

January 25, 2019

**APPENDIX "S"
SHIPPING INSTRUCTIONS**

GENERAL: These instructions supplement the Purchase Order and establish the preservation packaging, marking, and shipping instructions for shipments under the terms of F.O.B. origin as defined herein. Any shipments requiring special handling equipment which result in added costs are prohibited unless authorized by the Buyer (example: Padded van, household goods, etc.). Premium transportation cost in excess of normal routing resulting from the Seller's schedule slippage shall be at the Seller's expense unless specifically authorized by the Buyer. Shipments purchased hereunder shall be made as follows:

DOMESTIC

ESA'S primary small package transportation provider is FedEx

Phone: 1-800-GoFedEx

Email: N/A

ESA'S primary LTL transportation provider is DSV Road

Phone: 866-543-8270 (Chris Campbell)

Email: chris.campbell2@us.dsv.com

Required information when scheduling shipment:

1. Shipping location
2. PO number
3. Dimensions and weights

WEIGHT

1 TO 150 POUNDS

SHIP VIA

ESA account number will be provided during the purchasing process. All shipments are to be shipped most economical method (ground) unless pre-approved by buyer or delegate to be shipped air. Purchase Order number is required to be referenced for each shipment. Do not declare a value unless specified on the Purchase Order. Sellers must provide two (2) Packing Lists for each box of material. One copy shall be attached to the outside of the box and the other inside on top of material. These packing lists shall pertain only to the contents of each box and shall be invoiced accordingly.

OVER 150 POUNDS

Motor Freight - 3PL provider (DSV Road) is to be called or emailed (listed above) to arrange pickup of material. Purchase Order number is required at the time of booking the shipment. Packing list shall be placed on the same side of the pallet as the shipping label (PRO Number).

Phone: Tel: +1 541-773-3993 Ext: 3593

Email: chris.campbell2@us.dsv.com Purchase Order prescribed routing shall be used. Seller recommended changes should be submitted to the Buyer prior to shipment. If approved by Buyer such changes shall be incorporated into the Purchase Order.

AIRFREIGHT

Air Freight – Prior approval is REQUIRED. ESA FedEx account will be provided during the purchasing process. Do not declare a value unless specified on the Purchase Order. Purchase Order number is required at the time of booking the shipment. Packing list shall be placed on the same side as the shipping label (PRO Number). Priority or 2ND day Air freight shall be in accordance with Buyer, directed Air freight Carrier.

INTERNATIONAL

Imports into US

**NLR (No Licensed Required) – FedEx
Licensed shipments - DSV**

WEIGHT

SHIP VIA

1 TO 20 (??) KGS

ESA account number will be provided during the purchasing process. All shipments are to be shipped most economical method (INTL Economy) unless pre-approved by buyer or delegate. Do not declare a value unless specified on the Purchase Order. Seller must provide two (2) Packing Lists for each box of material. One copy shall be attached to the outside of the box and the other inside on top of material. These packing lists shall pertain only to the contents of each box and shall be invoiced accordingly. Purchase Order number is required to be referenced for each shipment.

OVER 20 KGS

Freight Forwarder- DSV is to be called or emailed to arrange pickup of material.
Phone: 1 732-850-8000 ext. 2311

Email: Jamie Fortune - DSV <jamie.fortune@us.dsv.com>

Purchase Order number is required at the time of booking the shipment. Packing list shall be placed on the same side as the shipping label.

Purchase Order prescribed routing shall be used. Seller recommended changes should be submitted to the Buyer prior to shipment. If approved by Buyer such changes shall be incorporated into the Purchase Order.

Shipping advice

An ESA legal entity will generally act as Importer of Record into the US, with the exception of DDP (Delivered Duty Paid) incoterms. A foreign supplier's commercial or customs (proforma) invoice is to be issued for each conveyance detailing the merchandise included in the specific shipment. Goods requiring an U.S. State Department License cannot be shipped under DDP terms

In order to meet U.S. Customs' stringent invoicing requirements and avoiding delays in transit, it is imperative that suppliers prepare complete and accurate documentation regarding the actual cargo being shipped. These documents are also part of our recordkeeping responsibilities and may be reviewed by U.S. Customs in an audit.

The notify party on invoices, bill of lading and arrival notices should be listed as the appropriate Elbit Systems of America company (EFW Inc., Kollsman, etc.) and all documentation should be emailed to Imptracking@elbitsystems-us.com prior to departure.

International Shipments Commercial Invoice

The commercial (proforma) invoice must be in ENGLISH and contain the following information.

- Full name and address of the SHIPPER of the goods. The suppliers full address must be included on the invoice to determine the correct Manufactures Identification Code (MID) that must be declared to U.S. Customs & Border Protection.
- Full name and address of the BUYER of the goods
- Full name and address of the SHIP TO/CONSIGNEE of the goods
- Supplier invoice number and date
- ESA purchase order number(s)
- ESA part number
- ISO country of origin for each line item
- Description for each line item
- Quantity at line item level
 - Number of pieces of each line item
 - Total number of pieces at the lowest level – number of boxes/cartons, not number of pallets
 - Total net kilograms
 - Total gross kilograms
- Unit of measure for each item
- Valuation and currency
 - Unit price and currency for each line item
 - Packing costs (if excluded from unit price)
 - Prepaid transportation costs
 - Any discounts, selling commissions, royalties, licensing fees, etc.
 - Materials, equipment, or services provided by the buyer or on behalf of the buyer used to manufacture the product not otherwise included in the unit price (i.e. Assists)
 - Total invoice amount with currency (total amount must be sum of line items)
 - IATA Dangerous Goods Certification & MSDS (if applicable)
- Returned Goods
 - Invoice must clearly identify if the goods being returned were repaired under warranty or non-warranty
 - Repair values per item must be clearly stated on the invoice regardless if the goods were repaired under warranty or not
 - If goods were inspected but no repairs were conducted, the invoice must include a inspection value / charge.
 - Kits
 - Invoice must be broken down at an item level and must contain item level description, value and country of origin

- Note: if shipment is made free of charge (example: samples) a true representation of value is still required with the additional note “value for customs purposes only” and the invoice must include the reason why delivery is being made free of charge
- U.S. State Department Import License (if applicable)
 - License Number
 - License Line Item Transaction Value
 - Exemption Statement if goods are not being imported against a license
- ATF Permit Number (if applicable)
- Prime Contract number (if applicable)
- Duty-Free / Defense Contract Statement (if applicable)
- Payment terms
- Incoterm / Shipping term should accurately describe the seller’s and buyer’s obligations and the point where the responsibility for transportation costs and associated risk transfer from seller to buyer
 - Incoterms are internationally agreed standards for facilitating international trade. They define the transportation obligations, costs and risks.

Airway Bill or Bill of Lading

- Transportation details
 - Carrier Name
 - Flight Number / Vessel Voyage
 - ETD (estimated time of departure) Port of Departure
 - ETA (estimated time of arrival) Port of Arrival
 - Airway Bill Number or Bill of Lading Number

Free Trade Agreement (FTA) and/or Duty Preferential Certificates (if applicable)

- The U.S. has established 14 Free Trade Agreements (FTA) with 20 countries. Most FTA’s require that the importer have the applicable FTA preferential certificate of origin, issued by the exporter, at the time of U.S. Customs Entry.
- If goods qualify for such agreements, a preferential certificate of origin or an invoice declaration statement specific to the agreement, is required.
 - For example, invoices for goods that qualify for the U.S. Israel Free Trade Agreement (USILFTA) should contain the following statement.

"I, the undersigned, hereby declare that unless otherwise indicated, the goods covered by this document fully comply with the rules of origin and the other provisions of the Agreement on the Establishment of a Free Trade Area between the Government of Israel and the Government of the United States of America."

The Exporter (whether the exporter is the producer or not)

The Producer (is not the exporter)

Tax Identification: _____

Name:

Title:

Email:

Duty Free Entry (DFE) (if applicable)

- Subheading 9808.00.30, Harmonized Tariff Schedule of the United States, provides for duty-free treatment of "materials certified to the Commissioner of Customs by authorized military procuring agencies to be emergency war material purchased abroad".
- For goods being imported into the U.S. to support an U.S. Government Defense Contract, the below statement must be on the invoice or as a stand-alone declaration.

Duty-Free Statement (Defense Contract Statement)

UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE

Duty-Free Entry to be claimed pursuant to Section XXII, Chapter 98, Subchapter VII, Item 9808.00.3000 of the Harmonized Tariff Schedule of the United States, please release shipment under 19 CFR 142 and notify (insert name and address of contractor, agent, or broker) who will notify DMCA Customs, 207 New York Avenue, Staten Island, NY 10305-5013 for execution of the duty-free entry certificate.

Product Marking

All products or their individual packaging must be marked in English with the ISO country of origin, the country where the good was manufactured and/or assembled. The country of export is not necessarily the country of origin.

Origin marking must be in English, and be clear, conspicuous, legible and permanent to indicate to the ultimate purchaser in the United States the English name of the country of origin of the merchandise.

Assists

The term "assist" means any of the following if supplied directly or indirectly, and free of charge or at reduced cost, by the buyer of imported merchandise for use in connection with the production or the sale for export to the United States of the merchandise:

- (i) Materials, components, parts, and similar items incorporated in the imported merchandise.
- (ii) Tools, dies, molds, and similar items used in the production of the imported merchandise.
- (iii) Merchandise consumed in the production of the imported merchandise.
- (iv) Engineering, development, artwork, design work, and plans and sketches that are undertaken elsewhere than in the United States and are necessary for the production of the imported merchandise.

U.S. Customs requires any assists to be reported at the time of import filing and can be added to one shipment or a number of shipments for a specific period of time. The foreign supplier must first identify any item that was provided free of charge or below market value for use in the production of a product for ESA.

Product Information Requests and Records

Upon request, our valued Suppliers will provide ESA with all information and records relating to the purchased products that may be necessary for ESA to (a) fulfill any Customs obligations, origin marking or labeling requirements, (b) claim preferential duty treatment under applicable trade preference regimes, and (c) participate in any duty deferral program of the country of import.

ESA is legally required to maintain certain documentation and specific data related to products imported into the United States. This documentation may help substantiate key compliance elements such as the harmonized tariff classification and country of origin of the imported products. In order to maintain the data, ESA may send suppliers solicitation requests on a regular basis. These requests may include but are not limited to any of the following: U.S. Israel Free Trade Agreement (USILFTA) certifications, North America Free Trade Agreement (NAFTA) certifications and/or Manufacturer's Affidavit/Declaration or Certificate of Origin requests.

COORDINATION: Items that have such peculiar characteristics and require selected transportation modes or precautionary measures shall be identified and coordinated with the Buyer.

F.O.B. ORIGIN: If the Term "F.O.B. Sellers Dock" appears on the face of this purchase order, it will mean F.O.B. carrier's equipment at the plant or plants from which the supplies are to be shipped; or if the facilities for shipment are not available at the Seller's plant, F.O.B. means the nearest point that carrier service is available.

PREMIUM TRANSPORTATION (Domestic): Seller shall only use FedEx. Airfreight. Any shipments requiring premium transportation carrier other than FedEx shall not be used unless specifically authorized by the buyer. The criteria for the selection of the carrier and the mode of transportation utilized shall be dictated by the weight, size, commodity and other factors that may affect the rate. Air shipments when authorized, must be made to arrive at Fort Worth, Texas (D/FW). **Do not insure or declare a value other than minimum allowed by the carrier at the lowest possible rate.**

DROP SHIPMENT: Where drop shipment to a third party location is directed by the ESA Buyer, the seller will provide a copy of the shippers receipt to the buyer as objective evidence that the shipment had taken place as directed

FREIGHT CONSOLIDATION: Consolidate all shipments to be forwarded on any one day not covered by premium transportation authorization or a supplemental routing instruction.

BILLS OF LADING: The Seller shall insure that all material shipped is described on the Bills of Lading in compliance with the applicable freight classifications and tariffs as directed by the Buyer.

DECLARED OR RELEASED FREIGHT RATES: When shipping via Motor Carrier (LTL), Railroad or Surface Freight Forwarder and rates are based on declared or released evaluation, indicate highest value for lowest available rate. (Example - Electrical instruments No1, NMFC61700 RVNX \$1.50 per pound).

CLASSIFIED MATERIAL: Ship in accordance with Department of Defense Industrial Security Manual for safeguarding classified material. DOD 5220.22-M.

HAZARDOUS MATERIAL: Shipments of Hazardous Materials will be made in compliance with the current issue of the code of Federal Regulations, Title 49, Parts 100-199, or International Civil Aviation Organization's (ICAO) Technical Instructions for the safe transport of dangerous goods (current revision), as appropriate.

CERTIFICATION/PERMITS: The Seller shall insure that the Buyer is included and authorized to make shipments under the provisions of any Department of Transportation (D.O.T) special permits issued for the Buyer's procurement. When the DOT special 3 permit is not applied to the container, that permit or exemption to DOT Regulations will be forwarded to the Buyer.

COST REIMBURSEMENT CONTRACTS: If the Buyer indicates the purchase is applicable to a Government Cost Reimbursement Contract, the following statement is required on all Commercial Bill of Lading... "Transportation and services hereunder are for the U.S. Department of Defense and the actual total transportation charges paid to the carrier by the consignor or consignee are to be reimbursed by the Government pursuant to cost reimbursable contract number. _____".

PRESERVATION, PACKAGING AND PACKING: Items shall be preserved and packaged "Best Commercial Practice" or as instructed by Buyer.

-ESD protection and markings shall be provided as required for all electronic assemblies and components.

MARKING/IDENTIFICATION:

Multiple box shipments mixed with multiple orders shall be labeled as 1 of 5, 2 of 5, Etc. Indicate purchase order number on all Bills of Lading and Air Bills.

SHIPMENT DEVIATION: Any deviation or exception to these instructions must be approved by the Buyer prior to shipment. In addition, to other remedies available to the Buyer, deviations from the provisions set forth herein, unless due to specific instructions, shall result in a debit to the Seller for the excess transportation cost.

SUPPLEMENTS: Buyer may from time to time supplement part or all of the provisions of this appendix.

Failure to adhere or comply with Appendix S or Buyer's instructions can result in charge back to shipper.