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***Trade Compliance and Logistics Manual***

 ***Revision History***

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| Revision Date | Section | Description | Revised By |
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### *INTRODUCTION*

These requirements are intended to give the GHSP Supplier a clear understanding of what is needed and how to ship the products to GHSP, as well as the expectations and requirements needed to ensure timely deliveries. These GHSP guidelines are for transportation and import/export requirements. This applies to all shipments domestic and international.

If any questions or concerns with this section, please contact GHSP Global Trade and Compliance Manager, USghsptradecompliance@jsjcorp.com

### GHSP CARRIER MANAGEMENT-ROUTING GUIDES

2.1 Freight Forwarders: GHSP uses global freight forwarders in conjunction with UPS and FedEx to move products and materials throughout the world. All freight shipments (greater than 180lbs.) where GHSP is responsible for the cost will be handled through one of these forwarders for international shipments. Parcel shipments or shipments 180lbs. or less will be shipped directly to GHSP using one of GHSP’s preferred Parcel carriers. Please contact your GHSP Material Planner or Buyer for the carrier account number(s).

2.2 Ocean Freight Standards: Materials shipped from international suppliers should be arranged by these guidelines:

* 15 cubic meters (530 cubic feet) or less should ship LCL (Less than Container Load).
* 16 to 30 cubic meters (565 to 1000 cubic feet) should ship on a 20’ container.
* 30 to 66 cubic meters (1000 to 2328 cubic feet) should ship on a 40’ container.

**Booking Requirements:** All Material Releases need to ship on the next week vessel. Any delays should be reported to the Material teams. Suppliers may be required to modify certain documents to enable the separation of the shipment(s) to optimize the logistics. When possible, Supplier’s shipping thru Shanghai China, should utilize the Shanghai Milkrun (see Section 7.0 for additional detail)

2.3 North American Shipment Requirements: Standard domestic shipments to GHSP are to be made under “EXW-supplier dock” Incoterms. Shipments will be made using the designated GHSP logistics service providers as referenced in the GHSP routing instructions found here:

**http://www.ghsp.com/en/suppliers/customs-compliance-transportation**

2.4 Parcel/Small Pack Shipments (180lbs. or less): Will be shipped via UPS Worldwide (if originating outside of the US) using the appropriate GHSP account number associated with the final GHSP destination plant.

Please contact your GHSP Material Planner or Buyer for the carrier account number(s).

The following information is required for all Parcel shipments made under GHSP accounts:

* Reference #1: GHSP Purchase Order number.
* Reference #2: the name of GHSP person requesting shipment.
* Reference #3: pack-slip number.
* Reference #4: GHSP part number(s), as stated on the Purchase Order.
* Reference #5: AETC if applicable (see section 8.4 “Expedited Shipments”)

### 3.0 *SHIPMENT DOCUMENTATION REQUIREMENTS*

GHSP, as a global company has standardized the required and best practice of each Countries regime and regulations to provide a guideline that facilitates GHSP supply chain without minimal disruptions. These guidelines must be followed.

3.1. Commercial Invoice Requirements: Documentation for trade facilitation is required to process the shipment across borders, through Customs efficiently and in compliance with all trade regulations defined by the country of destination. All suppliers are required to provide accurate and complete documentation to GHSP and the carrier/forwarder at the time of tender. The document must clearly state “Commercial Invoice.”

All non-compliance activity will be handled through the PTR process. PTR’s can negatively affect a suppliers Quality rating and may contain debits for cost recovery.

The following information is required on all commercial invoice documents:

* **Ship from:** Shipper / Supplier Name – Exporter of Record. This will be the Party who is exporting the freight, in most cases this is the seller.
* **Ship to:** Consignee – Importer of Record. This would be the party who is importing the freight into China- GHSP has two locations in Shanghai, please ensure that the ship to matches the PO.
* **Invoice No.:** Each commercial invoice must have a unique number to identify the transaction for customs clearance and payment.
* **Purchase Order**: The Purchase Order (P.O. No.) order number must be listed on the commercial invoice. Please make sure that the number is labeled as the purchase order number.
* **Description:** A full description of merchandise including the part number, part name (common name) not just number (i.e., Bezel) must also be on the description line in English; including HTS Code (up to the 6 digit)
* **Country of origin:** The country of origin must be listed for each item listed on invoice. Please make sure to indicate the correct COO. Please use the ISO two-digit country code (<http://www.worldatlas.com/aatlas/ctycodes.htm>)
* **Quantity:** Please indicate the actual deliver quantity for each piece part, Not the parcel quantity. Do not leave this blank.
* **Unit Price**: Value per item. The unit price must match the price listed on the purchase order, please list the currency that the unit price is listed (USD, CNY, MXN etc.)
* **Total invoice value:** Must be the accurate total value of goods on invoice. The currency of given values must be in destination country currency, i.e. (USD, MXN, CNY)
* **Tariff Number (HTS)(HTC)(FTS):** Please list the Tariff Number (HTS Code) for all line items. If you do not know the code, please contact your customs broker or GHSP Trade Compliance team at USghsptradecompliance@jsjcorp.com
* **Commercial Invoice Copies:** Please send copy of the commercial invoice to the carrier, place one copy and the shipping carton and when shipping to China, send the Originals to the originator of the Purchase order. To clear customs in China, they must have original documents.
* **Foreign shipper/manufacturer name and address**
* **INCOTERMS:** a global series of standards
* **AETC Number** (if required, provided by GHSP for expedited shipments)

3.2 Packing List Requirements: Must be attached to every shipment that arrives at a GHSP facility regardless of the mode of transport. This includes items that arrive by personal delivery. Please make sure that there is a copy of the Commercial Invoice and Packing Slip placed into a carton, please indicate which carton contains packing slip. Please make sure that there is a copy of the Commercial Invoice and Packing Slip placed into a carton, please indicate which carton contains packing slip.

The following information must be barcoded on each packing slip: Packing slip number (must be the same as the ASN number)

* **Ship from:** Shipper / Supplier Name: Please ensure that your company name and address is listed on the packing list just as it appears on the commercial invoice.
* **Ship To/Consignee Name:** Ensure that the ship to/consignee name is listed on the packing list and matches the commercial invoice.
* **GHSP Supplier number**
* **Description:** Please put the part name (please put common name not just number (i.e., Bezel) the part number must also be on the description line.
* **Quantity:** Total quantity by part number. Please indicate the actual deliver quantity for each part, the number of cartons and pallets must also be listed and clearly marked.
* **Lot number:** For parts with multiple lots, each lot and quantity need to be barcoded on packing slip OR use separate packing slip for each lot.
* **Serial number**

The following information must also be included on each packing slip without barcode:

* **Gross Weigh**t: Of complete shipment. Must be listed in kgs or lbs. for each part, clearly state if you are using kgs or lbs.
* **Net Weight:** Of complete shipment. Must be listed in kgs or lbs. for each part, clearly state if you are using kgs or lbs.
* **GHSP part number:** Each part must be complete as stated on Purchase order.
* **GHSP Contact name:** The person requesting the shipment for non-production items or discrete Purchase Order’s.
* **GHSP Purchase Order number**
* **AETC Number:** If required and provided by GHSP planner for expedited shipments
* **Measurement:** Please Calculate the CBM measurement (convert from inches to Centimeter).

 *Example:*

* + L = 20CM/100 = .20M
	+ W = 18CM/100 = .18M
	+ H = 17CM/100 = .17M
	+ L.20 X W.18 X H .17= .00612 CBM

3.3 Shippers Letter of Instruction (SLI) Requirement: Suppliers are required to complete a shipper’s letter of instruction for all shipments handled by a GHSP Freight Forwarder

***3.4 Country of Origin Documentation:*** Each country has unique requirements for country of origin documentation. When shipping to China some items (Fasteners as example) require specific COO Certificates. When PO is issued the buyer will advise if certificate is needed. All Original copies of the Country of Origin document must be sent directly to the buyer an additional copy must be sent to under our Pre-Shipment Notification requirements (Sec 3.6)

* Serial / Part number must be on the certificate.
* HTS / Tariff up to the first 6 digits.
* Serial number must be on the certificate.
* Description of part and part number must be on the certificate.
* Stamping of issuing authority
* Remark: Each carton must have country of origin on the carton.

Additional guidelines for Country of Origin Document (Fasteners)：

* Original copy of the COO document must be sent directly to the buyer. Do not give to the freight carrier/forwarder.

3.5 ***Bill of Lading Requirement***: In addition to the standard information required on the domestic Bill of Lading, all international shipments will also require the negotiated Incoterms to be called out on this document. Not using the correct Bill of Lading could result in a direct billing to GHSP by the carrier at a considerable cost. Violations to this requirement will be addressed through GHSP’s Problem Tracking Report (PTR) process, with violations carrying actions for cost recovery.

Bill of Lading data requirements include:

* Shipper
* Ship date
* Consignee
* Freight charge agreement (collect/prepaid)-Incoterms 2010 for international shipments.
* Bill to party
* Part number
* Description
* Quantity/unit of measure
* Pallet count
* Weight
* NMFC Class
* Shipper, consignee, and driver signature and date required.
* Trailer number
* Seal number

3.6 ***Pre-Shipment Notifications***

International Shipments Document Distribution: Please send one copy of the commercial invoice to the carrier, place one copy with packing slip in a sleeve on the shipping carton. For shipments going to China, please send the originals to the originator of the Purchase order. This is required by Chinese Customs for custom clearance and entry of goods.

* Email dispatch required on ALL shipment to ALL countries must include Invoices, Credit notes, Packing Slip, Tracking Information/BL/AWB, COO etc.) should be in .PDF (Portable Document Format)
	+ USghsptradecompliance@jsjcorp.com
	+ MXghsptradecompliance@jsjcorp.com
	+ CNghsptradecompliance@jsjcorp.com
* Subject Format: Supplier Name + delivery date + Logistics company + tracking #/AWB # /BL #
* File Nomenclature & subject should be strictly followed to avoid customs declaration processing delay.

 

### 4.0 *RECORD RETENTION REQUIREMENTS*:

In accordance with GHSP’s recordkeeping policy, all documents are maintained for a (5) year period from the date of importation as required in CFR 19, Section 123.10

Record Keeping documents to include all applicable statutory and regulatory requirements and special product requirements.

5.0 *EXPEDITED SHIPMENTS*: Any shipment made to GHSP using a transport service level greater than the industry base standard by shipment mode, (See table below)



Requirements:

* The AETC # provided by GHSP is the only acceptable form of authorization.
* All Expedited shipments, regardless of the reason, will be made to GHSP using a GHSP defined transportation provider with all cost billed collect to GHSP.
* All shipment documentation and all communications to GHSP and service providers will contain and reference the AETC # in subject lines and shipment reference details.

The requirements above are in place to better control excess transportation spend as well as to provide complete visibility to GHSP in critical shipment situations. Any cost that is deemed to be the responsibility of the supplier or shipper will be addressed through the “PTR” GHSP’s Problem Tracking Report process to track cost, communication, and problem-solving. In the event, GHSP receives a priority shipment, and it is evident that no attempt was made to follow the above requirements, cost recovery action will be taken for the entire cost of the shipment regardless of original responsibility.

6.0 *THIRD PARTY OR DROP SHIPMENTS*: Shipments that do not originate from, or deliver to, a GHSP location will require specific authorization and processing if the charges are to be billed to a GHSP freight account. The supplier must obtain written approval and an “AETC” (Authorized Excess Transportation Cost) number from the GHSP person coordinating the event requiring this move. The supplier must then provide this AETC number to the carrier/forwarder moving the material, to use as the shipment reference number that will show on the carrier invoicing that GHSP will receive. If GHSP receives a freight invoice for a 3rd party or drop shipments that do not contain this information, the invoice will be disputed with the carrier and the charges will be billed back to the shipper. The AETC number should also be included on the supplier bill of lading.

7.0 *SHIPMENT FREQUENCY*: Production Suppliers are required to ship at the frequency reflected on the material releases. The standard shipping frequency is communicated on the material releases; deviations are subject to PTR supplier chargeback.

 Multiple shipments to the same GHSP facility on the same day, back-to-back shipments, or multiple shipments in the same week require prior GHSP authorization in the form of an AETC number. If a supplier is part of a GHSP dedicated milk run this requirement is exempt. Deviations from the standard without an AETC number from GHSP could result in a PTR supplier chargeback. Shipping on Friday one week and Monday of the next is considered back-to-back shipments and would require an AETC number.

 The shipping frequency for an international supplier may vary and will be reflected on the release you receive from each GHSP facility. Shipments made early, multiple shipments, or shipments via a mode other than specified on your PO, require an AETC number prior to booking. Deviations from this standard will result in a PTR supplier chargeback.

*8.0 OVER / UNDER SHIPMENTS*: Suppliers must ship to their release. Shipping over/under requires GHSP approval. This includes shipments where a supplier may ship more than once per week. Shipping short one day and over the next to make up the difference requires an AETC number.

*9.0* ***RESERVED***

10.0 *TRADE COMPLIANCE POLICY*: It is the supplier’s, and their suppliers, obligation to provide all necessary commercial trade documents and trade-related information required to process the shipment through Customs and across borders efficiently and in compliance with all trade regulations defined by the country of destination.

All suppliers are required to provide accurate and complete documentation to GHSP and to the carrier/forwarder at the time of tender. Shipment delays, additional administrative activities, excess transportation costs, or any other process deviation resulting from non-compliance will be handled through the PTR process. Should GHSP incur fines, penalties, or other costs resulting from inaccurate completion of these documents, traceable to the supplier’s failure to respond to a Customs inquiry, audit, or verification, GHSP will hold the supplier accountable for reimbursement. The supplier may also be responsible for any cost associated with the need to expedite freight because of materials being held in customs due to inaccurate, incomplete, or missing documentation. PTR’s can negatively affect a suppliers Quality rating and may contain debits for cost recovery.

GHSP recognizes that any item, equipment, software, technology, or technical data that is shared, transmitted or transferred to a foreign national within the United States, or to anyone outside of the United States, may be considered controlled and require an export license by OFAC (Office of Foreign Assets Control), DDTC (Directorate of Defense Trade Controls), BIS (Bureau of Industry and Security), or any other United States government agency. It will be the sole responsibility of the consulting agency, supplier, contractor, or another service provider, to know and comply with all United States Export Control Regulations and federal licensing requirements set forth by any and all federal agencies, should any information, software, technology, or technical data associated with the subject, item, RFQ, or project, under development, or in production, need to be shared, transmitted, or transferred in any manner to a foreign national within the United States, or to anyone outside of the United States, for purposes of collaboration during design, development and/or production.

All information, software, technology, or technical data provided by GHSP in any correspondence, written or attached, to any consultant, supplier, contractor, or non-GHSP employee, will be considered confidential and privileged, and is intended exclusively for United States citizens under the direct employment of the consulting agency, supplier, contractor, or other service provider, located within the borders of the United States.

11.0 *PREFERENTIAL TRADE PROGRAMS and COUNTRY OF ORIGIN CERTIFICATION*: To receive and distribute the preferential treatment on products made in North America under USMCA (previously NAFTA) and other Trade Agreement Programs, GHSP, Inc. must have documented verification of the Country of Origin of the goods procured from our suppliers. The USMCA Certificate of Origin and other documentation declares origination of goods Certificates of Origin must be provided to the requesting Customs officials upon request.

For GHSP to support claims with US Customs, we must be able to verify origination of the manufacturer’s goods, parts, and components that are eligible and documented. This requires some assistance on the part of our supplier. The preferred method is for the supplier to qualify their products under USMCA and provide a signed USMCA Certificate of Origin.

GHSP requires supplier Certificates of Origin must cover shipments for up to one year (a “blanket” certificate). Supplier certificates must be renewed on an annual basis. GHSP will send out a request once a year for a renewal of the supplier’s certificates.

Please be advised that when GHSP signs its own Certificates of Origin, it is relying on the accuracy and validity of the information its suppliers have provided. Any changes to the information you supply must be immediately communicated to GHSP in writing and copy to the attention of the Trade Compliance Department ghsptradecompliance@jsjcorp.com. Should GHSP incur fines, penalties, or other costs resulting from inaccurate completion of these documents traceable to the supplier’s failure to respond to a Customs inquiry, audit or verification, or a loss of USMCA -organization status, GHSP will hold the supplier responsible for reimbursement.

GHSP requires that the Certificate of Origin and Manufacturer’s Affidavit include not only a description of the article, but also the supplier ID number, GHSP’s item ID number, and the first 6-digit of the United States Harmonized Tariff Schedule classification number. Please send the completed, signed Certificate of Origin and Manufacturer’s Affidavit to GHSP to the attention of the Trade Compliance Department USghsptradecompliance@jsjcorp.com, or to the GHSP requestor when responding to annual USMCA and country of origin solicitations.

Foreign suppliers located outside of the USMCA territories (United States, Canada, and Mexico) must also require providing similar information and comply with certain expectations associated with any free trade agreements established between the relevant origin and destination countries.

Please note: All shipping cartons must have the country of origin labeled.

12.0 *C-TPAT and SUPPLY CHAIN SECURITY*: GHSP is C-TPAT certified as a Tier II level in the U.S. and Mexico. GHSP operates under the same security processes within its facilities around the world. As a requirement to maintain this certification, GHSP must conduct a periodic review of its supply chain and ensure all suppliers are following and demonstrate that they are meeting the minimum-security criteria. For more information specific to the requirements of C-TPAT, please visit: <http://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism>

All suppliers to GHSP are required to ensure appropriate security measures are in place at their facility to prevent unauthorized access to any materials, containers, or packaging, being processed for delivery to any GHSP facility. For all shipments, supplier accepts responsibility for factory and container security, until the container/merchandise is delivered to or ownership transferred to GHSP.

Supply chain security audits can be performed at any time and without notice to the supplier. In most circumstance, audits will be conducted in person and onsite at the supplier’s location and scheduled in advance to ensure proper resources are available at the supplier to facilitate an effective evaluation. An annual supplier survey will be sent to the supplier by December 31st of the following year for completion prior to the evaluation. Audits may also require visits to sub-suppliers or contractors that provide services necessary to produce the materials provided to GHSP. In rare cases, or in the event GHSP is undergoing a “revalidation” these supplier visits may be accompanied by U.S. Customs and Border Protection officials. Suppliers will be made aware of these situations in advance.