

Correct Way to Fill out the Shipper's Letter of Instruction

- 1(a) **U.S. Principal Party in Interest (USPPI)** - Provide the complete name, address, and tel. no. of the USPPI. The USPPI is the person in the United States that receives the primary benefit, monetary or otherwise, of the export transaction. Generally that person is the U.S. seller, manufacturer, order party, or foreign entity. The foreign entity must be listed as the USPPI if in the United States when the items are purchased or obtained for export. Report only the first five digits of the ZIP code. (See §30.4, 30.7)
- 1(b) **USPPI Employer Identification Number (EIN) or ID Number**- Enter the USPPI's Internal Revenue Service Employer Identification Number (EIN) or Social Security Number (SSN) if no EIN has been assigned. Report the 9-digit numerical code as reported on your latest Employer's Quarterly Federal Tax Return, Treasury Form 941. The EIN is usually available from your accounting or payroll department. If an EIN or SSN is not available a border crossing number, passport number, or a Customs identification number must be reported. (See §30.7(d) (2))
- 1(c) **Parties To Transaction** - Indicate if this is a related or non-related party transaction. A related party transaction is a transaction between a USPPI and a foreign consignee, (e.g., parent company or sister company), where there is at least 10 percent ownership of each by the same U.S. or foreign person or business enterprise.
- 2 **Date of Exportation** - Enter the date the merchandise is scheduled to leave the United States for all methods of transportation. If the actual date is not known, report the best estimate of departure. The date format should be indicated by MM/DD/YYYY.
- 3 **Transportation Reference Number** - Report the booking number for ocean shipments. The booking number is the reservation number assigned by the carrier to hold space on the vessel for the cargo being shipped. For air shipments the air waybill number must be reported. For other methods of transportation leave blank.
- 4(a) **Ultimate Consignee** - Enter the complete name, address, and tel. no. of the foreign party actually receiving the merchandise for the designated end-use or the party so designated on the export license. For overland shipments to Mexico, also include the Mexican state in the address.
- 4(b) **Intermediate Consignee** - Enter the name and address of the party in a foreign country who makes delivery of the merchandise to the ultimate consignee or the party so named on the export license.
- 5 **Forwarding Agent** - Enter the name and address of the forwarding or other agent authorized by a principal party in interest.
- 5(b) **Forwarding Agent Employer Identification Number (EIN) or ID Number** - Enter the forwarding agent's Internal Revenue Service Employer Identification Number (EIN). Report the 9-digit numerical code as reported on the latest Employer's Quarterly Federal Tax Return, Treasury Form 941. The EIN is usually available from your accounting or payroll department.
- 6 **Point (State) of Origin or Foreign Trade Zone (FTZ) Number** (a) If from a FTZ enter the FTZ number for exports leaving the FTZ, otherwise enter the: (b) two-digit U.S. Postal Service abbreviation of the state in which the merchandise actually starts its journey to the port of export, or (c) State of the commodity of the greatest value, or (d) State of consolidation.
- 7 **Country of Ultimate Destination** - Enter the country in which the merchandise is to be consumed, further processed, or manufactured; the final country of destination as known to the exporter at the time of shipment; or the country of ultimate destination as shown on the export license. Two-digit (alpha character) International Standards Organization (ISO) codes may also be used.
- 8 **Loading Pier** - (For vessel shipments only) enter the number or name of the pier at which the merchandise is laden aboard the exporting vessel.
- 9 **Method of Transportation** - Enter the method of transportation by which the merchandise is exported (or exits the border of the United States). Specify the method of transportation by name, such as, vessel, air, rail, truck, etc. Specify "own power" if applicable.
- 10 **Exporting Carrier** - Enter the name of the carrier transporting the merchandise **out** of the United States. For vessel shipments, give the name of the vessel.
- 11 **Port of Export** (a) For Overland Shipments - Enter the name of the U.S. Customs port at which the surface carrier (truck or railcar) crosses the border. (b) For Vessel and Air Shipments - Enter the name of the U.S. Customs port where the merchandise is loaded on the carrier (airplane or ocean vessel) that is taking the merchandise **out** of the United States. (c) For Postal (mail) Shipments - Enter the U.S. Post Office from which the merchandise is mailed.
- 12 **Foreign Port of Unloading** - For vessel shipments between the United States and foreign countries, enter the foreign port and country at which the merchandise will be unloaded from the exporting carrier. For vessel and air shipments between the United States and Puerto Rico, enter the Schedule C code, "U.S. Customs District and Port Code".
- 13 **Containerized** - (For vessel shipments only) check the **YES** box for cargo originally booked as containerized cargo and for cargo that has been placed in containers at the vessel operator's option.
- 14 **Carrier Identification Code** - Enter the 4-character Standard Carrier Alpha Code (SCAC) of the carrier for vessel, rail and truck shipments, or the 2- or 3-character International Air Transport Association (IATA) Code of the carrier for air shipments. In a consolidated shipment, if the ultimate carrier is unknown, the consolidator's carrier ID code may be reported. The National Motor Freight Traffic Association (703) 838-1831 or www.nmfta.org issues the SCAC's for ocean carriers, trucking companies and consolidators. The American Association of Railroads, Railinc (919) 651-5006 issues the SCAC codes for rail carriers. The International Air Transportation Association (IATA) issues the air carrier codes. The IATA codes are available on the Foreign Trade Division web site under "Air Carrier Codes" at <www.census.gov/foreign-trade>.
- 15 **Shipment Reference Number** - Enter the unique reference number assigned by the filer of the SED for identification purposes. This shipment reference number must be unique for five years. For example, report an invoice number, bill of lading or air waybill number, internal file number or so forth.

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- 16 **Entry Number** - Enter the Import Entry Number when the export transaction is used as proof of export for import transactions, such as In-Bond, Temporary Import Bond or Drawback's and so forth. Also, an Entry Number is required for merchandise that is entered as an import (CF 7501 or Automated Broker Interface (ABI) entries) and is then being exported **out** of the United States.
- 17 **Hazardous Materials** - Check the appropriate "Yes" or "No" indicator that identifies the shipment as hazardous as defined by the Department of Transportation.
- 18 **In Bond Code** - Report one of the 2 - character In-Bond Codes listed in Part IV of Appendix C of the FTSR (15 CFR Part 30) to indicate whether the shipment is being transported under bond.
- 19 **Routed Export Transaction** - Check the appropriate "Yes" or "No" indicator that identifies the transaction as a routed export transaction. A routed export transaction is where the foreign principal party in interest authorizes U.S. forwarding or other agent to export the merchandise **out** of the United States.
- 20 **Schedule B Description of Commodities** - Use columns 22 - 24 to enter the commercial description of the commodity being exported, its schedule B number, the quantity in schedule B units, and the shipping weight in kilograms. Enter a sufficient description of the commodity as to permit verification of the Schedule B Commodity Number or the commodity description as shown on the validated export license. Include marks, numbers, or other identification shown on the packages and the numbers and kinds of packages (boxes, barrels, baskets, etc.)
- 21 **"D" (Domestic), "F" (Foreign) or M (Foreign Military Sales)**
(a) Domestic exports (**D**) - merchandise that is grown, produced, or manufactured in the United States (including imported merchandise which has been enhanced in value or changed from the form in which imported by further manufacture or processing in the United States).
(b) Foreign exports (**F**) - merchandise that has entered the United States and is being re-exported in the same condition as when imported.
(c) Foreign Military Sales (**M**) - exports of merchandise that are sold under the foreign military sales program.
- 22 **Schedule B Number** - Enter the commercial description of the commodity being exported and the ten-digit commodity number as provided in Schedule B – Statistical Classification of Domestic and Foreign Commodities Exported from the United States. See item 5 (page 2) for a discussion of not repeating the same Schedule B numbers on the SED. If necessary, the Harmonized Tariff Schedule (HTS) number can be reported on the SED.
- 23 **Quantity** (Schedule B Units) - Report whole unit(s) as specified in the Schedule B commodity classification code. Report also the unit specified on the export license if the units differ. See the Appendix showing a list of telephone numbers for assistance with units of quantity.
- 24 **Shipping Weight** (kilograms) - (For all methods of transportation) Enter the gross shipping weight in kilograms for each Schedule B number, including the weight of containers but excluding carrier equipment. To determine kilograms use pounds (lbs) Multiplied by 0.4536 = kilograms (report whole units.)
- 25 **VIN/Product Number/Vehicle Title Number** - (For used self-propelled vehicles only). Report the following items of information for used self-propelled vehicles as defined in Customs regulations 19 CFR 192.1: (1) Report the unique Vehicle Identification Number (VIN) in the proper format; (2) Report the Product Identification Number (PIN) for those used self propelled vehicles for which there are no VINs; and (3) the Vehicle Title 13 Number.
- 26 **Value** (U.S. dollars) - Enter the selling price or cost if not sold, including freight, insurance, and other charges to U.S. port of export, but excluding unconditional discounts and commissions (nearest whole dollar, omit cents). The value to be reported on the SED is the USPPI's price or cost if not sold, to the foreign principal party in interest. Report one value for each Schedule B number.
- 27 **License No. /License Exception Symbol/Authorization - Whenever a SED or AES record is required:**
(a) Enter the license number on the SED or AES record when you are exporting under the authority of a Department of the Treasury, Office of Foreign Assets Control (OFAC) license (enter either the general or specific OFAC license number), a Department of Justice, Drug Enforcement Agency (DEA) permit, or any other export license number issued by a Federal government agency. Export information for items identified on the Commerce Department' CCL or the State Department, Office of Defense Trade Controls, USML, must be filed through the AES.
(b) Enter the **correct** License Exception symbol (e.g. LVS, GBS, CIV) on the SED or AES record when you are exporting under the authority of a License Exception. See § 740.1, § 740.2, and § 758.1 of the Export Administration Regulations (EAR).
(c) Enter the "No License Required" (NLR) designator when you are exporting items under the NLR provisions of the EAR when the items being exported are subject to the EAR but not listed on the Commerce Control List (CCL) (i.e. items that are classified as EAR99).
- 28 **Export Control Classification Number (ECCN)** - Whenever SED or AES record is required, you must enter the **correct** Export Control Classification Number (ECCN) on the SED or AES record for all exports authorized under a license or License Exception, and items being exported under the "No License Required" (NLR) provisions of the EAR that are listed on the CCL and have a reason for control other than anti-terrorism (AT).
- 29 **Duly authorized officer or employee** - Provide the signature of the USPPI authorizing the named forwarding or agent to effect the export when such agent does not have a formal power of attorney or written authorization.
- 30 **Signature/Certification** - Provide the signature of the USPPI or authorized forwarding or other agent certifying the truth and accuracy of the information on the SED, the title of USPPI or authorized agent, the date of signature, the telephone number of the USPPI or authorized agent preparing the SED and who can best answer questions for resolving problems on the SED, and the email address of the USPPI or authorized agent.
- 31 **Authentication** - For Customs use only

Terms and Conditions of Service

These terms and conditions of service constitute a legally binding contract between the "Company" and the "Customer". In the event the Company renders services and issues a document containing Terms and Conditions governing such services, the Terms and Conditions set forth in such other document(s) shall govern those services.

- 1. Definitions.**
 - a. "Company" shall mean BGI Worldwide Logistics, Inc., its subsidiaries, related companies, agents and/or representatives;
 - b. "Customer" shall mean the person for which the Company is rendering service, as well as its agents and/or representatives, including, but not limited to, shippers, importers, exporters, carriers, secured parties, warehousemen, buyers and/or sellers, shipper's agents, insurers and underwriters, break-bulk agents, consignees, etc. It is the responsibility of the Customer to provide notice and copy(s) of these terms and conditions of service to all such agents or representatives;
 - c. "Documentation" shall mean all information received directly or indirectly from Customer, whether in paper or electronic form;
 - d. "Ocean Transportation Intermediaries" ("OTT") shall include an "ocean freight forwarder" and a "non-vessel operating carrier" (NVOCC);
 - e. "Third parties" shall include, but not be limited to, the following: "carriers, truckmen, cartmen, lightermen, forwarders, OTIs, customs brokers, agents, warehousemen and others to which the goods are entrusted for transportation, cartage, handling and/or delivery and/or storage or otherwise".
- 2. Company as agent** The Company acts as the "agent" of the Customer for the purpose of performing duties in connection with the entry and release of goods, post entry services, the securing of export licenses, the filing of export documentation on behalf of the Customer and other dealings with Government Agencies; as to all other services, Company acts as an independent contractor.
- 3. Quotations Not Binding.** Quotations as to fees, rates of duty, freight charges, insurance premiums or other charges given by the Company to the Customer are for informational and estimation purposes only and are subject to change without notice; no quotation shall be binding upon the Company unless the Company in writing agrees to undertake the handling or transportation of the shipment at a specific rate or amount set forth in the quotation and payment arrangements are agreed to between the Company and the Customer.
- 4. No Liability for the Selection or Services of Third Parties and/or Routes.** Unless services are performed by persons or firms engaged pursuant to express written instructions from the Customer, Company shall use reasonable care in its selection of third parties, or in selecting the means, route and procedure to be followed in the handling, transportation, clearance and delivery of the shipment; advice by the Company that a particular person or firm has been selected to render services with respect to the goods, shall not be construed to mean that the Company warrants or represents that such person or firm will render such services nor does Company assume responsibility or liability for any actions(s) and/or inaction(s) of such third parties and/or its agents, and shall not be liable for any delay or loss of any kind, which occurs while a shipment is in the custody or control of a third party or the agent of a third party; all claims in connection with the Act of a third party shall be brought solely against such party and/or its agents; in connection with any such claim, the Company shall reasonably cooperate with the Customer, which shall be liable for any charges or costs incurred by the Company.
- 5. No Duty to Maintain Records for Customer.** Customer acknowledges that pursuant to Sections 508 and 509 of the Tariff Act, as amended, (19 USC § 1508 and 1509) it has the duty and is solely liable for maintaining all records required under the Customs and/or other Laws and Regulations of the United States; unless otherwise agreed to in writing, the Company shall only keep such records that it is required to maintain by Statute(s) and/or Regulation(s), but not act as a "record keeper" or "recordkeeping agent" for Customer.
- 6. Obtaining Binding Rulings, Filing Protests, etc.** Unless requested by Customer in writing and agreed to by Company in writing, Company shall be under no obligation to undertake any pre- or post Customs release action, including, but not limited to, obtaining binding rulings, advising of liquidations, filing of petition(s) and/or protests, etc.
- 7. Preparation and Issuance of Bills of Lading.** Where Company prepares and/or issues a bill of lading, Company shall be under no obligation to specify thereon the number of pieces, packages and/or cartons, etc.; unless specifically requested to do so in writing by Customer or its agent and Customer agrees to pay for same, Company shall rely upon and use the cargo weight supplied by Customer.
- 8. Reliance On Information Furnished.**
 - a. Customer acknowledges that it is required to review all documents and declarations prepared and/or filed with the Customs Service, other Government Agency and/or third parties, and will immediately advise the Company of any errors, discrepancies, incorrect statements, or omissions on any declaration filed on Customer's behalf;
 - b. In preparing and submitting customs entries, export declarations, applications, documentation and/or export data to the United States and/or a third party, the Company relies on the correctness of all documentation, whether in written or electronic format, and all information furnished by Customer; Customer shall use reasonable care to insure the correctness of all such information and shall indemnify and hold the Company harmless from any and all claims asserted and/or liability or losses suffered by reason of the Customer's failure to disclose information or any incorrect or false statement by the Customer upon which the Company reasonably relied. The Customer agrees that the Customer has an affirmative non-delegable duty to disclose any and all information required to import, export or enter the goods.
- 9. Declaring Higher Value to Third Parties.** Third parties to whom the goods are entrusted may limit liability for loss or damage; the Company will request excess valuation coverage only upon specific written instructions from the Customer, which must agree to pay any charges therefore; in the absence of written instructions or the refusal of the third party to agree to a higher declared value, at Company's discretion, the goods may be tendered to the third party, subject to the terms of the third party's limitations of liability and/or terms and conditions of service.
- 10. Insurance.** Unless requested to do so in writing and confirmed to Customer in writing, Company is under no obligation to procure insurance on Customer's behalf; in all cases, Customer shall pay all premiums and costs in connection with procuring requested insurance.
- 11. Indemnification/Hold Harmless.** The Customer agrees to indemnify, defend, and hold the Company harmless from any claims and/or liability arising from the importation or exportation of customers merchandise and/or any conduct of the Customer, which violates any Federal, State and/or other laws, and further agrees to indemnify and hold the Company harmless against any and all liability, loss, damages, costs, claims and/or expenses, including but not limited to reasonable attorney's fees, which the Company may hereafter incur, suffer or be required to pay by reason of such claims; in the event that any claim, suit or proceeding is brought against the Company, it shall give notice in writing to the Customer by mail at its address on file with the Company.
- 12. Limitation of Actions.**
 - a. Unless subject to a specific statute or international convention, all claims against the Company for a potential or actual loss, must be made in writing and received by the Company, within (7) seven days of the event giving rise to claim; the failure to give the Company timely notice shall be a complete defense to any suit or action commenced by Customer.
 - b. All suits against Company must be filed and properly served on Company as follows:
 - i. for claims arising out of ocean transportation, within thirty (30) days from the date of the loss;
 - ii. for claims arising out of air transportation, within thirty (30) days from the date of the loss;
 - iii. for claims arising out of the preparation and/or submission of an import entry(s), within thirty (30) days from the date of liquidation of the entry(s);
 - iv. for any and all other claims of any other type, within thirty (30) days from the date of the loss or damage.
- 13. Disclaimers; Limitation of Liability.**
 - a. Except as specifically set forth herein, Company makes no express or implied warranties in connection with its services;
 - b. Subject to (c) below, Customer agrees that in connection with any and all services performed by the Company, the Company shall only be liable for its negligent acts, which are the direct and proximate cause of any injury to Customer, including loss or damage to Customer's goods, and the Company shall in no event be liable for the acts of third parties;
 - c. In connection with all services performed by the Company, Customer may obtain additional liability coverage, up to the actual or declared value of the shipment or transaction, by requesting such coverage and agreeing to make payment therefor, which request must be confirmed in writing by the Company prior to rendering services for the covered transaction(s).
 - d. In the absence of additional coverage under (b) above, the Company's liability shall be limited to the following:
 - i. Where the claim arises from activities other than those relating to customs brokerage, \$50.00 per shipment or transaction, or
 - ii. Where the claim arises from activities relating to "Customs business," \$50.00 per entry or the amount of brokerage fees paid to Company for the entry, whichever is less;
 - e. In no event shall Company be liable or responsible for consequential, indirect, incidental, statutory or punitive damages even if it has been put on notice of the possibility of such damages.
- 14. C.O.D. or Cash Collect Shipments.** Company shall use reasonable care regarding written instructions relating to "Cash/Collect" on "Deliver (C.O.D.)" shipments, bank drafts, cashier's and/or certified checks, letter(s) of credit and other similar payment documents and/or instructions regarding collection of monies but shall not have any liability if the bank or consignee refuses to pay for the shipment.
- 15. Credit Extension and Terms.** All charges must be paid by Customer in advance unless the Company agrees in writing to extend credit to customer; the granting of credit to a Customer in connection with a particular transaction shall not be considered a waiver of this provision by the Company. Further, All shipments are subject to COD until this form is completed in its entirety, and accepted and approved by BGI Worldwide Logistics Inc., Credit approval and terms will be forwarded by mail to the below signed officer(s).

In consideration of credit being extended by BGI Worldwide Logistics, Inc. to the above named applicant for services to be rendered, whether applicant is an Individual or Individuals, a proprietorship, a partnership, a corporation, or other entity, the undersigned guarantor or guarantors each hereby contract and guarantee to complete the faithful payment, when due, of all accounts of said applicant for the payment for services rendered within five years next after the date of this application. The undersigned guarantor or guarantors each hereby expressly waive all notice of acceptance of this guarantee, notice of extension of credit to applicant, presentment, and demand for payment on applicant, protest and notice to undersigned guarantor and guarantors of dishonor or default by applicant or with respect to any security held by BGI Worldwide Logistics, Inc., extension of time of payment to applicant, acceptance of partial payment or partial compromise, and all other notices to which the undersigned guarantor or guarantors might otherwise be entitled and demand for payment under this guarantee. Absent written permission by creditor, this personal guarantee may not be revoked.
- 16. Compensation of Company.** The compensation of the Company for all its services shall be included with and is in addition to the rates and charges of all carriers and all other agencies selected by the Company to transport and deal with the goods and such compensation shall be exclusive of any brokerage, commissions, dividends, or other revenue received by the Company from carriers, insurers, and others in connection with the shipment. In any referral for collection or action against the Customer for monies due the Company, upon recovery by the Company, the Customer shall pay the expenses of collection and/or litigation, including all reasonable attorney fees.
- 17. Costs of Collection.** In any dispute involving monies owed to Company, the Company shall be entitled to all costs of collection, including reasonable attorney's fees and interest at 15% per annum or the highest rate allowed by law, whichever is less, unless a lower amount is agreed to by Company.
- 18. General Lien and Right to Sell Customer's Property**
 - a. Company shall have a general and continuing lien on any and all property of Customer coming into Company's actual or constructive possession or control for monies owed to Company with regard to the shipment on which the lien is claimed, a prior shipment(s) and/or both;
 - b. Customer agrees that any and all overdue balances past the agreed terms, and including all liens, are subject to 2% interest per month.
 - c. Company shall provide written notice to Customer of its intent to exercise such lien, the exact amount of monies due and owing, as well as any on-going storage or other charges; Customer shall notify all parties having an interest in its shipment(s) of Company's rights and/or the exercise of such lien.
 - d. Unless, within thirty days of receiving notice of lien, Customer posts cash or letter of credit at sight, or, if the amount due is in dispute, an acceptable bond equal to 110% of the value of the total amount due, in favor of Company, guaranteeing payment of the monies owed, plus all storage charges accrued or to be accrued, Company shall have the right to sell such shipment(s) at public or private sale or auction and any net proceeds remaining thereafter shall be refunded to Customer.
- 19. No Modification or Amendment Unless Written.** These terms and conditions of service may only be modified, altered or amended in writing signed by both Customer and Company; any attempt to unilaterally modify, alter or amend same shall be null and void.
- 20. Severability.** In the event any Paragraph(s) and/or portion(s) hereof is found to be invalid and/or unenforceable, then in such event the remainder hereof shall remain in full force and effect.
- 21. Controversy or Claims.** Applicant agrees any controversy or claim arising from or relating to this contract or the breach thereof shall first be settled by arbitration in accordance with the Uniform Rules for Binding Arbitration of the Better Business Bureau and any judgment award rendered by arbitrator(s) may be entered in any court having jurisdiction thereof.
- 22. Governing Law; Consent to Jurisdiction and Venue.** These terms and conditions of service and the relationship of the parties shall be construed according
 - a. to the laws of the States of New York or California without giving consideration to principals of conflict of law. Customer and Company
 - b. irrevocably consents to the jurisdiction of the United States District Court and the State courts of New York or California;
 - c. agrees that any action relating to the services performed by Company shall only be brought in said courts;
 - d. consent to the exercise of in personam jurisdiction by said courts over it, and further agrees that any action to enforce a judgment may be instituted in any jurisdiction.