipment/delivery.
3. For sample items required to be returned, the following should be noted:
- a. The shipment will be considered a routed transaction (see Terms and Definitions for more details).
 - b. The terms of shipment or delivery will be Ex Works (EXW) Boca Raton, FL (see Terms and Definitions for more details).
 - c. See 1.c. above for additional procedures to be followed either by a prepaid shipping label or by pick-up arrangement handled by the customer or owner of merchandise.
 - d. Following are guidelines involving the required international shipping documents:
 - i. The commercial invoice must be completed by the customer or by his nominated broker/freight forwarder following the requirements outlined in U.S. Customs regulations (19 CFR § 141.86 through §141.89) making sure the invoice includes each item, the description of articles and the applicable tariff code (under the Harmonized Tariff Schedule of the United States or HTSUS and under the foreign country tariff schedule if different from HTSUS), value of the good(s), and ECCN and license exception (export classification number). See Customs website (www.cbp.gov) or contact Customs for more details.
 - ii. The bill of lading or airwaybill should be marked appropriately to indicate the customer is responsible for paying any and all transportation and insurance costs.

Terms and Definitions

Following are the terms and definitions relating to this procedure.

Term	Definition
CBP	U.S. Customs and Border Protection
GTC	Global Trade Compliance
Domestic	Locations considered to be within the Customs territory of the United States (including Puerto Rico, U.S. Virgin Islands and American Samoa).
International	Locations outside the Customs Territory of the United States.
INCOTERMS	International Commercial Terms – these terms define the roles and responsibilities of the seller or shipper and the buyer or consignee in the arrangement of transportation and other requirements for getting an international shipment of merchandise from origin to destination.

Term	Definition
DDP Boca Raton, Florida	Delivered Duty Paid – Incoterm used when shipping sample items from customer’s international location to Tyco’s lab in Boca Raton, FL. Under this term the customer is responsible for arranging, documenting and paying for all costs including freight, insurance, duties, taxes and broker fees to get the product to the final destination in Florida.
EXW Boca Raton, Florida	Ex Works – Incoterm used when returning shipment of sample items from Tyco’s lab in Boca Raton, FL. Under this term the customer is responsible for arranging, documenting and paying for shipment from Boca Raton, FL to international destination.
Routed Transaction	For non-U.S. resident exporters, the international customer located outside United States is responsible for routing the export transaction or shipment from Boca Raton, FL to international destination. This usually involves hiring a freight forwarder or customs broker (by granting power of attorney or POA to forwarder or broker) to assist in preparing any required U.S. export documentation (e.g., Shipper’s Export Declaration or SED).
USPPI	United States Principal Party in Interest – this is the party resident in the United States who is responsible for the accuracy of the export information provided to U.S. government regulating agencies. In routed transactions, the USPPI may be the freight forwarder/broker.
POA	Power of Attorney. This is a form granted to the freight forwarder or broker which authorizes the forwarder/broker to act on behalf of non-resident exporter to complete required export related documentation.