



HUNTINGTON INGALLS INCORPORATED
Special Provisions for International Purchase Orders

NNS: Appendix I - International
INGALLS: Form SBF P9393

1. Incoterms 2010.

- A. The Incoterms invoked in this Order shall be applicable to all international shipments made pursuant to this Order.
- B. Seller's obligation is to hand over the Products, cleared for export, into the charge of the carrier named by Buyer at the place named in this Order. This provision shall replace any North American, Uniform Commercial Code (UCC) clause used in cases of domestic purchases. This provision does not alter transfer of title or risk of loss as stipulated below.

Note: If the location is Seller's premises, Seller will load onto Buyer's carrier. If delivery occurs at any other place, Seller is not responsible for loading onto Buyer's carrier.

- 2. **Risk of Loss.** Risk of loss shall remain with Seller until the Products are delivered to the designated point of delivery, inspected and accepted by Buyer. Notwithstanding any other provisions regarding the transfer of title or shift of risk of loss, acceptance by Buyer shall not cause risk of loss for any concealed damage to the Products to shift to Buyer. Such risk shall remain with Seller.
- 3. **Compliance with Import/Export Laws.** Seller shall comply with all applicable laws of any and all involved nations governing the import and export of Products during the performance of this Order.
- 4. **Commercial Invoice requirements.** Due to U.S. Customs and Border Protection (CBP) extensive legal requirements for supplier invoices (19 CFR 141.86), Seller shall follow and comply with any instructions provided by Buyer to Seller for preparing international shipments to Buyer.
- 5. **Customs Value/Post-Importation Services.** These *Special Provisions for International Purchase Orders* and the terms of any related Orders cover only Seller's manufacture and/or supply of Products to Buyer and, except as may be otherwise provided in these *Special Provisions for International Purchase Orders* or an applicable Order, do not cover maintenance, erection, assembly, construction, technical assistance, training, or transportation undertaken in the United States after importation of the Products. Where the cost(s) relating to any such post-importation services is included in the sales price of the Products, the amounts for such services shall be ***separately itemized*** on each commercial invoice accompanying imported Products and shall not be included in the value reported for Customs purposes.
- 6. **Freight Charges.** Freight charges listed on any invoice must be actual amounts billed by service provider with no additional charges. Seller shall maintain and make available freight invoices for five years after shipment for Customs audit purposes.
- 7. **Marking – Origin Marking.** Seller shall mark the Product's country of origin in a conspicuous place as legibly, indelibly, and permanently as the nature of the article will permit and be declared on the outer packing unit (e.g., carton).
- 8. **Documentation to Support Duty Reduction or Elimination.**
 - A. The Seller shall furnish Buyer with all documentation necessary to support U.S. customs duty and fee reduction or elimination under an applicable Free Trade Agreement (FTA) or applicable U.S. customs duty free provision. This includes but is not limited to Manufacturer Affidavits (19 CFR 10.1(a)), Certificates of Origin, and Foreign Shipper Declarations (19 CFR 10.1(a)(1)). In accordance with an applicable FTA, and/or applicable U.S. customs

duty free provision, Seller shall certify that (i) the Products originated in the territory of Seller, (ii) the Products comply with the origin requirements specified for the Products, and (iii) unless specifically exempted, there has been no transshipment, further production, or any other operation outside the territories of the parties. Seller shall ensure that all compliance data is true and accurate. Seller shall notify Buyer immediately in writing if sourcing/production changes disqualify its Products under an applicable FTA or U.S. customs duty free provision. Seller shall demonstrate in writing the accuracy of such representations to the satisfaction of relevant U.S. Customs and Border Protection (CBP) officials. Seller is liable for any false statements or material omissions made on or in connection with any documents delivered to CBP. Seller shall maintain and present upon request, documentation necessary to support changes that could affect the accuracy or validity of any certificate. Seller shall be financially responsible for any misstatements or miscertification of origin based on inaccurate or incomplete information provided, or required information and documents not provided in a timely manner.

B. Seller shall indemnify and hold harmless Buyer, Buyer's parent and affiliates and their respective directors, officers, employees, and agents (collectively, for the purposes of this provision, "Buyer") for any U.S. Customs fines and penalties or any other losses or liabilities (collectively or individually a "liability") incurred by Buyer as a result of Buyer's relying on the certifications and information provided by Seller in the performance of this Order. Seller shall, at its own cost, defend Buyer against such liabilities, and it shall pay Buyer's reasonable attorney fees and expenses related to carrying out and enforcing the terms of this paragraph B, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.

9. **Import Security Filings (ISF).** With respect to all of Seller's Products imported by Buyer under this Order, Seller shall timely provide Buyer or Buyer's agent with all information necessary to enable Buyer to file the Importer Security Filing required by CBP for all goods shipped via ocean at least 72 hours prior to loading the cargo on to the vessel. This information includes manufacturer/supplier name and address, container stuffing location, consolidator name and address, country of origin, and HTS classification. Because the timing of the filings and the filing information required by CBP may change over time, Buyer will specify the timing and information required based on current CBP requirements at the time of shipments. The Seller's failure to timely provide the CBP-required information will preclude shipment of the Products to the United States, entitling Buyer to the relief provided by this Order for breach. Further, the Seller shall be financially responsible for any fines, penalties, liquidated damages, or other losses or costs to Buyer resulting from inaccurate or incomplete information provided by Seller and Seller shall indemnify and hold harmless Buyer, its parent and affiliates and each of their directors, officers, employees, and agents for any such fines, penalties, liquidated damages, losses, or any other losses or liabilities (including reasonable attorney fees) incurred by Buyer as a result of Seller's failure to provide accurate and complete information to Buyer in the performance of this Order.