

BEST BUY MEXICO SHIPPING GUIDE

**Best Buy Imports,
AVENIDA SANTA FE NO. 440 PISO 2 OFNA 202 Y 203 P3 Y P4
COLONIA SANTA FE CUAJIMALPA, C.P. 05348
DELEGACION CUAJIMALPA DE MORELOS
MEXICO, DISTRITO FEDERAL**

Updated
February 27, 2018

Information Page

Please read before going any further!

The scope of this Shipping Guide covers shipments of Best Buy orders from overseas vendors to Mexico. Vendors are required to carefully read and comply with this document, which can be found at: http://www.extendingthereach.com/mexico/mexico_welcome_english.html

Current Updates

This current Best Buy Mexico Vendor Direct Import Shipping Guide was published on the Best Buy's Mexico vendor extranet site on March 1st, 2018. Compliance with any new requirements stated in this guide is required immediately or as soon as reasonably practicable.

Future Updates

Updates to the guide occur annually and on as needed basis.

Failure to comply with changes/updates within 90 days will result in Logistics Compliance Program charge backs.

Requirements

It is expected that all shipments from all vendors to all Best Buy Mexico's facilities will be in compliance with the requirements as set forth in this guide.

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Introduction

Dear Vendor:

Best Buy Imports Mexico wants to build strong relationships with our vendors as it continue developing the consumer electronics and appliance retail market in Mexico. As business expands, it is critical that we maintain a strong focus on operational efficiency. By working together we can bring product to our sales floor as efficiently and timely as possible. This is critical for providing value to our customers.

The Cross Border Shipping Guide is a comprehensive source of information on how to interface with Best Buy. Our requirements reflect our commitment to reduce the time and effort involved in transporting and processing your product through the supply chain, and controlling unnecessary freight and labor expenses. The requirements set forth in this guide are definitive, clear and consistent with the standard practices prevalent throughout the retail industry. Your compliance to the policies and procedures contained in this guide will help ensure that these goals are achieved.

When a purchase order is accepted, the requirements of the Import Shipping Guide are accepted. Best Buy monitors all inbound shipments to Best Buy facilities to ensure they are in alignment with all our requirements. As always, we are willing to work with you to establish proper shipping procedures that will comply with our requirements.

We appreciate your cooperation and hope that the successful partnership between us continues to grow.



Saul Ortiz Izquierdo
Sub-Director, Supply Chain
Best Buy Mexico

Section 1

Corporate Contact Information

Supply Chain

Mexico Trade Services Department

BBY Mexico Logistics and Compliance Group	
Main Day-to-Day Contact Tania Monroy Imports Compliance Analyst tania.monroy@bestbuy.com Phone: (55) 8850 2357 Nextel. 72*786290*2	Iray Hinojosa Logistics and Compliance Supervisor iray.hinojosa@bestbuy.com Phone: (55) 885 02079 Nextel. 72*786290*5
Mexico Trade Services Department: mexicocompliance@bestbuy.com	

BBY US Group
Jerusa Carswell Ocean Logistics Manager jerusa.carswell@bestbuy.com Phone: (612) 291-6850

DC Location

Kuehne + Nagel, MDC
Km 1 Carretera Tepotzotlan
La Aurora
Rancho 4 Milpas
Cuautitlán Izcalli, Estado de Mexico
C.P. 54716, Mexico
La Aurora
Phone: (5255)50104200
Fax: (5255)50104204
Email: oscar.juarez@kuehne-nagel.com

Alberto Cruz

Analyst Supply Chain
Phone: (5255) 1253-5906
Email: Alberto.Cruz2@bestbuy.com

Asia Pacific Commercial Documents Support

Asia Compliance Team

86 21 6035 3000 Ext 3061 /3060

asiacompliance@bestbuy.com

86 21 6035 3030

Asia Transportation Team

Angela Cai / Cally Huang / Alan Jin

86 21 6035 3000 Ext 3103/3064/3059

angela.cai2@bestbuy.com / cally.huang@bestbuy.com / Alan.jing@bestbuy.com

86 21 6035 3030

Supply Chain Operations Team

Each Vendor has a direct contact

Section 2

Product Information

2.1 Product information and Classification

Before a vendor ships to Best Buy Mexico, the Mexican Import Compliance Department must confirm that all the necessary information has been gathered to enable correct classification of the product. If information is not provided elsewhere, the vendor will be contacted by the Mexican Customs Broker for a detailed product description, specification sheet and an explanation of how the product is used. Best Buy may require a sample of the product in order to properly classify the item.

All product imported into Mexico will be classified in accordance with Mexican Law. Mexican law places liability for correct product classification on the Mexican Customs House Broker.

2.2 Serial Numbers

Serial Numbers are individual identification numbers that some products have assigned to them by the vendor or manufacturer. For those products with serial numbers, Mexican Customs requires that the importer of record report these serial numbers to Mexican Customs at the time of entry. The vendor will be required to reflect the serial number as well as the brand and the model of **each** item on a separate list or spreadsheet. Please see Section 3.6.

Section 3

Document Information

3.0 Presentation of documents

This section will provide the vendor with guidance on the process to follow when presenting shipping documents to Best Buy. It also contains information about documentation requirements as well as information requirements for commercial and shipping documents.

3.1 Presentation of documents if sold to Best Buy Imports Mexico or Best Buy China LTD

3.1A Ocean Freight and Air Freight

If sold to Best Buy Mexico, the documents listed in section 3.2 "Required shipping documents" must be sent via email to Best Buy Import and Compliance Team (mexicocompliance@bestbuy.com) no later than 48 hours prior to vessel or air departure. It is the preference of Best Buy that the commercial invoice and packing list are prepared in an Excel format.

If sold to Best Buy China Ltd., the documents listed in section 3.2 "Required Shipping Documents" must be sent via email to Best Buy Asia Compliance Team (asiacompliance@bestbuy.com) and copy to Best Buy's Supply Chain Operation Team no later than 48 hours prior to vessel or air departure.

3.1B Document Confirmation Notice (DCN) if sold to Best Buy China LTD

For both air and ocean shipments, upon receipt of accurate required documents as listed below, *Best Buy's Asia Pacific office* will provide to the vendor a Document Confirmation Notice (DCN). Vendors are required to submit the DCN to Best Buy's Air and Ocean Freight Forwarder immediately upon receipt from Best buy Asia Pacific.

3.1C Forwarder's Cargo Receipt (FCR) and House Air Way Bill (HAWB) if sold to Best Buy China LTD

In order to receive the FCR or HAWB from the forwarder the vendor must provide the DCN to the freight forwarder either before delivery of the freight or with delivery of the freight.

3.2 Required shipping documents:

1. Commercial Invoice (*See below for details.*)
2. Packing List (*See below for details.*)
3. Serial Number List, a list of products with Serial Numbers, Brand Name and Model Number (if applicable)

3.3 Commercial Invoice

Best Buy Mexico commercial invoices will be prepared in English. Commercial invoices submitted for Customs clearance must be identical in quantity, price, and model/SKU to the invoice submitted for payment to Best Buy Mexico for open account payment terms.

Only one PO per invoice and one invoice per PO is to be submitted to the freight forwarder. Multiple POs on one shipment are allowed, provided that separate invoices are created for each PO. However, two invoices must be created if shipping one PO via Full Container Load (FCL) & Less than Container Load (LCL). Any discrepancies may delay the shipment and will require revised documents to be submitted by the vendor.

At a minimum for all shipments, the commercial invoice must include the following information and must be reflected in English:

- Vendor/Seller name and address
- Vendor/Seller Tax ID number, it is required only when selling to Best Buy Mexico
- Consignee's name and address (found in Turnover of Documentation section)
- Invoice number
- Invoice date - must be recorded as the estimated date of vessel departure
- Country of Origin (manufacture) of goods, if more than one country is involved, please list all applicable countries by SKU level.
- PO number (SAP PO number)
- SKU number (SAP SKU number)
- Quantity of pieces per SKU
- Clear and detailed description of the merchandise
- Incoterms as negotiated
- Unit Price in USD
- Total value of invoice in USD

- Note Marks of packages in which the merchandise is packaged, recorded in measurements of Mexico (these are the marks that appear on the unit or carton, as specified in *Packaging and Labeling Requirements* Section 7, such as UPC, PO, country of origin)
- If invoice is more than two pages, each page will show the invoice number and a page number in consecutive order
- All additional charges not included in the P.O. unit price, such as assists or items provided by the vendor “free of charge” must be added as a separate line item and itemized (see examples below in Section 3.4C)
- For samples or articles of no commercial value, a fair market value must be stated for customs purposes

3.3A Commercial Invoice Example when sold to Best Buy Mexico

<u>Commercial Invoice</u>				
Shipper/Exporter: XYZ Corporation 123 Industrial Park Kowloon, Hong Kong		Consignee: BEST BUY IMPORTS S. DE R.L. DE C.V. AVENIDA SANTA FE NO. 440 PISO 2 OFNA 202 Y 203 P3 Y P4 COLONIA SANTA FE CUAJIMALPA, C.P. 05348, CUAJIMALPA DE MORELOS, MEXICO, CIUDAD DE MÉXICO		
TAX ID: Invoice Number: 0123456 Incoterms: FOB Port of Hong Kong PO: ABCDEF		Invoice Date (Estimated Ship Date): 11/15/04		
Shipping Marks	Detailed Description	Quantity	USD Unit Value	USD Subtotal
Quantity per carton: 1 pc UPC-123456789012 Model DX-123 Country of Origin: China PO: ABCDEF SKU: 12345678 Carton No. ____ of ____	Cordless Telephone with Answering Machine SKU: 12345678 Country of Origin: China	10,000	\$100.00	\$1,000,000.00
				<u>Total Shipment Value</u> <u>\$1,000,000.00</u>

3.3B Commercial Invoice Examples when sold to Best Buy China

<u>Commercial Invoice</u>				
Shipper/Exporter: XYZ Corporation Ltd. Sold To: Best Buy China Ltd. 123 Industrial Park Astwood Dickinson Building, Kowloon, Hong Kong 2nd Floor, 83-85 Front Street Hamilton HM12 Bermuda				
Consignee: BEST BUY IMPORTS S. DE R.L. DE C.V. AVENIDA SANTA FE NO. 440 PISO 2 OFNA 202 Y 203 P3 Y P4 COLONIA SANTA FE CUAJIMALPA, C.P. 05348, CUAJIMALPA DE MORELOS, MEXICO, CIUDAD DE MÉXICO				
Invoice Number: 123456 Invoice Date (Estimated Ship Date): 11/15/04 Incoterms: FOB Port of Hong Kong SAP PO: ABCDEF				
Shipping Marks	Detailed Description	Quantity	USD Unit Value	USD Subtotal
Quantity per carton: 1 pc UPC-1234567890 Model DX-123 Country of Origin: China SAP PO: ABCDEF Customer SKU: 1234567 Customer PO: 12345678 Carton No. ____ of ____	Cordless Telephone with Answering Machine Customer SKU: 1234567 Country of Origin: China	10,000	\$100.00	\$1,000,000.00
				<u>Total Shipment Value</u> \$1,000,000.00

3.4 Special Commercial Invoice Considerations

3.4A Sets

If a SKU is comprised of more than one item or accessory, contact the Mexico Trade Services Department for additional invoice, marking requirements & labeling of the product.

3.4B Free Items

If the vendor includes in their shipment to Best Buy Mexico a free item such as a promotional CD, free signage, a product display kit, or any other free item that is not included in the cost of the SKU, the free item must be listed as a separate line item on the commercial invoice. A reasonable value, which can be thought of as a replacement value or the value one would expect to pay for an identical item, must be applied to the free item with the words "Value for Customs Purposes Only" listed below the free line item. In the below example, the vendor will charge Best Buy Mexico \$39,990,000.00 and the SKU unit cost will be \$3,999.00. The country of

origin of the free item must also be listed. The country of origin of the free item may be different than the country of origin for the item with which the free item is being imported.

3.4C Assists or Additions to the Price Paid or Payable

In some instances, Best Buy Mexico might pay for certain costs related to the production of an item that is not part of the P.O. price reflected on the commercial invoice. These are called assists. Some common examples of assists are molds, tools or dies paid for by Best Buy Mexico but used by the vendor to manufacture the product. An assist can also be any material, component or part paid for and provided by Best Buy Mexico to the vendor to be incorporated into the finished product. Please contact the Mexico Trade Services Department for instructions on whether the value of the assist should be reflected on the commercial invoice.

Shipping Marks	Detailed Description	Quantity	USD Unit Value	USD SubTotal
Quantity per carton: 1 pc UPC-123456789012 Model DX-123 TV Country of Origin: China CD Country of Origin: Taiwan SAP PO: 1234567 Customer SKU: 1234567 Customer PO: 12345678 Carton No. ___ of ___	42" CRT Color high definition, non-projector television SKU: 12345678 Country of Origin: China Promotional CD with music included with television Country of Origin: Taiwan (Value for Customs Purposes Only) Assist or addition to the price paid or payable not reflected in PO# 1234567 (Value for customs purposes only)	10,000 10,000 10,000	\$3,999.00 \$1.00 \$2.00	\$39,990,000.00 \$10,000 \$20,000
				Total Shipment Value \$40,020,000.00

3.5 Packing List

The vendor must submit one packing list per invoice. The purpose of the packing list is to identify what merchandise is contained in each individual package. The following information must be placed on all packing lists:

- Vendor/Seller name and address if other than the exporter/shipper
- Exporter/Shipper name and address if different than vendor/seller
- Consignee's name and address (see preparation of documents, page)
- PO number (SAP PO number)
- Product description
- SKU (SAP SKU)
- Quantity shipped per SKU
 - Number of cartons
 - Number of units
 - Total Gross weight and net weight, recorded in kilograms
Please note, weight amounts are not required per line item.
- Seal number and container number for Full Containers loaded by vendor

3.5A Packing List Example if selling to Best Buy Imports, S de R.L. de C.V.

Packing List					
Shipper/Exporter: XYZ Corporation 123 Industrial Park P4 Kowloon, Hong Kong PO: ABCDEF			Consignee: BEST BUY IMPORTS S. DE R.L. DE C.V. AVENIDA SANTA FE NO. 440 PISO 2 OFNA 202 Y 203 P3 Y COLONIA SANTA FE CUAJIMALPA, C.P. 05348, CUAJIMALPA DE MORELOS, MEXICO, CIUDAD DE MÉXICO		
	Detailed Description	SKU Quantity	Carton QTY	Net Weight	Gross Weight
Seal Number: 67545 Container Number: HTGY14537654	Cordless Telephone with Answering Machine SKU: 6340134	10,000 units	10,000 cartons	2500 kg	2650 kg
TOTAL		10,000	10,000	2500 kg	2650 kg

3.6 Serial Number List

For products with serial numbers, the vendor will be requested to include a list similar to the list below that reflects the SKU #, Brand Name, Model # and Serial Number for each item.

Serial number list				CI #
Line	SKU	Brand	Model	Serial #
1	1234567	Dynex	DX-123	
	A000001			
	A000002			
	A000003			
2	7654321	Dynex	DX-321	
	B000001			
	B000002			
	B000003			

3.7 Courier Shipments

General Courier Shipments

To expedite shipment delivery, it is requested that vendor utilize FedEx. The use of other couriers will result in document turn-over delays. If vendors select to use others couriers Best Buy Mexico requires that the shipment be turned over to Expeditors International for customs clearance. Vendor must arrange with courier that all shipping and customs clearance expenses be billed back to vendor.

Courier shipments, which include sample shipments, sent to Best Buy Mexico should be delivered to Best Buy Mexico with all transport costs, duties and taxes paid for by the vendor or shipper.

To ensure timely delivery and prevent delays a vendor must incorporate the following on the commercial invoice:

- accurate unit value
- detailed product description
- valid country of origin (manufacturer's country; not where the product is coming from)
- shipper's contact information including name and telephone number
- Best Buy's PO# and SKU# for inventory,
- Destination address
- Name and contact information of recipient
- Select as consignee both Best Buy Mexico and/or Expeditors International Mexico.

Sample Shipments can be sent to Best Buy Mexico via courier or freight forwarder.

3.7A Courier Sample Shipment

For couriered sample shipments, Best Buy Mexico prefers the vendor to use FedEx. Whichever courier the vendor uses, the vendor must notify the courier that the vendor/shipper must be billed for costs related to shipping, duties and taxes for the sample shipment.

3.7B Non-Courier Sample Shipments

In some instances, the vendor may choose to send samples via methods other than courier.

Please contact the Mexico Trade Services via email at Mexicocompliance@bestbuy.com to approve sample shipments. Sample shipments that do not have pre-approval will not be accepted by Best Buy Mexico.

3.7C Small Shipments

Shipments less than 50lbs and under \$200 of valued are allowed to be sent via courier by FedEx. Notification for approval should go through Imports Department.

3.8 Other Notations, Declarations, Statements, Certificates and Forms

Best Buy has prohibitions against the use of convict, forced or child labor and the use of wood packing materials in the shipments of its products. It also has certain country of origin marking and certificate requirements.

3.8A Convict Labor and Manufacturing Agreement statements

The following beneficiary statements must be on vendor letter head or written on commercial invoice or packing list, must reference the specific shipment's PO, and must be signed.

- "Convict labor or forced labor or illegal child labor were not used in the production or assembly of the merchandise for this Best Buy China Ltd., or Best Buy Imports S de RL de CV shipment." (Vendor must state the applicable Best Buy entity.)

3.8B Statement of Wood Packing Material (more information available in supplement)

Best Buy generally does not allow the use of wood packing material with any shipment. In the instances where no wood packing material was used the following statement must appear on company letterhead, the commercial invoice or the packing list:

- "No wood packing materials were used in this shipment."

All shipments that use wood packing material must include the following statement on the commercial invoice, packing list or separate company letterhead:

- "Wood packing materials were used for this shipment and have been appropriately marked according to IPPC standards."

If an exception is made and wood packing material is approved by Best Buy for use, the vendor is responsible for making sure the shipment complies with new regulations for Wood Packing Materials outlined in ISPM #15.

3.8C New IATA Air Cargo Shipping Requirement for Lithium Batteries

All air shipments of Lithium Batteries to Best Buy Mexico must meet the new requirements set forth by ICAO Technical Instructions and IATA DGR according to the 50th Edition (2009) of the IATA Dangerous Goods Regulations (DGR) effective January 1, 2009. Significant changes to the 58th edition of Lithium Batteries will become effective 1, January 2017 from the IATA website at <http://www.iata.org/whatwedo/cargo/dgr/Pages/download.aspx>

Please see attached document for guidance



GuidanceDocument
onthetransport...

3.8D Country of Origin Marking

Every article of foreign origin entering Mexico must be legibly marked with the name of the country of origin. The purpose of the country of origin marking is to inform the ultimate purchaser of the country in which the imported article was made. The vendor is responsible to ensure the following:

- All products will be properly marked with country of origin, either on the goods themselves or on their immediate container in compliance with Mexico Customs regulations.
- The commercial invoice will correctly reflect the country of origin for each product.
- If the SKU has multiple components, the country of origin must be listed for each component. For example, if a product contains a bag and a pair of headphones manufactured in different countries, the product needs to be marked: "Headphones made in China; Bag made in Taiwan."
- The marking should be located in a conspicuous place where it can be seen with a casual handling of the article. The marking must be visible without disassembling the item or removing or changing the position of any parts.

3.9 Turnover of documentation to Best Buy's Customs Brokers

Below are the names and addresses of the appropriate Sold to, Consignee and Notify Parties for Best Buy Mexico and Best Buy China purchases and shipments.

3.9A Sold To & Consignee Name & Address

Sold to and Consignee name and address:

Consignee: BEST BUY IMPORTS S. DE R.L. DE C.V.
AVENIDA SANTA FE NO. 440 PISO 2 OFNA 202 Y 203 P3 Y P4
COLONIA SANTA FE CUAJIMALPA, C.P. 05348,
CUAJIMALPA DE MORELOS, MEXICO, CIUDAD DE MÉXICO

Notify party if port of unloading is Manzanillo:

Expeditors Mexico
Insurgentes Sur N.730 Piso 3
Colonia del Valle | Delegación Benito Juárez
México D.F. CP 03100
Primary Contact: José Leon Supervisor, ZLO Customs Brokerage
E-mail: jose.leon@expeditors.com
Phone: 52 (33) 32846069
Primary Contact: Alejandro Quiles GDL-Customs Manager
E-mail: alejandro.quiles@expeditors.com

Notify party if port of unloading is Lazaro Cardenas:

Servicios Aduanales del Pacífico
Av. Melchor Ocampo número 178, Planta Alta
Colonia 3er. Sector de Fidelac
Lázaro Cárdenas, Michoacán, C.P. 60954
Mexico
Primary Contact: Blanca Rodríguez Butrón, Traffic Manager
Blanca Rodríguez Butrón
Email: blanca.rodriguez@kromaduanal.com
(753) 532 72 97; 532 20 38
Primary Contact: Jonathan B. Añorve, Import Customer Service
Office: (753-53) 220 38
E-mail: jonathan.valdez@kromlogistica.com

3.9B Sold to Best Buy China Ltd.

Sold to name and address:

Best Buy China Ltd.
Astwood Dickinson Building, 2nd Floor,
83-85 Front Street, Hamilton HM12 Bermuda

Consignee name and address:

BEST BUY IMPORTS S. DE R.L. DE C.V.
AVENIDA SANTA FE NO. 440 PISO 2 OFNA 202 Y 203 P3 Y P4
COLONIA SANTA FE CUAJIMALPA, C.P. 05348,
CUAJIMALPA DE MORELOS, MEXICO, CIUDAD DE MÉXICO

Notify party if port of unloading is Manzanillo:

Expeditors Mexico
Insurgentes Sur N.730 Piso 3 & 4
Colonia del Valle | Delegación Benito Juárez
México D.F. CP 03100

Notify party if port of unloading is Lazaro Cárdenas:

Servicios Aduanales del Pacífico
Av. Melchor Ocampo número 178, Planta Alta
Colonia 3er. Sector de Fidelac
Lázaro Cárdenas, Michoacán, C.P. 60954
Mexico

3.10 Freight Forwarder and Custom Broker Destination Contacts

a) Krom Customs Brokerage at Lazaro Cardenas Port

Name and Position	Details of the contact
Luis De la Cruz, Managing Director	Office: (52-229) 9890700 Ext. 10071 luis.delacruz@kromlogistica.com
Regino Franco, Operative Supervisor	Office: (229) 9890700 Ext. 1026 Email: regino.franco@kromaduanal.com
Blanca Rodríguez Butrón, Traffic MGR	Office: (753) 532 72 97 Email: blanca.rodriguez@kromaduanal.com
Jonathan B. Añorve Valdez	Office: (75353) 22038 Ext. 109 Email: jonathan.valdez@kromaduanal.com

b) Expeditors Air Import Contacts at MEX (Airport Mexico City).

Name and Position	Details of the contact
Eduardo Alba (District Manager)	Office: (52-5)551333900- Ext 206 Direct: (52-5) 55133-3952 Mobile: (52-1)-5543464198 eduardo.alba@expeditors.com
Imelda Rasgado (Air import and Export Manager)	Office +52 (55) 51333900 ext. 291 Direct +52 (55) 51333947 Mobile +52 (55) 49850116 imelda.rasgado@expeditors.com
Itzel Meraz (Team Lead)	Office: +52 (55) 51333900 ext. 287 Direct: +52 (55) 51333957 Nextel ID 52*1489*226 itzel.meraz@expeditors.com
Jimena Anguiano (Customer service-Daily following up)	Office: + 52 (55) 5133-3900 Ext. 262 Direct: +52 (55) 51333959 Nextel ID 52*1489*147 jimena.anguiano@expeditors.com

c) Expeditors Customs Brokerage Contacts at MEX (Airport Mexico City).

Name and Position	Details of the contact
Angel Bravo (Customs Brokerage Manager at Mexico City and Veracruz)	Office 52-555-133-3920 Mobile 52-554-620-2117 angel.bravo@expeditors.com
Luis Sansores (Customs Brokerage Supervisor Mexico City)	Direct: 52 55 5133 3930 ext. 234 Mobile: 66082142 Id 42*701*1802 luis.sansores@expeditors.com
Erik Velazquez (Customer Service-Daily following up)	Erik Velazquez Technology Team Leader, Customs Brokerage Direct (52-55) 5133-9332 Office (52-55) 5133-3900 Ext. 325 Mobile (52-55) 4612-3818 ID 52*1489*18 Erik.velazquez@expeditors.com

d) Kerry Logistics Ocean Import Contacts at México.

Name and Position	Details of the contact
Alejandro Gonzalez (Business Development & Key Account Director)	Office: (52) 55 53954133 ext. 1115 Mobile: (52-1) 55 54069658 alejandro.gonzalez@kerrylogistics.com
Erika Mendoza (Key Account Operation Manager)	Office: (52) 55 53954133 ext. 1306 Mobile: (52-1) 55 53954496 erika.mendoza@kerrylogistics.com
Rubicel Vite (Operations Executive)	Office: (52) 55 53954133 ext. 1308 Mobile: (52-1) 55 53954496 rubicel.vite@kerrylogistics.com

e) Expeditors Customs Brokerage at Manzanillo Port (Guadalajara Office).

Name and Position	Details of the contact
Fernando Felix (District Manager)	Direct 52 (33) 32-84-60-36 Office 52 (33) 36000 fernando.felix@expeditors.com
Alejandro Quiles (Ocean Import Manager at GDL- Manzanillo Port)	Direct: (52) (33) 3284-6015 Office: (52) (33) 3284-6000 alejandro.quiles@expeditors.com
José León (Customs Brokerage Supervisor at Manzanillo)	Direct (33) 3284-6069 Mobile (33) 3952-9590 Nextel 52*1489*195 jose.leon@expeditors.com
TBD (Customer Service- Daily following up)	

Global and Local Account Management.

Name and Position	Details of the contact
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Section 4

Security

4.1 Container Security Requirements

The requirements for container security defined below are applicable to foreign suppliers that Best Buy Mexico purchases product from with the intention of importing it into Mexico as well as consolidators that ship goods to Mexico on behalf of Best Buy Mexico.

4.1A Container Inspection

Local procedures and practices must be in place to inspect every container to:

- 1) verify the physical integrity of the container prior to stuffing;
- 2) ensure that there is no un-manifested material present;
- 3) ensure that it is weather tight; and,
- 4) verify that the container locking mechanisms are reliable and in good working order.

An authorized individual must visually inspect the top, bottom, and four sides of the container to verify that there are no false walls or external compartments where un-manifested material may be present; that the walls are in good condition with no holes or leaks and that the locking mechanisms are working properly. The inspector must look for signs of tampering such as new paint, welds, dents, or altered locking mechanisms. After stuffing, the inspector must be aware if the normal and expected amount of freight does not fit into the container.

The inspection of each container must be documented signed and retained locally with the shipping file for at least 12 months and be available for audit. The 7-point inspection form (*See Attachment A on page 26 Container Inspection Form*) or a similar form should be completed for every shipment and filed at the factory as part of the shipping documentation.

In the event that a container is found not to be suitable (e.g. unsafe, holes in roof or sides, locking mechanism broken or un-manifested material is found) an incident report must be completed and reported by a supervisor. Suppliers are to contact Best Buy's freight forwarder to arrange for a new container and the return of the unsuitable one. If actual un-manifested material or a high risk situation is found, the facility management must notify the Customs Compliance Manager.

4.1B Container Stuffing

Materials prepared for container stuffing must be packed and staged for shipment by authorized personnel, and access to the staging and shipping areas should be controlled. Once product is staged, a supervisor should verify the model/piece count to the shipment manifest and observe the loading to ensure no un-manifested material is introduced and that the model/quantities being loaded are correct. The shipping supervisor and the carrier should sign the shipping manifest verifying that the seal number is correct and that physical cargo reconciles to the shipping manifest.

Cargo must be accurately and completely described and weights, labels, marks and piece counts indicated and verified and confirmed against purchase or delivery orders. Manifests and shipment documents must be legible and complete, and all information used for the clearance of goods/merchandise must be verified, legible, complete and accurate. Document control related to product shipments must include safeguards for computer access and information integrity.

4.2 Container Sealing

4.2A Seal Type

Loaded containers bound for Mexico must be sealed with a high security seal. For full container loads, seals are provided by the ocean carrier. The vendor installs the seal on the container and the seal number must be recorded so that it can be ultimately verified at final destination.

4.2B Seal Accountability

Best Buy Mexico requests that there be written procedures are required to stipulate how seals are controlled and affixed to containers. Seal accountability best practices:

1. Seals are kept under lock and accessible only by authorized supervisor;
2. Seals are issued in small quantities to shipping personnel;
3. A log of all outbound seals are maintained that includes Purchase Order number (or shipment manifest number), container number, and seal number; and
4. The log of seals affixed to shipments are reconciled periodically (at least monthly) to the inventory of seals to ensure no seals have been stolen.

4.2C Container Sealing Process

For full containers that are loaded by suppliers, suppliers are responsible for ensuring the container seal procedures are followed. For less than full container loads, suppliers deliver product to Best Buy's freight forwarder who then consolidates, loads and seals the containers. The following outlines the process for container sealing for full container loads:

1. The supplier seals the container using the high security seal provided by the ocean carrier and records the seal number on the Packing List, which is retained by the vendor and forwarded to the freight forwarder.
2. The supplier arranges for the container to be moved to the port of origin.
3. The suppliers' driver receives a Dock Receipt (Mates Receipt) at the port of origin with the seal number recorded.

4.3 7 Point Inspection

Attachment A: 7-Point Inspection Form

Best Buy Container Inspection (This form must be completed for all shipments to Best Buy Mexico, signed and maintained with the local shipping file for at least one year and is subject to audit)		
Date:		Container #:
Shipping Manifest #:		Inspectors Name:
Inspection Results		
Inspection	Check if Acceptable	Describe unacceptable condition (If there is an unacceptable condition or un-manifested material, a supervisor must complete the Incident Report Form. If an unacceptable condition is found, stop the inspection and notify your supervisor.)
Front Wall condition	<input type="checkbox"/>	
Left Side condition	<input type="checkbox"/>	
Right Side condition	<input type="checkbox"/>	
Floor condition	<input type="checkbox"/>	
Ceiling/Roof condition	<input type="checkbox"/>	
Inside/Outside Door condition	<input type="checkbox"/>	
Outside/Undercarriage condition	<input type="checkbox"/>	
Locking Mechanisms condition	<input type="checkbox"/>	
Other comments		
I have visually verified to the best of my ability the condition of the container as noted above and found that the structure of the container is structurally sound, weather tight, has no false compartments, contains no un-manifested material and the locking mechanisms are in good order. The container is approved for stuffing. Or I have noted the condition found and advised my supervisor and not approved the container for stuffing.		
Inspector Signature:		Time

Section 5

Transportation

5.0 Shipment Information

Once terms are negotiated, Best Buy Mexico and their carriers will move all shipments from the product delivery point to Mexico. Penalties will be imposed if outside carriers are utilized.

5.1 Ocean

The vendor is responsible to move product to Best Buy's freight forwarders appointed consolidation freight station for Less-than-Container-Loads (LCL) or to the exporting port for Full-Container-Loads.

5.2 Air

The vendor is responsible to move product to Best Buy's air freight forwarders specified location for air shipments.

5.3 Cargo Manifest Requirements

5.3A Ocean

All vendors must supply specific ocean shipment information to Best Buy's freight forwarder 72 hours before vessel close date.

5.3B Air

Vendors must supply air shipment information to the air freight forwarder prior to the shipment delivery to the air freight forwarders specified location.

5.4 Ocean Shipment Booking Procedures

To ensure timely execution of the shipment, the vendor must contact Best Buy's freight forwarder, Kerry Logistics, 14 days prior to the Ship Date/PO Date and provide booking information. (See *Section 6* for freight forwarder contact information.) Each new vendor will be assigned for a user account to register on KVBO system (Kerry Virtual Buyer Order system) <http://www.kerrylogistics.com/kerrier-vision/> . The vendor must submit on line the official shipment booking through KVBO system. The booking information includes PO number, SAP PO number, model(s), quantity, SKU(s), port of origin, total cubic meters, expected volume (example, full container load or less than container), and cargo ready date. The shipment should be cleared for export and

delivered to the port in accordance with vessel close date, within Best Buy's ship window.

The Freight Forwarder will then contact the vendor regarding the selected vessel and sailing information. When shipping a full container, the vendor will be supplied with the container equipment for loading. If the vendor is shipping a less than container, the cargo must be delivered to the designated Container Freight Station (CFS) for loading to a consolidation container, as directed by the Freight Forwarder. The vendor must not work directly with the carrier.

All ocean shipments will be booked to one of the following: Lazaro Cardenas, Mex.

To avoid additional charges from the forwarder, vendor must keep original date of booking. The freight forwarder will charge vendor administration fees for changes to existing bookings.

5.4A Split Shipments/ Partial Shipments

It is BestBuy's preference **not** to accept partial shipments due to the complexity of managing them.

When the vendor books a partial PO shipment with the freight forwarder this booking will be flagged as a booking exception. The freight forwarder will confirm with vendor that BBY MEXICO does not allow partial shipments. This booking exception will be communicated to the Imports Department (Mexicocompliance@bestbuy.com).

In the case that the Imports Compliance Supervisor in Mexico confirms that partial PO needs to be accepted, the original PO will be cancelled and two new POs will be cut reflecting the split quantities for the original PO. PO 1 will be the first quantity to ship and PO 2 will be the balance quantity to ship.

The two new POs will be communicated to the freight forwarder and the vendor. The vendor will then be able to make a booking for these two new POs and the forwarder will accept the booking request – provided the booking matches the PO detail.

5.5 Equipment/Loading

Best Buy Mexico's preferred ocean container size preference is 40S, 40HQ, or 45, subject to carrier equipment availability.

Preferred Loadability

45'	78 cbm
40'HQ	68 cbm
40'RD	58 cbm
40'Standard	58 cbm
20'	28 cbm
LCL	upon approval

The vendor will be expected to load product with the end result achieving maximum cube utilization for each container used. Any PO booked with the freight forwarder under 28 cbm will be considered LCL freight.

To avoid detention charges from the ocean carrier the vendor is expected to confirm origin free time with the carrier or terminal at the time of container pick up from the terminal.

5.6 Consolidation of Less than Container Load (LCL) Ocean Shipments

The vendor is responsible to deliver finished product to the freight forwarder's Consolidation Facility. The freight forwarder will be responsible for consolidating multiple vendor orders into full container shipments based on the required delivery dates. The freight forwarder is responsible for moving freight to the port for exportation.

The use of the consolidator's facility requires timeliness on the part of each factory. A factory delay can set the entire shipment off schedule, resulting in warehouse charges, storage charges, and discrepancies to the letter of credit.

To avoid delays, vendors are required to deliver the finished goods to the consolidator by the cut-off date communicated by the forwarder.

5.7 Full Container Load (FCL) Ocean Shipments

All factory loaded containers must be floor loaded, no palletized containers are accepted. Always make sure that containers are free from serious defects like holes, splinters, snags, dents, or bulges. All equipment should also be clean and free of

residue from previous shipments. If there are any holes in the container do not load the product, instead request new equipment from the freight forwarder. All spaces and gaps in the loaded container must be secured with braces or ballast's to prevent shifting loads.

At the time of loading, record the container number and seal associated with each SKU and include it on the packing list. It is very important that this information is accurate and complete to assist in efficient receiving at the distribution centers.

To avoid delays, vendors are required to deliver containers to the carrier's terminal no later than the vessel cut-off date as confirmed by Kerry's Vessel cut-off date is generally two to three days prior to vessel departure date.

5.8 Air Shipment Booking Procedures

Ongoing airfreight programs will be arranged well in advance of the start date to ensure proper execution by all parties. One-time shipments will be pre-arranged with Mexico Trade Services Department, and all excess charges incurred will be reviewed and allocated properly. Shipments will be booked as origin airport collect unless other arrangements have been made. The vendor is responsible to pay all origin charges. It is also the vendor's responsibility to deliver the shipment to the origin airport and surrender documents to the freight forwarder.

Once an airfreight program is approved, vendor must notify Best Buy's air freight forwarder, Expeditors International, at least 8 days prior to Ship Date/PO Close Date. *(See Section 6 for freight forwarder contact information.)* Vendors will be required to complete a booking form consisting of these fields:

- Vendor's name
- Terms of Sale
- PO Number SAP PO Number
- DC Number
- SKU Number
- Number of Cartons
- Quantity (Pieces)
- Weight (in Kilos)
- Origin Estimated Delivery Date of Cargo
- Commercial Documentation at Origin

If ocean freight must be converted to airfreight due to a vendor-caused delay, the vendor will be charged back for the air/ocean cost difference and required to sign a vendor chargeback form provided by the Mexico Trade Services Department. Best Buy Mexico will cancel the PO in the KVBO system and upload the information in the Expeditors OMB for vendor can make the booking. Domestic airfreight charges to Best Buy Mexico will be charged back to the vendor if a shipment is late due to a vendor-caused delay, which necessitates by-passing Best Buy's DCs to get product in the stores on time to coincide with an advertisement.

5.9 Palletizing Requirements for Airfreight Going Direct to DC

Palletized product must be palletized according to the following requirements

1. Pallets must conform to the GMA standard pallet specifications and must be 40" X 48" in size.
 - **NOTE:** Block pallets are unacceptable.
2. No pallet height restrictions as long as trailer clearance requirements are met.
3. Overhang is not to exceed 1" on each of the 4 sides of the pallet.
4. Banding of product to pallets is not acceptable.
5. The use of cardboard corner-boards is acceptable if necessary to stabilize the pallet. If corner-boards are used, the height of the corner boards is not to exceed 60" in height and is not to be any taller than the pallet itself.

* For statement of wood packing material requirements, see Section 3/Document Information

Section 6

Freight Forwarder Contacts

6.1 Ocean Service Provider List for LCL and FCL Shipments

Kerry Logistics Locations and Contacts

for arranging carrier bookings and submitting shipment documents for ocean shipments



Kerry Asia Contact
List.xlsx

6.2 Air Service Provider List

Expeditors International Locations and Contacts

for arranging carrier bookings and submitting shipment documents for air freight shipments



EI Air Contacts.xls

Section 7

Packaging and Label Requirements

7.1 Packaging Requirements

- a) All products must be packaged to conform with good packaging procedures, the requirements of carriers and to the National Motor Freight Classifications (NMFC) requirements. See their website (www.nmfta.org) for classification listings.
- b) All products must be packaged in recyclable corrugated cartons with minimum burst strength of 125 pounds per square inch (PSI).
- c) Only one model/UPC per carton. Cartons containing multiple models are unacceptable.
- d) Only one purchase order per carton. Cartons containing multiple purchase orders are unacceptable.
- e) Partial cartons are unacceptable.
- f) Banding of cartons is unacceptable.
 - a. Banding may be necessary for multi-carton models. If necessary, bands must be plastic and corner protectors are to be used on all the banded edges to avoid possible damage to the product.
 - b. Metal banding is not acceptable.
 - c. Logistics is to be notified of all multi-carton models that will require banding. Please send notification to the Logistics Compliance Program Department (see section 1).
 - d. EXCEPTION: Banding of plasma and projection TV cartons with plastic bands (maximum of 3 per carton) is acceptable and does not need to be pre-approved by the Logistics Compliance Program Department.
- g) Each model/UPC will have a specific negotiated Case Pack Quantity (CPQ) as approved by Best Buy Marketing. Each model/UPC must ship in the specific CPQ on every Best Buy shipment.
 - a. Any change requests to specific models CPQ must be sent in writing to Best Buy Marketing. If the change is accepted in writing by Best

Buy Marketing, the vendor can then begin shipping in the new approved CPQ for all future shipments and must cease shipping that model to Best Buy in the old CPQ.

7.2 General Labeling Requirements

1. All product (individual units, inners cartons and master cartons) must be appropriately labeled according to the below detailed requirements.
2. Information can be either pre-printed on the product/carton, applied in the form of a label, or a combination there-of. Most labels are 4"x6" in size. Label can be located anywhere on the carton except the bottom.
3. Special handling notations should be on any and all cartons if applicable. Examples of such notations are:
 - a. Fragile
 - b. This end up
 - c. Do not clamp on sides
 - d. Do not stack more than X units high
 - e. Protect from heat
4. Best Buy China Ltd cartons must be marked with the production date code.

7.3 Product Labeling Requirements

If the vendor is shipping in a case pack quantity of one, the following guidelines apply. If the product is shipped in sellable units (case pack quantity = 1) and all carton label requirements are preprinted on the sellable unit, no additional label needs to be applied.

1. Individual Unit Label Requirements
 - a. UCC-12 in UPC symbology
 - b. Model # and/or product description
 - c. Country of Origin
 - d. SAP PO #
 - e. Customer SKU#
 - f. Carton Number ____ of ____
 - g. Customer PO#

If the vendor is shipping in case pack quantity of more than one, the following guidelines apply. If all of the required information is preprinted on the master cartons, no additional label needs to be applied.

1. Individual Unit Label Requirements

- a. UCC-12 in UPC symbology
- b. Model # and/or product description
- c. Country of Origin

2. Inner Carton Label Requirements

- a. UCC-12 in UPC symbology
- b. Model # and/or product description
- c. Case Pack Quantity (CPQ in units) per Inner Carton

3. Master Carton Label Requirements

- a. UCC-12 in UPC (magnified to 200%) symbology
- b. Model # and/or product description
- c. Case Pack Quantity (CPQ in units) per Master Carton
- d. Country of Origin
- e. SAP PO #
- f. Customer SKU#
- g. Carton Number _____ of _____
- h. Customer PO#

Section 8

**NOMs, Labeling,
Warranties &
Manuals**

8.1 Best Buy Mexico NOM Compliance

Products that are subject to Official Mexican standards or NOM (Norma Oficial Mexicana) must be accompanied by a certificate of compliance issued by a Mexican testing laboratory.

8.1A NOM Certificate:

1. Best Buy will confirm with vendor if Certificate of Compliancy (CoC) document exists.
 - a. If yes, Best Buy will require a copy of this documentation from the vendor.
 - b. If no, vendor must provide a sample to Best Buy's authorized certifier upon request to conduct required testing in order to obtain a NOM Certificate.
2. Best Buy Asia Team will confirm with Best Buy's authorized certifier that NOM testing has concluded and NOM certificate will be processed.

8.1B NOM Label:

1. Vendor will receive required NOM label template from D2 Worldwide, third party provider of Best Buy. Label must be applied to products and shipping cartons as requested per the NOM Compliance Label Guidelines. Failure to comply will correct labeling may result in fines and penalties from Best Buy.

8.2 Energy Consumption Process:

1. BBY AO may request samples from vendor for testing.
2. BBY process unit for energy testing.
3. Testing Laboratory provides Energy Values and Energy Consumption documentation to Best Buy.
4. Best Buy files values
5. If Energy Consumption labeling is required, BBY MX will request D2 to create label and D2 will provide label to vendor for application, following labeling placement guideline.
6. Best Buy will courier Energy Consumption Certification documentation to PROFECO and CONUEE

8.3 Best Buy Mexico Warranties & Manuals

These requirements and specific detail to cover the data required below will be communicated to the vendor by Best Buy.

8.3A Warranties:

1. The warranty is optional and applicable only when Best Buy offers a product warranty.

For those cases, the warranty must contain at least the following information:

- a. The date when the consumer received the product
- b. Name and address of importer of record, BEST BUY IMPORTS S. DE R.L. DE C.V
- c. Brand or model of the product
- d. Name of the retailers in Mexico where the warranty is honored
- e. Name of the retailers in Mexico where consumers can obtain parts for their products
- f. Warranty period (for electric and electronic devices this can't be less than three months)
- g. Terms and conditions of the warranty
- h. Procedure to use the warranty

8.3B Manuals:

Manual requirements:

- a. Must be written in Spanish
- b. Must contain clear instructions for its normal usage, maintenance and optimum use.
- c. Must provide a secure and reliable use of the product.

8.4C Warnings:

Warnings can be mentioned in the product, packaging and manual but must contain the following information:

- a. Warnings to be considered to use, maintain, and enjoy the product
- b. Connectivity or assembly warnings so the product will work correctly
- c. Small parts warnings applicable only for products for children below the age of 5-years-old. Toys for children below the age of 3-years-old must not contain small pieces.