

Standard Shipping Instructions (SSI) Mexico (IET, OFE)

Purpose

The purpose of this document is to detail the requirements of importing materials into Mexico to ensure strict compliance with Mexico Customs laws and regulations, expedite clearance of items imported to Mexico, minimize risk of fines, penalties, and forfeitures in relation to imported goods and to minimize storage/demurrage charges.

Scope

The requirements stated within this document apply to all shipments consigned by external suppliers from outside Mexico to Baker Hughes business locations in Mexico.

Responsibility and Authority

It is the Shipper's responsibility to follow the instructions described in the present document to assure full compliance with Baker Hughes shipping requirements and customs laws and regulations. International shipments crossing the Mexican border and entering the customs territory of Mexico must be accompanied by required import documents containing **full**, **true and accurate** shipping data. Consigners also undertake the responsibility to ensure the shipments comply with requirements for customs clearance as defined in the present document.

Description of Activity

Shipper's planning and executing shipments consigned to Baker Hughes Mexico shall proceed in accordance with the shipping instructions and specific routing terms set forth below.

1. Contacts

Suppliers' first and main point of contact is Baker Hughes Sourcing/Procurement

| Site | Legal Entities | Email |
|--|--|--|
| Guadalupe, Nuevo León | Baker Hughes Pressure Control de México S.A. de C.V. | Baker Hughes Customs: bhcustomsscan@bakerhughes.com |
| Cd del Carmen, Campeche | Baker Hughes Products and Services S. de RL de C.V. | Baker Hughes Customs: bhcustomsscan@bakerhughes.com |
| Tlalnepantla de Baz, Estado de México | Bently de México S. de RL de C.V. | Baker Hughes Customs: <u>bhcustomsscan@bakerhughes.com</u> |
| Tultitlán, Estado de México | Dresser de México S.A. de C.V. | Baker Hughes Customs: bhcustomsscan@bakerhughes.com |
| Villahermosa, Tabasco | Vetco Gray de México S.A. de C.V. | Baker Hughes Customs: bhcustomsscan@bakerhughes.com |

2. Shipping Address

| Consignee: Baker Hughes Pressure Control de Mexico S.A. de C.V. | | | | | |
|--|---|------------------------|----------------------------|---|--|
| Address | | Mode of Transportation | | | |
| Av. Benito Juarez, Num. Ext. 6900, Las Flores, CP 67190, Guadalupe, Nuevo Leon, Mexico | | | Air/Ocean/Truck/Cou | rier | |
| Preferred Airport | Preferred Port | | Preferred Road Terminal | Courier Restrictions? | |
| Monterrey Airport | For shipment from Europe: Altamira Port | | Nuevo Laredo | None. Preferred courier – FedEx. Max. weight: 70kg | |
| | For shipment from Asia: | | | | |
| | Manzanillo | Port | | | |

| Consignee: Baker Hughes Products and Services S. de R.L. de C.V. | | | | |
|--|--|--|----------------------------|---|
| Address | | | Mode of Transportat | ion |
| Antonio Dovali Jaime, Num. Piso 5 Torre B, Col. Santa 01210, Alvaro Obregón, Ciu México, México | B, Col. Santa Fe, C.P. o Obregón, Ciudad de | | Air/Ocean/Truck/Courier | |
| Preferred Airport | Preferred Port | | Preferred Road Terminal | Courier Restrictions? |
| Mexico City International Airport / Felipe Angeles International Airport | For shipment from Europe: Veracruz Port | | Nuevo Laredo | None. Preferred courier – FedEx. Max. weight: 70kg |
| | For shipment from Asia: Manzanillo Port | | | |

| Consignee: | Bently de Mexico S. de R.L. de C.V. | |
|------------|-------------------------------------|------------------------|
| Address | | Mode of Transportation |

| Antonio Dovali Jaime, Num. Ext 70, |
|-------------------------------------|
| Piso 5 Torre B, Col. Santa Fe, C.P. |
| 01210, Alvaro Obregón, Ciudad de |
| México, México |

Air /Truck/Courier

| Preferred Airport | Preferred Port | Preferred Road Terminal | Courier Restrictions? |
|---------------------------|----------------|----------------------------|---|
| Mexico City International | Not applicable | Nuevo Laredo | None. Preferred courier |
| Airport / Felipe Angeles | | | – FedEx. Max. weight: |
| International Airport | | | 70kg |

| Consignee: | Dresser de México S.A. de C.V. | | | |
|--|--|--|----------------------------|---|
| Address | | | Mode of Transportat | ion |
| Antonio Dovali Jaime, Num. Piso 5 Torre B, Col. Santa 01210, Alvaro Obregón, Ciu México, México | ol. Santa Fe, C.P. | | Air/Ocean/Truck/Courier | |
| Preferred Airport | Preferred Port | | Preferred Road Terminal | Courier Restrictions? |
| Mexico City International Airport / Felipe Angeles International Airport | For shipment from Europe: Veracruz Port | | Nuevo Laredo | None. Preferred courier – FedEx. Max. weight: 70kg |
| | For shipment from Asia: Manzanillo Port | | | |

| Consignee: | Vetco Gray de México S.A. de C.V. | | | |
|---|--|-------------------------|----------------------------|---|
| Address | | | Mode of Transportat | ion |
| Antonio Dovali Jaime, Num. Ext 70, Piso 5 Torre B, Col. Santa Fe, C.P. 01210, Alvaro Obregón, Ciudad de México, México | | Air/Ocean/Truck/Courier | | |
| Preferred Airport | Preferred Port | | Preferred Road Terminal | Courier Restrictions? |
| Mexico City International Airport / Felipe Angeles International Airport | Review per shipment Dos Bocas Port / Veracruz Port / Manzanillo Port | | Nuevo Laredo | None. Preferred courier – FedEx. Max. weight: 70kg |

3. Incoterms

- EXW and DDP are not supported
- Use Incoterms provided in PO/Contract
- Contact Baker Hughes Customs for correct interpretation and application of Incoterms.

4. Billing/Invoicing Addresses

| Legal entity | Address | Tax ID |
|--------------|--|--------------|
| · · | Av. Benito Juárez, Num. Ext 6900, Las Flores, CP 67190, Guadalupe, Nuevo León, México | GOA990831BH9 |

| Baker Hughes Products and Services S de RL de CV | Antonio Dovali Jaime, Num. Ext 70, Piso 5 Torre B, Col. Santa Fe, C.P. 01210, Alvaro Obregón, Ciudad de México, México. | GO&0311035W2 |
|---|---|--------------|
| Bently de México S de RL de CV | Antonio Dovali Jaime, Num. Ext 70, Piso 5 Torre B, Col. Santa Fe, C.P. 01210, Alvaro Obregón, Ciudad de México, México. | BMC950721PD9 |
| Dresser de México SA de CV | Antonio Dovali Jaime, Num. Ext 70, Piso 5 Torre B, Col. Santa Fe, C.P. 01210, Alvaro Obregón, Ciudad de México, México. | DME890601C39 |
| Vetco Gray de México SA de CV | Antonio Dovali Jaime, Num. Ext 70, Piso 5 Torre B, Col. Santa Fe, C.P. 01210, Alvaro Obregón, Ciudad de México, México. | VGM761112Q49 |

5. Radioactive Shipments

Not allowed.

Although radioactive shipments can be received in Mexico by country regulation, Baker Hughes businesses in the country do not import this type of commodities.

6. Explosive shipments

Not allowed.

Although explosive shipments can be received in Mexico by country regulation, Baker Hughes businesses in the country do not import this type of commodities.

7. Chemical shipments

Not allowed.

Although chemical shipments can be received in Mexico by country regulation, Baker Hughes businesses in the country do not import this type of commodities.

8. Sample shipments

Allowed

- Do not ship without green light. Refer to sections 18,19 for GL approval contacts.
- Intercompany and external suppliers shall reach out to contacts listed in these sections for special instructions regarding sample shipments.
- MSDS in English and Spanish are required for all chemical samples.

9. Repair shipments

Allowed

- Do not ship without green light approval from Baker Hughes Customs. Refer to sections 18, 19 for GL approval contacts.
- Repair cost must be reflected in the commercial invoice.
- Shipping documents to be sent to Baker Hughes Customs: <u>BHCustomsMX@bakerhughes.com</u>
- Specify the type of repair to be done on the item/s
- Specify the repare value
- Specify the product value for customs pusposes
- Specify the part number, brand, model and serial number of the item/s
- Maintain the original identification plates that mentions the part number, brand, model and serial number
- If the reparation was not successful and it's needed to import a new product, please specify it.
- If reparation is due to be done at outsourcing supplier it must be on the list of authorized ones
- Specify net and gross weight of the item/s
- Specify job number on the shipping documents

10. Hand carry

Not allowed.

Contact Baker Hughes Customs BHCustomsMX@bakerhughes.com for more information.

11. Restricted materials

Country-specific requirements:

- Shipments from sanctioned countries cannot be imported into Mexico.
- Send shipping documents to the Governance Team for review and approval prior to shipping.
- As of June 3rd, 2019, goods cannot be imported into Mexico without demonstrating compliance with the applicable NOMs.
- Official Mexican Standards, or Normas Oficiales Mexicanas (NOMs), are legal enforcement documents regulating products, processes, or services that may constitute a safety or health risk for people, animals, plants, or the environment in general. NOMs outline minimum safety requirements that a product, process, installation, system, activity, service or method of production or operation must meet. In addition, there are requirements related to terminology, symbols, packaging, labeling, marking, commercial information, and energy efficiency.
- The following HS codes are subject to NOM's certifications:
 - o 9026.20.99
 - 0 8471.50.01

12. Any materials need to be segregated?

Steel material that is subject to a special import permit issued by local government (Aviso Automático) must be sent in a separate shipment. This material is associated to the following HTS code headers:

- 7207 to 7304 Mill Certificate required
- 7202, 7305 to 7317 Mill and Quality Certificate required

13. Requirements for Commercial/Shipping/Customs Invoice

Invoice must reflect the following data:

- Invoice number
- Place and date of issue
- Supplier's name, address for Tax purposes and Tax Id (PO Box is not considered to be valid for Mexican Law purposed)
- Bill-to: Complete importing legal entity name, address for Tax purposes and Tax Id (to match with PO)
- Ship-to: Complete legal entity name, address for Tax purposes and Tax Id (PO Box is not considered to be valid for Mexican Law purposed)
- Incoterm with place of delivery
- Baker Hughes part number
- Purchase order number and line
- Detailed commercial description and specifications (including brand, model number, grade or quality, serial number and whether new or used) (The part number or product code is not considered as a description) ECCN
- Quantity and unit of measurement
- Unit price and total price of each line (to match with PO)
- Currency
- Origin of the goods, of each item
- Payment terms

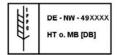
14. Requirements for Packing List

- Packing list must contain reference to the invoice with same number
- Gross and net weight must match the weights provided on AWB/BL.

- Dimensions and number of packages. Each package/crate/box is to be consecutively numbered, and it should clearly indicate which items are packed within each box, i.e. "Box 1 of 3 - containing items 4, 8, and 9 of Invoice No. XXXXX".
- Copy of the packing list must be placed in a waterproof envelope and securely attached on the package.

15. Special packing instructions

- All items will be packed in a manner that will withstand air, land or sea freight in transit handling to insure the protection and safe arrival of contents at destination.
- Any equipment loss or damage incurred due to improper or poor packaging will be the responsibility of the shipper.
- Labels applied when necessary: this side up, fragile, handle with care, keep dry.
- Each box/package/crate must be marked legibly and indelibly with weights and dimensions, consecutive box numbering, and consignee's address.
- T-MEC Certificate of Origin or Movement certificate EUR1.
- ISPM15 stencil.
- All wood packing materials (e.g. crates, pallets) used in shipments destined for the MX must be chemically fumigated or heat sterilized to ensure against pest infestation. All wood packing materials must carry a permanent internationally-accepted treatment identification mark as the following example (on two opposite sides of the package), The mark is composed of the ISO 3166 two letter country code (e.g. DE for Germany), the regional identifier (e.g. NW for North Rhine-Westphalia) and a registration number (unique identifier beginning with 49). The treatment method is denoted by the abbreviation HT for heat treatment or MB for fumigation with methyl bromide. The letters DB may also be included where debarking is required. (Each pallet must be fumigated and stamped with this certification)





Notes: Contact Baker Hughes Sourcing/Procurement for further instructions in case of project specific requirements

16. Freight Forwarder's instructions

Pre-alert notification including commercial invoice, packing list and all other relevel shipping documentation, as well as shipping details must be sent prior to arrival of goods to the following email address: BHCustomsMX@bakerhughes.com

| Mode of Transport | Pre-Alert Criteria |
|-------------------------------|---|
| Heavy Air Freight and Courier | Minimum of seventy-two (72) hours prior to shipping |
| Ground | Minimum of five (5) days prior to shipping |
| Ocean | Minimum of seven (7) days prior to shipping |

17. Required Documentation

| Document Description | Quantity | Comments/Additional Information |
|---|----------|---|
| Commercial/Shipping Invoice | 1 | Always needed. |
| Packing List | 1 | Always needed. |
| Airway Bill/Ocean Bill of Lading / Road transport document / Courier's tracking label | 1 | Always needed. |
| Movement certificate EUR1 | 1 | Needed in original when provided and filled correctly (If applicable) |
| T-MEC or FTA documents | | Filled correctly (If applicable) |

| Export declaration | | |
|----------------------------|---|---|
| Security Certificate | 1 | For chemicals and hazardous materials (If applicable) |
| Safety Data Sheets | 1 | For chemicals and hazardous materials (If applicable) |
| Mill certificate | 1 | For importation of steel |
| Certificate of Quality | 1 | For importation of steel |
| Heat Treated Certification | 1 | If applicable |

| 18. Required Approvals | | |
|--------------------------------|-----------|---|
| Approval | Yes or No | Comments/Additional information |
| Green Light Approval required? | Yes | Green Light will be provided within 48 hours (working days) of approval request, if the documentation is correct. Please follow instructions in section 19 for specific business contacts to request approvals. |

19. Additional Information

Green Light Approval Process

All vendors must send a **Green-Light Approval Request** with copy of the Commercial Invoice and Packing List via email to LATAM Governance Team for review and approval before the shipment is booked and shipped to Mexico. LATAM Governance Team shall provide the approval within 48 hours, on working days, if documents are correct. If documents are not correct, approval will be provided within 24 hours after the documents are corrected. Mexico is tagged as a high-risk and a green-light country, therefore this procedure must be met for compliance purposes.

Documents for all inbound shipments must be sent for review and approval to the following business contacts:

- Baker Hughes Pressure Control de Mexico SA de CV and Vetco Gray de Mexico SA de CV: preentryofe@bakerhughes.com
- Bently de Mexico S de RL de CV: preentryds@bakerhughes.com
- Dresser de Mexico SA de CV and Baker Hughes Products and Services S de RL de CV: <u>preentrytpsmex@bakerhughes.com</u>

<u>Important</u>: Email subject for the green light approval request must show: Name of supplier or intercompany/Invoice number/Name of Product Company in Mexico/Port or Airport of final destination.

Pre-alert and shipping instructions must be sent to the following email. Follow the instructions in Section 16: BHCustomsMX@bakerhughes.com

Import of Steel (Avisos Automáticos)

Evaluation Criteria:

Verify that the Mill or Quality Certificate is attached in "PDF" format with the data required in the terms of Rule 2.2.20 and data of the Avisos Automaticos match those of the Mill or Quality Certificate, as follows:

- Volume measured in Kilograms.
- Complete description of the goods.
- Countries of Origin and Export.
- Data of producing and manufacturing company may be different.
- Number of the mill or quality certificate and its issue date, and

The date of issuance of the mill or quality certificate must not exceed 3 years taking as reference.

In the event above mentioned criteria are not met:

- In the VUCEM (Customs System), the option rejected will appear on the field "Sentido del Dictamen".
- The reasons for rejection are entered in the field "Justificación del dictamen".
- The "Background supporting the opinion" field is automatically required, and its content is shown for reading only.

Other dispositions:

- Aviso Automatico must be submitted for: 1) HS code, 2) by country of origin, and 3) by Mill or Quality Certificate.
- The Mill or Quality Certificate presented in an annex to the Aviso Automatico must be issued at the latest three years before the date of submission.
- The status of the Aviso Automatico must be made up to 5 business days after the date of submission of the notice.
- No data or missing information requirements must be made in the avisos through VUCEM.

Other Operation Specifications:

- The quantity of merchandise to be imported must be indicated in terms of the unit of measure corresponding to the HS code indicated in the Tariff of the Law of General Import and Export Taxes (TIGIE).
- In the case of the receipt of Avisos Automaticos, through the customer service window, the original documents or certified copies that are requested accompanied by a legible simple copy, will be returned at the time of the submission of the request, prior check against the simple copy.
- The validity of the automatic import notification keys will be four months.

Checklist:

The certificate must include the next 10 points as required. Information provided by the Supplier/Mill must be completed in order to get the import permit approved by the government.

Detailed description of the goods:

- Presentation of the product (Such as sheet, plate, bars, sections, drill pipe, conduit tube)
- Type of steel (Explicitly written as unalloyed, alloyed, micro alloyed, hot-rolled, cold-rolled, stainless etc.)
- Coating type (metallic or nonmetallic) for coated products
- Type of finish or complementary work. (Such as drilling, scraping, buttons, notches, grooves or reliefs, chamfered, etc.)
- Product identification code according to international standards: (ASTM, AMS, API, etc.)
- Chemical Composition in %.
- Accessories integrated to the product. (Such as Tees, hooks, rails, elbows, flanges, supports, etc.)
 Please include the mill certificates of the accesories
- Measurements (mm/") * Also include test report or analysis certificate to prove description or attach mill certificate if applies.
- Total weight of the mill/ total weight including unit of measure of the finished product with accessories and without accessories
- Heat number
- Quantity including unit of measure
- Signature or authentication QR
- Name and contact details of the producer/mill
- Address of the producer/mill (and/or e-mail)
- Issue date
- Certificate number

Common errors found in certifications:

- Incomplete description of type of steel treatment: most of the times, the certificate only shows "rolled", instead of "hot" rolled or "cold" rolled
- Description of type of steel treatment mentioning code norm AISI4140 or similar (Instead of hot-rolled, cold-rolled, stainless etc.)
- Incomplete measurement or missing unit of measurement

- Weight of the mill incomplete
- Different heat number or country of origin declared in documents against the ones indicated in the Steel product
- Two or more heat numbers marked in the Steel product
- Two countries of origin marked on the Steel product
- Illegible documents and missing volume.

Mexican Import Labeling Regulations

As of October 1st, 2020, the Ministry of Economy has published a new regulation stating that goods must be labeled at Origin prior to importation into Mexico. Everything will have to be in Spanish. Goods are subject to labeling:

- Electronic, electrical and household appliances
- Textiles, clothing
- Natural leather and synthetic materials
- Retardant materials, fire inhibitors
- Paints, inks, varnishes, lacquers
- Household cleaning
- Toys
- Alcoholic Beverages
- Products in General
- Prepackaged Cosmetics

Requirements:

Labels must contain the following elements:

- Numero de parte (part number)
- Modelo (model)
- Marca (brand)
- Número de Serie (serial number when applicable)
- Cantidad (quantity)
- Tension de alimentacion (Supply voltage in Volts)
- Consumo de potencia (Power consumption in Watts)
- Pais de Origen (Country of origin)
- Nombre del importador (importer's name)
- Nombre del exportador (exporter's name)
- Direccion (BIZ address in Mexico)
- Information must be in Spanish.
- Labels must be printed in white paper with letters in black, font: Arial, font size: 11.
- Labels must be placed outside the packaging for ease identification.

Compliance:

- At customs clearance, the corresponding authority will verify that the products comply with the appropriate labeling, or, when applicable, that all requirements are met within national territory.
- In case of non-compliance, goods will not be allowed to enter the country, and importers will be sanctioned according to national legislation.
- https://www.snice.gob.mx/cs/avi/snice/labelling.mx.2020.html

References: None

Appendixes: None