Country of origin marking instructions

10 August, 2021

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1.0 Introduction

Since you have entered into a contract with Kyndryl, or have agreed to provide "no charge" items to Kyndryl that will result in your making shipments to Kyndryl, you must follow the attached instructions. If you have any questions regarding these instructions, contact your Kyndryl buyer or the person requesting the goods prior to making the shipment.

2.0 Country of origin marking

All articles produced, procured, or repaired for Kyndryl, including "no charge" items provided or returned to Kyndryl, must be marked with the appropriate country of origin. This includes finished products, Field Replaceable Units (FRUs), sub-assemblies, parts, media recorded with software programs, manuals, accessories, and supply items. Each article must have the full English name of its country of origin marked on the article itself and on the packaging in which it is received.

For all articles, the country of origin marking requirements are as follows:

- On the immediate container (the outermost level of packaging in which the articles will arrive at the ultimate purchaser);
- On the article itself (where physically possible; see specific requirements below);
- Conspicuous (can be easily seen with normal handling of the article or container);
- Legible (can be easily read by a person with normal eyesight);
- Indelible (resists fading);
- Permanent (survives normal distribution and handling);
- Indicate to the ultimate purchaser the full English name of the article's country of origin.

The country of origin must be included on the commercial invoice and packing list (delivery notice) and must be consistent with the country of origin marked on the immediate container and the article.

2.1 Marking requirements for specific types of articles

Finished products - These include machines (either shipped as a machine type or part number), supplies, major peripherals (such as keyboards and displays), media recorded with software programs, and publications. Finished products must have the country of origin markings directly on the product itself. In all instances, the immediate container going to the ultimate purchaser of the goods must be marked with the country of origin.

Field Replaceable Units (FRUs) - These include certain sub-assemblies such as circuit cards, power supplies, and other items that are routinely removed and replaced during maintenance operations. These items must have the country of origin markings directly on the product itself, where physically possible. In all instances, the immediate container going to the ultimate purchaser of the goods (which may be sealed protective packaging) must be marked with the country of origin.

Sub-products, excluding FRUs - These include modules, components, parts, sub-assemblies, etc. Sub-products must have the country of origin markings directly on the sub-product itself, where physically possible. In all instances, the immediate container going to the ultimate purchaser of the goods (which may be sealed protective packaging) must be marked with the country of origin.

2.2 Wording

The following wording should be used for country of origin marking. Any modification to this wording must be approved by Kyndryl legal.

Articles manufactured in the US:

Articles which are produced from contents, components, and raw materials of mixed national origin and where the US is determined to be the country of origin must be marked:

- Produced in the US of US and non-US components (Allowable for hardware only);
- Assembled in the US of US and non-US components (Allowable for assemblies only);
- Printed in USA (Allowable for printed material and publications only);
- Recorded in USA (Allowable for recorded media such as disks, tapes, and CDs only);

Articles manufactured outside the US:

Articles which are made or finally assembled outside of the US and are determined to have undergone a substantial transformation must be marked:

• Made in xxx (where xxx is the full English name of the country of origin);

- Printed in xxx (where xxx is the full English name of the country where the material was printed. Allowable for printed material and publications only);
- Recorded in xxx (where xxx is the full English name of the country where the software was recorded. Allowable for recorded media such as disks, tapes, and CDs only);
- For articles that are substantially transformed in Canada, use 'Assembled in Canada'

No abbreviations, with the exception of UK for United Kingdom and US or USA for the United States of America, are acceptable.

The two-character International Organization for Standardization (ISO) codes are not acceptable for marking articles or immediate containers.

2.3 Container marking

An immediate container is defined as the outermost level of packaging in which the articles will arrive at the ultimate purchaser. The immediate container must be marked with the full English name of the country of origin of the articles contained within it, using the same wording as the marking on the articles (see above for acceptable wording).

Some immediate containers contain merchandise of different origins. In such an instance, each article within the immediate container must be marked with its country of origin, and the immediate container must include a marking statement which summarizes the countries of origin of the articles in the immediate container. The country of origin summary statement begins: "Contains merchandise from . . . " and is followed by a list of the full English names of the countries of origin of the articles in the immediate container. The country of origin of the "essential character" (the article that provides the most important function or is the reason why a customer would buy a specific product) in the immediate container must be listed <u>first</u>. If the contents of the immediate container are invoiced as a single line item, the country of origin of the "essential character" must be the country of origin shown on the commercial invoice and the packing list.

Containers designed for or capable of reuse must be individually marked to indicate the country of origin of the container. Use the following marking on containers suitable for reuse: "Container made in xxx," where "xxx" is the full English name of the country of origin of the reusable container. If the reusable container is not empty and the reusable container is the immediate container, the reusable container must also be marked "Contents made in xxx" (where xxx is the full English name of the country of origin of the contents).

Exception: If the contents are of US origin, use the wording in Section 2.2 above for Articles manufactured in the U.S.

In all instances, the country of origin marking must be in close proximity to any labeling which designates an address that is not the country of origin. All references to any country on a product or package cannot mislead or deceive the buyer as to the actual country of origin of the article.

No abbreviations, with the exception of UK for United Kingdom and US or USA for the United States of America, are acceptable.

The two-character International Organization for Standardization (ISO) codes are not acceptable for marking articles or immediate containers.

3.0 Commercial invoice

Country of origin information must be provided by you on the commercial invoice for each item, including "No Charge" items provided or returned to Kyndryl. Country of origin information is specific to each line item on the invoice, and each line item must have a single country of origin.

The commercial invoice must provide country of origin information using:

- The 3-digit Kyndryl country code and the full name of the country, in English; or
- The 2-character ISO code and the full name of the country, in English; or
- The 2-character ISO code (e.g., US, FR, TW); or
- The full name of the country in English.

UK may be used as an abbreviation for the United Kingdom.

In all instances, the country of origin information on the invoice must be consistent with the country of origin marked on the immediate container and the article and consistent with the country of origin identified on the packing list (delivery notice).

4.0 Packing list requirements

Country of origin information must be provided by you on the packing list (delivery notice) for each item, including "No Charge" items provided or returned to Kyndryl. Country of origin information is specific to each line item on the packing list (delivery notice), and each line item must have a single country of origin.

The packing list (delivery notice) must provide country of origin information using:

- The full name of the country, in English; or
- The 3-digit Kyndryl country code and the full name of the country, in English; or
- The 2-character ISO code (e.g., US, FR, TW); or
- An appropriate abbreviation for the country.

In all instances, the country of origin information on the packing list (delivery notice) must be consistent with the country of origin marked on the immediate container and the article and consistent with the country of origin identified on the invoice.

5.0 Change log

26 April, 2010:

- Change Country of Origin wording requirement for US-origin assemblies from "Assembled in the US of US and Non-US Components" to "Produced in the US of US and non-US components."
- Clarify when "Product of xxx; chips from yyy" wording is to be used.
- Add requirement to list country of origin of essential character item first when items of different origins are in the same immediate container.
- Remove "the following countries" from the phrase to be used when items of different countries of origin are in an immediate container.
- Add requirement to use the country of origin of essential character item as the country of origin on commercial invoice and packing list, when the contents of an immediate container is shown as a single line item on the commercial invoice and/or packing list.
- Clarify marking requirements for reusable containers that contain US-origin items.
- Clarify that "Country of Origin" statements must be in close proximity to any other labeling that designates an address that is not the country of origin.

18 January, 2011:

• Added "Assembled in the US of US and non-US components" as an acceptable country of origin statement.

13 November, 2017:

- Corrected the definition of 'immediate container'.
- Removed obsolete examples of 'supplies'.
- Removed unique marking requirements for single chip integrated circuit modules.
- Added unique wording for country of origin statement for articles substantially transformed in Canada.

01 October, 2019:

- Changed 'should' to 'must' when describing the order of countries listed in 'Contains merchandise....' statement.
- Changed 'Option' to 'FRU'.

• Other minor clean-up.

10 August 2021:

• Modified content to reflect Kyndryl