



Partners from RF to Light

Shipment Guide:

Detailed instructions for shipping materials in support of MACOM purchase orders.

Effective December 2019

Purpose

The purpose of this routing guide is to provide MACOM suppliers with the correct packaging, documentation, carrier selection, and related procedures for all shipments to or on behalf of MACOM.

Compliance with the instructions in this guide will assist MACOM's efforts to quickly and accurately process receipts and control warehousing and transportation costs. Failure to comply with the instructions in this guide may result in a combination of any of the following:

- Refusal of the shipment.
- Refusal to pay the carrier's invoice in instances that will legally revert the responsibility for the transportation charges back to the shipper.
- Charge-back to the vendor for excess transportation charges, labor costs, packaging costs and administrative costs resulting from non-compliance with the instructions in this guide.

Any waiver from the instructions in this Guide must be in writing (email is not acceptable; you will need a revised PO detailing the change in service level). No MACOM employee has the authority to grant a verbal waiver. Any waivers existing prior to the effective date of this guide are void and re-application will be necessary. To request a waiver of any provision in this guide, contact your MACOM Buyer who will contact MACOM Logistics.

This guide may be updated periodically.

General Shipping Policies & Guidelines

Shipment Terms

MACOM's normal terms are Ex-Works or FCA named point. 'Prepaid and add' to an invoice is not permitted generally. MACOM may accommodate an individual request. Any charges added to an invoice will not be paid unless agreed in writing. Suppliers will not be reimbursed for transportation costs incurred that are the result of failure to follow the instructions in this guide.

Purchase Order Discrepancies

If the purchase order requests a carrier not included in the guide and/or does not include an account number or billing address, if a purchase order deviates from a FedEx Economy Service please contact your MACOM Buyer for clarification.

Product/Shipment Packaging & Labeling

Packaging

All shipments to or on behalf of MACOM must be packaged in a manner adequate to ensure the safety of contents. At minimum all packaging MUST comply with IATA standards - whichever is appropriate for the mode of transportation used. Additionally, suppliers should take care to reduce the dimensional (volumetric) weight of air shipments by use of appropriately sized cartons and proper palletizing techniques.

Shipping Labels

Each carton or pallet label must include the consignment address. Additionally, the following information must be included on the shipping label.

1. Ship from & ship to addresses
2. MACOM purchase order number
 - a. If a carton or pallet contains multiple MACOM purchase orders, use any one of the PO numbers packed within.
3. MACOM part number.
4. Unit Quantity.
5. Country of Origin –
 - a. Country of Origin shown on the shipping label must match Country of Origin shown on the part, on the product label and on the commercial invoice.
6. Package ID / Delivery Note Number.
7. Carton / Pallet numbering (1 of *), sequential if multiple cartons / pallets.

Inner/Intermediate Packaging Labels (Subcontract only)

Each inner/intermediate package must be labeled in compliance with MACOM Subcontract Labelling spec, MFG-1079, available on request from MACOM via your Buyer.

Standard Shipping Documentation

Commercial Invoice Requirements for International Shipments

EXTREMELY IMPORTANT

Background

As the Shipper, it is *your sole responsibility* to ensure that all necessary documents required for both the lawful exportation of the goods from your country, as well as the lawful entry of those goods into the country of destination, are complete and accurate. Invoices with missing, incomplete and/or incorrect data delay this process, which translates into potential examinations and/or storage fees, numerous administrative hours to correct, and potential lost production at the plant will be charged back to supplier. Continued incidents place MACOM - as the legal "Importer of Record" - under increased risk of non-compliance penalties. Should additional costs/damages be incurred by MACOM as a result of missing, incomplete, or inaccurate shipment data, these costs will be charged back to you and your status as a qualified vendor will be placed under review.

The Commercial Invoice also referred to as the "Customs Invoice", is the single most import document in international trade as it contains all the information critical for entering foreign goods into the commerce of the United States. The term "Customs Invoice" relates to the fact that there are several data elements required by Customs as a condition of importation that is are not necessarily found on a typical financial invoice. Therefore, MACOM has provided the following information to help ensure that your invoices meet these requirements.

Required Data Elements:

The following data elements are required by Customs.

Failure to include these can result in delays in clearing your shipments and potential charges back to you.

1. The date of the sale and parties to the transaction (to be expressed as):
 - a) Seller (name and address)
 - b) Buyer (name and address)
 - c) Manufacturer (name and address)
2. Item Description: A full commercial description (no abbreviations or acronyms)
3. Quantities (stated in both total pieces and packages)
4. Purchase price
5. The Currency
6. Any pricing rebates or drawbacks
7. Country of origin (the country where the goods were produced)
8. Separately itemized costs for any production equipment/material that may have been provided to you by the Buyer, at no cost (Example: Production tooling, molds, test equipment, raw material)
9. Invoice to be in English
10. Packing List Number
11. Weights and measures (both gross and net weights, expressed in KGS)
12. The numbering of invoices and pages
13. Name of the responsible person

Additional Definitions and Instructions:

Seller: The party that sells, at time of importation, and will receive payment from the Buyer.

Buyer: The party that buys the goods at time of importation and will make payment to the Seller.

Manufacturer: The party that produced the goods.

Ship To: Also known as the “consignee”, it is the party that ultimately takes physical receipt of the goods.

Packing Lists

A packing list must accompany each shipment. The packing list must be affixed to the outside of a carton or pallet in an obvious manner. The packing list must include the following information:

1. MACOM purchase order number and purchase order line number of each item
2. Manufacturer’s part number of each item and MACOM Part number
3. Quantity shipped
4. Date Code data
5. Carrier
6. Carrier’s tracking number
7. Country of Origin

Small Package Shipping Systems

MACOM’s purchase order number **MUST** be entered as the “**Reference**” for shipments made using carrier’s shipping systems (UPS Online, FedEx Ship Manager, etc.), If a carton contains products for multiple POs, use one of the POs numbers included as the reference number.

Bills of Lading & Air Bills

MACOM’s purchase order (PO) number or return authorization (RMA) number **MUST** appear in the carrier's “**Reference**” of all bills of lading or airway bills. If the shipment contains products for multiple POs, use one of the PO numbers included as the reference number. Additionally, the Name of the Supplier (the company MACOM is buying from) **MUST** be in the “Sender's Name” field on the airway bill or bill of lading.

The number of cartons **MUST** be entered as the “pieces” on the bill of lading or airway bill. If the shipper fails to provide the carton count on the bill at time of shipment, the shipper will assume the liability for any carton shortages not identified at time of delivery by the carrier.

Shipment Requirements

Consolidation of Shipments:

All orders shipping the same day to the same physical address at the same service level must be consolidated into a single shipment on single waybill. Some suppliers may have a weekly consolidation frequency already agreed with MACOM purchasing representatives and this should remain in place.

Dangerous Goods:

It is the shipper’s sole responsibility to package, identify and declare shipments containing Dangerous Goods following the appropriate local, national and internal regulations applicable to the mode of transportation being used. Additionally, a Material Safety Data Sheet (MSDS) **MUST** accompany any item showing the MACOM part # that has been determined as Hazardous or Dangerous for any method of shipment by either the US Department of Transportation (US DOT) or by the IATA.

Carrier Selection Policy

MACOM Carrier Selection Policy Statement

It is MACOM policy that only “Contracted” carriers shall be used for the transport of material or goods when MACOM is responsible for freight payment.

These instructions should support the shipping instructions on the MACOM Purchase Orders placed by MACOM purchasing representatives and apply to all shipments originating and terminating worldwide.

Table of contents

- **Domestic U.S. Parcel Shipping - (Shipments up to 150Lbs (69Kgs))**
- **Domestic U.S. Shipping - (Shipments >151Lbs (70Kgs) up to 400Lbs (182Kgs))**
- **International Parcel Shipping - (Shipments up to 150Lbs (69Kgs))**
- **International Shipping - (Shipments >151Lbs (70Kgs) up to 400Lbs(182Kgs))**
- **Domestic U.S. Shipping - (Shipments >400Lbs (>182Kgs))**
- **International Shipping - (Shipments >400Lbs (>182Kgs))**

Domestic U.S. Parcel Shipping (Shipments up to 150Lbs (69Kgs))

FedEx Ground® - Primary Option

Delivery is typically in 2-3 business days.

Domestic U.S. Shipping (Shipments >151Lbs (70Kgs) up to 400Lbs (182Kgs))

FedEx Freight® Economy- Primary Option

A 3 business-day delivery by 3 p.m. to most locations.

International Parcel Shipping (Shipments up to 150Lbs (69Kgs))

FedEx International Economy®- Primary Option

Delivery typically in 3-4 business days.

International Shipping (Shipments >151Lbs (70Kgs) up to 400Lbs(182Kgs))

FedEx International Economy Freight®- Primary Option

Time-definite delivery typically within 5 business days.

Domestic U.S. Shipping (Shipments >400Lbs (>182Kgs))

Please contact your MACOM Buyer for guidance

International Shipping (Shipments >400Lbs (>182Kgs))

Please contact your MACOM Buyer for guidance

Carrier Substitutions

Carriers other than those listed in the above matrixes may not be used for any MACOM shipments without the prior written approval of your MACOM Buyer.

VERY IMPORTANT SHIPMENT NOTES

Do Not Declare Value for insurance purpose on any shipment airway bills, bills of lading or when preparing the shipment on shipment manifesting systems if the resulting **insurance fees or charges** will be charged to MACOM by any carrier.

Any fees incurred by MACOM, as a result, may be charged back to the supplier.

Do Not Insure any shipments that will be charged to MACOM.

Any fees incurred by MACOM, as a result, may be charged back to the supplier.

Failure to comply with the instructions in this guide may result in a combination of any of the following:

1. Refusal of the shipment
2. Refusal to pay the carrier's invoice in instances that will legally revert the responsibility for the transportation charges back to the shipper,
3. Charge-back to the vendor for excess transportation charges, labor costs, packaging costs and administrative costs resulting from non-compliance with the instructions in this guide.

Our suppliers must understand this new procedure as there may be financial ramifications to the supplier for not following the new process.

Please address questions or concerns that you have immediately to your MACOM Buyer.

Frequently Asked Questions

What happens if I use a carrier not specified in the routing guide?

One of two things can happen. We will either refuse the billing for the freight entirely, in which case it may revert to you and you will be responsible for the invoice OR we will pay the invoice and may bill you back for the freight. Also, a \$100 administrative service fee would be added to the total cost of the invoice as compensation to MACOM for time spent in resolution of the issue..

What happens if I use a carrier in this routing guide, but it is the incorrect one for the Situation?

Based upon the situation, we may refuse the invoice, or we may accept the invoice and pay it. If we do pay the invoice, we may bill you back for the entire amount that we spent that was in addition to what would have been spent had the correct method of shipment been used. Also, a \$100 administrative service fee may be added to the total amount as compensation to MACOM for time spent in resolution of the issue.

What happens if I don't put the MACOM purchase order number in the reference field when I ship?

The lack of a MACOM purchase order number in the reference field does not allow us to confirm that it indeed is a shipment where MACOM is responsible for the freight. Billing for all these types of shipments may be refused and full responsibility for the charges may revert to the supplier. The same scenario applies to improperly referenced third party drop shipments where the freight is to be billed to MACOM.

What happens if I don't consolidate my shipments to an address on a particular day?

Any additional freight paid by MACOM as a result of non-consolidation may be billed back to you. Also, a \$100 administrative service fee may be added to the total cost of the invoice as compensation to MACOM for time spent in resolution of the issue.

What happens if I insure or declare a value on a shipment?

One of two things can happen. We will either refuse the billing for the fees entirely, in which case they will revert to you and you will be responsible for them OR we will pay the fees and may bill you back for them. Also, a \$100 administrative service fee may be added to the total cost of the invoice as compensation to MACOM for time spent in the resolution of the issue.

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