

SHIPPING POLICY FOR BRAZIL

1 INSTRUCTIONS FOR INVOICING

One (1) Original Invoice hand signed IN **BLUE INK** and clearly marked as "Original Invoice" must be enclosed in a waterproof envelope, secured, and attached to the **OUTSIDE** of the package. If the shipment has more than one package, every package must have an invoice copy attached outside and one of them must have the Original. This Original Invoice must be the one used for export, customs clearance in Brazil and payment purposes. The Original Invoice must contain all information outlined below as required by Brazilian legislation.

2 INVOICE

2.1 Invoice - Brazilian Customs

All invoices must contain the following information:

1. Invoice Number
2. Date of Issuance
3. Purchase Order Number (Only one PO per invoice is mandatory)
4. Exporter's full name, address and TAX ID / EIN
5. Importer's full name, address and CNPJ
6. Manufacturer's full name and address per item
7. Country of Origin (country where the material was manufactured or where the last significant transformation occurred, it means, the manufacturer's country). This information has to be provided per item.
8. Country of Source (country where the material was at the moment of its acquisition)
9. Country of Acquisition (country where the Purchase Order was placed, the exporter's country)
10. Incoterms and Named Place
11. Payment Terms
12. Packing List Number
13. Part Number

2.2.2.1

PAYMENT TERM	COPY TO BE SENT	ADDITIONAL INFORMATION
Advanced Payment	Proforma Invoice	Payment Term: Cash In advance / Estimated delivery date / NCN code for items
Cash Payment	Comercial Invoice AWB Copy	Payment Term: Cash on delivery
Net 30, 60, 90, 180	Comercial Invoice	DI registration number at SISCOMEX
360 days	Comercial Invoice	ROF registration

14. Complete description of each material written only in Portuguese, English (preferably), Spanish or French, including:
 - Purchase Order line number
15. Item quantity and unit of measurements
16. Negotiated currency
17. Unit Price and Total Price for each Material
18. Total Amount of the Invoice
19. Quantity of packages
20. Type of packages
21. Packages dimensions
22. Total Net weight
23. Total Gross Weight
24. Shipping Method
25. Bank Details
26. HS Code
27. Invoice page numbers using the "1 of 3, 2 of 3, 3 of 3" format

Additional information:

- Freight carrier
- Domestic Air Way Bill / Bill of Lading (tracking number)
- Brazilian customs will only accept invoices with the following requirements:
 - The Original Invoice must be issued on the Supplier's official letterhead or standard invoice form. It must be clear and readable.
 - **Photocopy of the invoice is not acceptable.**
 - Signature on the invoice must be in BLUE INK pen. It must be handwritten. A digital signature is not acceptable.
 - Identified with the word "ORIGINAL"

For **NO CHARGE PO's**, the following statement must be printed on the invoice: "VALUE FOR CUSTOMS PURPOSES ONLY". Even in this case, the Supplier must include the unit and total price of each Material as required by Brazilian legislation. In these cases the payment term field must be NO CHARGE.

2.2 Invoice – Distribution

2.2.1 Original Invoice

The Original Invoice is a MANDATORY document for customs clearance in Brazil. The Original Invoice must always be secure attached to the **OUTSIDE** of Outer case.

Materials received at Freight Forwarder without Original Invoices according to Brazilian Customs and SGS's requirements will not be shipped to Brazil until the Supplier delivers these documents to the Freight Forwarder.

In operations with full containers loaded (FCL) at the Supplier's facilities, the freight forwarder must receive along with the container the Original Invoice and Packing List.

If supplier is not able to inform the Schedule B and License Determination on the invoice, Shippers Letter of Instruction (SLI) form must be sent completely fulfilled and signed for each invoice.

2.2.2 Invoice Copy

An Invoice copy **MUST** be sent to the related SGS Brazil Buyer according to item **2.2.2.1**, within one (1) calendar day after its issuance.

This electronic invoice copy will allow SGS to expedite the import process. The requirements are:

- The minimum file resolution must be 300dpi.
- Send one (1) invoice per file.
- File format must be under PDF or TIF format.
- The images must be aligned and cannot be upside down or and have any rotation.
- Files on XLS or DOC format will not be accepted and processed.

3 INSTRUCTIONS FOR PACKING LIST

3.1 Packing List - Brazilian Customs and SGS Requirements

The Packing List is a MANDATORY document for customs clearance in Brazil. As required by Brazilian Legislation, the Packing List shall contain the following information and must be in accordance with the Purchase Order and Invoice details:

- Packing list number
- Exporter's full name
- Importer's full name
- Case number and type of package

- Packages Dimensions
- Items quantity and unit of measurements
- Purchase Order number
- Part number and Description
- Packing list page number using the "1 of 3, 2 of 3, 3 of 3" format
- Additional information:
 - All entries must be typed and no handwritten entries are acceptable
 - Packing List cannot be used as quality documents such as CofC (Certificate of Conformance). They must be separate documents
 - It is not necessary to sign the packing list

- The Packing List must be issued on the Supplier's official letterhead or standard form. It must be clear and readable

The main purpose of the Packing List is to identify the item and quantity inside of each package.

3.2 Packing List Distribution

The Packing List must always be secure attached to the OUTSIDE of Outer case. Materials received at Freight Forwarder without Packing List will not be shipped to Brazil until the receipt of these documents by Freight Forwarder.

<p>Original letterhead and trademark</p>	<p>Exporter/Supplier Full name, address and TAX ID</p>	<p>PAGE: 1 of 1</p>		
<p>PACKING LIST</p>		<p>PACKING LIST NUMBER: PACKING LIST ISSUANCE DATE:</p>		
<p>BILL TO: Name: _____ Address: _____ City - State: _____ Country: _____ CNPJ No: _____</p>		<p>SHIP TO: Name: _____ Address: _____ City - State: _____ Country: _____ CNPJ No: _____</p>		
PACKAGE	PART NUMBER AND DESCRIPTION	QUANTITY	UM	PO
NUMBER	DIMENSIONS	TYPE		
1 of 2	XX / XX / XX	CARTON	EA	XXXXXXXXXX
		PN AND DESCRIPTION	XX	XXXXXXXXXX
		PN AND DESCRIPTION	XX	XXXXXXXXXX
2 of 2	XX / XX / XX	CRATE	EA	XXXXXXXXXX
		PN AND DESCRIPTION	XX	XXXXXXXXXX
		PN AND DESCRIPTION	XX	XXXXXXXXXX
		PN AND DESCRIPTION	XX	XXXXXXXXXX

4. DANGEROUS GOODS DECLARATION

The Original Dangerous Goods Declaration is a mandatory document to transport the material. The supplier is responsible to issue it for the domestic and international transportation.

Depending on the mode of transportation the DGD must be in accordance with:

- **ROAD:** International Carriage of Dangerous Goods by Road at <http://www.unece.org>
- **AIR:** International Air Transport Association homepage at <http://www.iata.org>
- **SEA:** International Maritime Dangerous Goods at <http://www.imo.org>

Important: All Dangerous Goods Declaration MUST be typed. Handwritten declarations will not be accepted.

The Supplier must not unitize materials from different Purchase Orders on the same package.

The INCOTERMS specified on the Purchase Order are strictly mandatory and must be followed by the Supplier. The complete list of INCOTERMS may be found at the International Chamber of Commerce website (<http://www.iccwbo.org>).

When the Incoterms on the PO define SGS to be responsible for the domestic transportation charges, the Supplier must contact SGS's Freight Forwarder and request the pick up of the material.

For example: Ex-Works Supplier's Plant or FCA Supplier's Plant, the information below is required:

- Purchase Order number
- Invoice number
- Pick up address
- Commodity
- Contact person
- Package dimensions
- Package weight
- Package quantity
- Any special instructions

5 ADMINISTRATIVE SANCTIONS

The non-compliance of the above mentioned requirements may result in administrative sanctions and/or penalties/fines to SGS applied by Brazilian customs authorities. In case of

any monetary penalties/fines SGS will revert them to the Supplier.

5.1 Missing Material

Example: The invoice declares item quantity of 10 but SGS received only 8. This means there is 2 missing items. SGS will need to do a rectification process with Brazilian Customs. In this process SGS will need to pay:

- All import taxes for the 2 missing items
- Fine of 0,33% per day from the import declaration date at Brazilian Customs, with maximum limit of 20% over the value of import taxes as well as Brazilian Selic Tax over the value of import taxes.

5.2 Excess Material

Example: The invoice declares item quantity of 10 but SGS received 12. This means there is an excess of 2 items. SGS will need to do a rectification process with Brazilian Customs. In this process SGS will need to pay:

- All import taxes for the 2 items in excess
- Fine of 0,33% per day from the import declaration date at Brazilian Customs, with maximum limit of 20% over the value of import taxes as well as Brazilian Selic Tax over the value of import taxes
- Fine of 30% over the customs value in case of a missing Import License.

5.3 Missing Original Invoice

- Fine of 5% of the import value (CIF value) in case of non delivery of the Original Invoice.
- Fine of R\$ 200,00 (two hundred Brazilian Reais) per invoice in accordance with Brazilian regulation.

5.4 Missing Packing List

- Fine of R\$ 500,00 (five hundred Brazilian Reais) per shipment if the packing list does not accompany the shipment. format will not be accepted and processed.