


	<b>Issue Date:</b> May 20, 2014	<b>Policy Number:</b> <b>E-DAD-002</b>
<b>Policy Name: SOMI Port of Ensenada Imports  Standard Operating Procedure (SOP)</b>	<b>Last Revision Date:</b> March 15, 2018	<b>Page:</b> Page 1 of 17

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**I. Corporate Policy:** It is the policy of Schlage Lock Company LLC to ensure compliance with all US and MX Customs and other government agency regulations. This Import Standard Operating Procedure (SOP) is written in accordance with and MX Customs regulatory requirements. Allegion plc is the parent company of Schlage Lock Company LLC and “**Allegion**” will be referenced periodically in this SOP.

**II. Purpose:** To explain to all parties, including suppliers and Schlage Lock Company LLC personnel, the import compliance requirements for participating in a supplier owned and managed inventory (SOMI) program through the Ensenada port. **These requirements are necessary to ensure compliance with Mexico Customs Regulations.**

**III. Scope:** This procedure applies to direct shipments to the Ensenada port meeting the following criteria:

- Ocean shipments
- SOMI shipments
- Raw materials (i.e., parts and components, screws and other fasteners, plastic components, packaging, etc.).

This procedure does not cover Air shipments. For Air shipments please follow the SOMI Import/Export Standard Operating Procedure SOMI US SOP.

**This SOMI procedure does not apply to finished door locks as special legal requirements are applicable to finished door locks sent to Mexico. Finished Locks should not be included in a SOMI program.**

**IV. Freight Forwarders:** Allegion has designated freight forwarders. **In all cases, the designated Freight Forwarder must be used for Allegion shipments.** Kuehne + Nagel must be used for all SOMI vessel shipments.


For all vessel shipments our designated freight forwarder is **Kuehne + Nagel (KN)**. KN will be booking on behalf of Allegion on GSA-endorsed steamship lines. Please refer to [Exhibit 2](#) for contact information by country/city.

Please refer to the SOMI **At-A-Glance Shipping Instructions**. The use of any Freight Forwarder **NOT DESIGNATED** in this SOP will result in delays and increased costs (which may be charged back to the Supplier.)

**V. SOMI Supplier Invoices:** It is a **mandatory requirement** that all Payments to a SOMI supplier be distinguished from non-SOMI Payments in the general ledger. Supplier should assign a unique code to all SOMI invoices. For example, please assign an alpha prefix ‘SW’ (for ‘SOMI Warehouse’) before the numeric invoice number. This entire invoice sequence (SW-XXXXXX) will then appear in the Accounts Payable system for payment and help address compliance issues.

**VI. SOMI Supplier Compliance “Checklist”:** Prior to approving new suppliers for participation in the SOMI Import/Export program, **the Allegion Commodity Manager** must ensure the Supplier has met all of the mandatory requirements for participation in the program, as demonstrated by completion of Allegion’s SOMI program set-up requirements. The requirements are shown in [Exhibit 3](#).

The **Allegion Commodity Manager** must coordinate with the supplier, the customs broker, logistics and the Allegion Trade Compliance group to complete the ‘Checklist’. Once completed and signed-off, a supplier can be introduced to the SOMI Import/Export program.

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**VII. Documentation: MANDATORY REQUIREMENT FOR ALL SOMI SHIPMENTS:**

The “**SOMI Program Set-up Requirements**” must be completed before a supplier can be introduced into the SOMI program. The Allegion Commodity Manager must ensure the program set-up requirements are completed fully and timely.

**1.) SOMI Shipments to MX Port of Ensenada:**

**SHIPMENTS to 3PL in MEXICO FROM Asia, India, Australia, etc.**

**a. REQUIREMENTS IN ADVANCE OF 1<sup>st</sup> SOMI SHIPMENT FOR EACH STEAM SHIPLINE**

1. MX Trucking Company will acquire an insurance policy that covers the security deposit for the container retrieval at the Ensenada port.
2. MX Trucking Company will name Kuehne and Nagel as beneficiary of the insurance policy for container retrieval in the Ensenada port. Completed and signed copies of the insurance policy documents must be sent to Kuehne and Nagel Tijuana office ([info.tijuana@kuehne-nagel.com](mailto:info.tijuana@kuehne-nagel.com)) with a copy to Jaime Rolon ([jaime.rolon@kuehne-nagel.com](mailto:jaime.rolon@kuehne-nagel.com)) and Alejandro Jaramillo ([Alejandro.jaramillo@kuehne-nagel.com](mailto:Alejandro.jaramillo@kuehne-nagel.com)) for validation.


Also share this document with the Allegion Commodity Manager and Allegion Global Logistics.

3. Annual revision of this policy must be done by Allegion Logistics Manager.

**Failure to obtain the insurance policy for container retrieval in the Ensenada port will result in a NO SHIP Policy.**

**b. Documentation Required:** The following documents are required at time of entry into Mexico:

1. Commercial Invoice – See requirements on Exhibit 4
2. Packing List  
A separate Packing Slip is required for each Allegion business unit and Location.
  - SOMI – Schlage (Examples: SOMI Schlage Ensenada, SOMI Schlage El Sauzal, SOMI Schlage Tecate, SOMI Tijuana)
3. Bill of Lading
  - **NOTE: SOMI and NON-SOMI shipments CANNOT BE COMBINED on the same House Bill of Lading. SOMI Suppliers must ensure the Freight Forwarder creates a SEPARATE House Bill of Lading for the SOMI shipments.**
4. Advanced Shipping Notice (ASN)
5. C-TPAT Container Inspection Checklist – see Exhibit 1

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SOMI Statement: EVERY document must have a statement that CLEARLY references "SOMI", along with the Allegion business unit. For example:

- SOMI - Schlage ENS
- SOMI – Schlage SAU
- SOMI – Schlage TEC
- SOMI – Schlage TIJ

**c. Information Required on Documentation:**

**1. Consignee and Deliver To:**

For SOMI shipments to MX, the Consignee and the Deliver to party will be Total Logistics S. de R.L. de C.V.

**There shall be no reference to an Allegion business on the documentation.**

Please refer to the **Port Ensenada Imports At-A-Glance** shipping instructions.

**2. Terms:**

The terms for all SOMI shipments must be agreed before the first shipment to 3PL Shipping Dock. The Bill of Lading must be clearly marked "COLLECT THIRD-PARTY". Refer to section VIII. Bill To Party and Freight Plans.

**3. Notify Party:**

The NOTIFY PARTY on all shipping documents for SOMI shipments must reference the appropriate Kuehne + Nagel contact and MX Broker (Agencia Aduanal Jorge Diaz S.C) **attn: Rafael Santacruz**

Email all of the following:

[gtirado@mb.jdgroup.net](mailto:gtirado@mb.jdgroup.net)

[msalcedo@mb.jdgroup.net](mailto:msalcedo@mb.jdgroup.net)

[rsantacruz@mb.jdgroup.net](mailto:rsantacruz@mb.jdgroup.net)


Please refer to the **Port Ensenada Imports At-A-Glance** shipping instructions.

Send a copy of the express bill of lading to Total Logistics to track shipment to Mexico, **attn: José Manuel Valenzuela Iñiguez.**

Email all of the following:

[mvalenzuela@im.jdgroup.net](mailto:mvalenzuela@im.jdgroup.net)

[imp-exp@im.jdgroup.net](mailto:imp-exp@im.jdgroup.net)

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**VIII. Customs-Trade Partnership Against Terrorism (C-TPAT) and Mexico Authorized Economic Operator (AEO) Program:**

**C-TPAT Program (Customs-Trade Partnership Against Terrorism)**

As part of US Customs C-TPAT program (Customs-Trade Partnership Against Terrorism) and the AEO program (Authorized Economic Operator from SAFE program in Mexico) our foreign suppliers are required to:

- (A)** Conduct and document container inspections and
- (B)** Apply high security seals to containers.

Container integrity is critical to protect against the introduction into Mexico of unauthorized material and/or persons. **All suppliers must comply with C-TPAT and AEO requirements A and B listed immediately below:**

**A. Conduct a 9-point Container Inspection prior to loading cargo, as well as:**

- Check the reliability of the locking mechanisms of the container doors,
- Document the inspection (using the “**Container Inspection Checklist**” (attached to this document as Exhibit 1), and
- Assign documentation accountability (someone from your company must be assigned the responsibility for container inspections).
  - **NOTE:** Container integrity is critical to protect against the introduction into the US of unauthorized material and/or persons.

The required 9-point container inspection process covers:


1. Container cleanliness (not filthy; no weeds or seeds)
  2. Pallet cleanliness (not filthy; no weeds or seeds)
  3. Underside of Trailer
  4. Left Wall
  5. Right Wall
  6. Front Wall
  7. Floor
  8. Ceiling
  9. Inside and Outside Door / Hinges
- (i.e. Ensure Locking mechanisms are secure)

Please complete the Container Inspection Checklist (attached to this SOP as Exhibit 1). Suppliers must complete sections I, II, and III for our shipments bound for Mexico and include the completed form with the paperwork sent with the container.

**B. Apply a high security Seal to all shipping containers bound for Mexico**

It is a mandatory that all containers bound Mexico be secured with a high security SEAL which meets the ISO/PAS 17712 standards.

Seal Requirements: All seals must meet or exceed the current PAS ISO 17712 standards for high security seals. A new 18MM MINIMUM WIDTH DIAMETER for bolt seals is required.

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1. Requires seals meet or exceed certain standards for strength and durability to prevent accidental breakage, early deterioration (due to weather conditions, chemical action, etc.) or undetectable tampering under normal usage.
2. Requires each seal be clearly and legibly marked with a unique identification number.
3. Unused seals must be stored in a secure place and controlled.
4. Less than container loads must use a secured padlock or similar locking device. Only a limited number of individuals should have access to open this padlock. Once freight is consolidated for shipment to Mexico, the containers must be sealed with a high security seal.

For additional information/specifications related to the seal requirement, or for any questions on C-TPAT, please contact the Trade Compliance group.

To receive the Container Inspection Checklist as a Word document, see Exhibit 1 or access a copy on the Allegion Supplier Portal ([www.allegion.com/suppliers](http://www.allegion.com/suppliers)).

**IX. Wood  
Packing  
Materials  
(WPM):**


Suppliers must ensure all Wood Packing Materials (WPM) comply with Mexico and international phytosanitary standards as follows:

- All WPM must be properly marked to indicate it has been either heat treated or treated with methyl bromide,
- All WPM must contain the internationally recognized IPPC mark which certifies treatment.
- All WPM must also be free of timber pests.

Wood Packaging Material (WPM) is defined as wood or wood products (excluding paper products, such as corrugated paper cartons) used in supporting, protecting or carrying a commodity. Wooden packaging materials include:

- pallets,
- crates,
- boxes,
- packing blocks,
- drums,
- cases,
- skids, and
- pieces of wood used to support or brace cargo.

**No wood pallets shipped separately (pallets shipped in bulk, without any goods) may be shipped to Mexico due to strict health & agricultural regulations in Mexico. Failure to comply with this rule, will result in an inability to clear customs at the Mexico ports**

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**X. Freight Plans:** Supplier must ensure the “Bill To” portion of the Bill of Lading reflects Cass Information Systems, our Third Party Payment Provider, and the appropriate address below:

**Cass Information Systems**  
**c/o Allegion**  
**Freight Plan XXXXX** (replace XXXXX with applicable 5-digit number listed below)  
**P.O. Box 67**  
**St. Louis, MO 63166**

Location	Freight Plan Number
<b>MEXICO</b>	
Ensenada Plant (ENS Residential) (BC, Mexico)	72386
El Sauzal Plant (ENS Commercial) (BC, Mexico)	72387
Tecate Plant (BC, Mexico)	03398
Tijuana Plant (BC, Mexico)	03362

**XI. Packaging Marking Requirements:**

All SOMI packages must be clearly and visibly marked with their **Country of Origin**.

All SOMI packages must be clearly and visibly marked with the statement “**SOMI**”.


The supplier can continue to use the current label with the part number, description and quantity, but the Blanket Purchase Order will not have a Release number.

**XII. Responsibilities: 1. Allegion Commodity Manager**

The Allegion Commodity Manager has primary responsibility for ensuring the SOMI Set-up Requirements are completed **PRIOR to introducing a new supplier into the SOMI Import/Export program.**

It is critical for the Allegion Commodity Manager to ensure the requirements of this procedure are met by the SOMI supplier to avoid the following:

- Schlage de Mexico inadvertently being the Importer of Record, and thereby taking Title and liability for goods.
- Delays in customs processing due to SOMI supplier not being set up to clear MX customs in own name.
- Delays in customs processing due to the SOMI invoice incorrectly showing an Allegion company as the consignee or sold to party.
- Delays in customs processing due to the SOMI supplier combining SOMI and non-SOMI shipments on the same House Bill of Lading.
- High cost to Allegion for goods sent to storage for inability to clear customs
- High cost to Allegion for paying pedimento entry.

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- High cost to Allegion of lost productivity for all parties involved in resolving customs delays.

The Allegion Commodity Manager liaisons between the supplier and Kuehne + Nagel to ensure all set up requirements are satisfied.

## 2. SOMI Supplier

Ensures all requirements of this procedure are satisfied **prior to engaging in SOMI Import/Export program**, including the following:

For Imports into the MX:

- Proves Invoice Compliance with Allegion Customs team
- Ensures that SOMI and non-SOMI shipments are NOT combined on the same House Bill of Lading

Ensures all documentation and packaging requirements are met for EACH SOMI shipments, as set forth in this procedure.

## 3. Freight forwarder (KN)

Find the best rates and options to ship the goods  
Serve as liaison between ocean freightliner and 3PL  
Responsible for liaison with logistics and compliance team

## 4. Trucking Company Must be an AEO approved, registered, and Allegion validated)

Bond for container retrieval in the Ensenada port.  
Run a checklist of container condition before retrieval of the port.  
Safe return of the container back to the port.

## 5. 3PL

Report any discrepancies with the materials back to the compliance group  
Coordinate the Customs clearance process

## 6. Allegion Trade Compliance Team


Reviews following documents to ensure SOMI Supplier Compliance

- Invoice template
- Origin certification
- Support HTS Classification requests

## 7. Allegion Accounts Payable / SOMI Inventory Managers

Allegion Accounts Payable or SOMI Inventory Manager, whichever function creates the SOMI invoices once inventory is released from the SOMI inventory, is required assign a unique code to all SOMI invoices. For example, most businesses will add the alpha prefix 'SW' (for 'SOMI Warehouse') before the numeric invoice number. This entire invoice sequence (SW-XXXXXX) must appear in the Accounts Payable system.



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Further, Allegion Accounts Payable must ensure all SOMI invoices and the related sub-inventory records are saved for 5 years to prove the payments involved goods in the SOMI program.

**XIII. Procedure:** The following requirements apply:

**1. At Set up**

**A. Allegion Commodity Manager ensures**

- Registration of New Parts in MX Customs System (Complete Southbound forms in coordination with Buyer).
- SOMI Agreements w/Contract Number filed
- Agreement with ocean freightliner for container retrieval in the Ensenada port on file
- Follow SOMI Set-up Requirements

**B. Supplier**

- Fill out and send responsibility template to KN
- Fill out commercial Invoice Compliance Proof
- Declare Value of Goods to 3PL
- Ensure Supplier / 3PL Contract Executed
- Provide supplier Tax ID to 3PL

**C. Transportation & Logistics Manager**

- Ensure Cass Set-up for KN charges

**D. 3PL**

- HTS # must be confirmed with Allegion Customs team

**2. At the time of the shipment**

**A. Supplier**

- Ensure C-TPAT compliance (container inspection checklist & high security seal - Exhibit 1)
- Comply with Wood Packing Materials
- Fill out and attach Packing Slip
- Fill out and attach Commercial Invoice (English)
- Bill of Lading, Consignee shown as: Agencia Aduanal Jorge Diaz / Total Logistics
- Follow Freight Plans (2) in BOL
- Advise "Notify Party" of Shipment:
- Complete Advance Supplier Notification by Supplier in KN system

**B. 3PL**

- Create invoice for Importation to Mexico (Spanish)
- File import declaration (Pedimento)

**C. Trucking Company**

- Agreement with ocean freightliner for container retrieval in the Ensenada port on file

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**3. In daily operations**

**A. Buyer**

- Send SOMI Attachment A updates
- Send SOMI pull request
- Ensure receipt in Allegion system

**B. Allegion Accounts Payable**

- Pay Supplier
- Ensure Payables System reflects invoices as SOMI


**C. 3PL**

- Nota de Remision with every shipment from SOMI to Allegion
- File Inter-Maquila Transfer (Virtual Pedimento)

**4. After the Ensenada Port arrival**

**A. General process flow**

- Kuehne + Nagel notifies arrival notice to 3PL and MX Broker.
- MX Broker receives documents (Bill of lading, invoice, packing list, etc) and confirms arrival with Kuehne + Nagel.
- 3PL thru MX Broker solicits to the Ensenada port "Previo" Inspection 24 hours prior to container release.
- 3PL creates invoice for customs purposes and sends to the MX Broker for Import Declaration (Pedimento Document) using their Service Maquiladora permit (Importer of Record is 3PL).
- MX Broker request release ticket from the Port.
- MX Trucking Company enters the Ensenada port and conduct an inspection of the container.
- MX Broker presents to Customs authorities the Import Declaration (Pedimento Document).  
If inspection by authorities is needed, MX Broker will work with the Ensenada port to facilitate the inspection.
- MX Trucking Company takes goods to 3PL facility in Mexico.
- 3PL in Mexico receives the SOMI Materials into their Inventory System.
- Schlage de Mexico Planner sends Release to 3PL for the material required for the Plants' Internal replenishment level.
- 3PL ships to Schlage de Mexico within 4 working hours and material is received in Oracle when it arrives to the Schlage de Mexico facility.

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- Transaction for Shipment is registered in 3PL Web page and automatic e-mail notification is sent to SOMI supplier.
- Supplier Invoices for SOMI material shipped from 3PL to Schlage de Mexico based on 3PL Shipping Transactions.

**XIV. Transportation  
Carrier  
Contacts:**

**Contracted Freight Forwarders, Ocean Vessel Operators and specific SOMI Suppliers**

Once replenishment orders are filled and ready for shipment, SOMI suppliers will communicate container booking information and requirements to the local office of Allegion's designated freight forwarder, Kuehne + Nagel (KN). Once received, KN will book ocean container cargo with Allegion's designated Ocean Container Carrier.

**XV. Allegion  
Contacts:**

<b>TRADE COMPLIANCE</b>	Kelly Guzman, Trade Compliance Director <a href="mailto:Kelly.Guzman@allegion.com">Kelly.Guzman@allegion.com</a>	+1 (619) 778-4137
	Cesar Benitez, Trade Compliance Regional Manager <a href="mailto:Cesar.benitez@allegion.com">Cesar.benitez@allegion.com</a>	011 52 (665) 103- 6193
	Jesus Adolfo Hernandez, MX Import/Export Supervisor <a href="mailto:Jesus.Hernandez@allegion.com">Jesus.Hernandez@allegion.com</a>	011 52 (665) 103-6268
	Monica Cobian, MX Compliance Supervisor <a href="mailto:Monica.Cobian@allegion.com">Monica.Cobian@allegion.com</a>	011 52 (665) 103-6188
<b>GLOBAL LOGISTICS</b>	Sean Miller, Global Distribution and Logistics <a href="mailto:Sean.Miller@allegion.com">Sean.Miller@allegion.com</a>	+1 (317) 810-3152


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Exhibit 1

### C-TPAT Container Inspection Checklist

This example is shown for illustration only; please use the version available on the Allegion Supplier Portal.



#### Container/Trailer Inspection Checklist

##### Instructions to Supplier

Please **complete Sections I, II and III** of this form. Attach completed form with the shipment documentation accompanying the container. Also, please include a copy on the inside door of the container.

##### Section I. Shipment Information

Date:	Supplier Name:
Carrier Name:	Container Number:
Seal Number:	Container Inspector's Name:

##### Section II. 9-Point Container Inspection

**Note:** Containers must be secure, and not contain any of the following:

- Secret compartments in walls, floors, ceiling, etc.
- Un-manifested goods, packages, etc.
- Signs of tampering (fresh paint, peculiar marks, etc.)

Check Box after Exam:

Check <input type="checkbox"/>	Category	Note any damage or problems with container
	1. Container cleanliness (not filthy; no weeds or seeds)	
	2. Pallet cleanliness (not filthy; no weeds or seeds)	
	3. Underside of Trailer	
	4. Left Wall for concealed walls or hidden articles	
	5. Right Wall for concealed/false walls or hidden articles	
	6. Front Wall for concealed/false walls or hidden articles	
	7. Floor for hidden articles or false floor	
	8. Ceiling	
	9. Inside and Outside Door / Hinges (i.e. Ensure Locking mechanisms are secure)	

**Section III. Supplier's Container Inspector's Signature:** \_\_\_\_\_

##### Section IV. For Completion by Allegion Receiving

Receiving Date:	Seal Number:
Receiving Location:	Receiving Person's Name:

1. Does Seal Number match seal shown in Section 1?  Yes  No (report "no" answers to Mgmt)
2. Does Container show signs of tampering / anomalies?  Yes  No (report "yes" answers to Mgmt)
3. Receiving Inspector's Signature \_\_\_\_\_

\*Instructions to Receiving: Please Save this form for 1 year in a file for C-TPAT audit purposes\*

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**Exhibit 2**

**Freight Forwarder Contacts:  
Ocean Vessel: Kuehne + Nagel (KN)**

**Ningbo**

Ningbo Branch Office  
6F (south) Howard Johnson Office, Building 230,  
Liuting Street, Ningbo

➤ Emma Zhang - FCL	
PH: 0086-574-2790 9558	<a href="mailto:Emma.zhang@kuehne-nagel.com">Emma.zhang@kuehne-nagel.com</a>

➤ Vivienne Qin - LCL	
PH: 0086-574-2790 9702	<a href="mailto:VIVIENNE.QIN@kuehne-nagel.com">VIVIENNE.QIN@kuehne-nagel.com</a>

**Shanghai**

Shanghai Branch Office  
Life Hub at Daning  
Office Tower Block 1, 11-16F  
1868 Gong He Xin Road  
Zhabei District  
200072, Shanghai

➤ Amlica Zhang – Key Account Manager	
PH:0086-21-2602 8251	<a href="mailto:Amlica.Zhang@kuehne-nagel.com">Amlica.Zhang@kuehne-nagel.com</a>

➤ Anson Wang - FCL	
PH:0086-21-2602 8083	<a href="mailto:Anson.Wang@kuehne-nagel.com">Anson.Wang@kuehne-nagel.com</a>

➤ Chloe Liu - LCL	
PH: 0086-21-2602 8261	<a href="mailto:chole.liu@kuehne-nagel.com">chole.liu@kuehne-nagel.com</a>

**Hong Kong + Yantian**

Hong Kong Branch Office  
Kuehne + Nagel, Inc.  
24/F MassMutual Tower  
38 Gloucester Road  
Wanchai, Hong Kong

➤ Dolphin Law - FCL	
PH:0085-2-2823 7514	<a href="mailto:Dolphin.Law@kuehne-nagel.com">Dolphin.Law@kuehne-nagel.com</a>

➤ Jojo Wang - LCL	
PH: 852-28237199	<a href="mailto:Jojo.wang@kuehne-nagel.com">Jojo.wang@kuehne-nagel.com</a>

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**Exhibit 2, continued**

**Kaohsiung**

Kaohsiung Branch Office  
Kuehne + Nagel, Inc.  
A-2 6<sup>th</sup> Floor  
8 Min Chuan 2<sup>nd</sup> Road  
806 Kaohsiung – Taiwan R.O.C.

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**Escalation purposes only. Contact regional contacts above for booking and tracking requests.**

	<b>Issue Date:</b> May 20, 2014	<b>Policy Number:</b> <b>E-DAD-002</b>
<b>Policy Name: SOMI Port of Ensenada Imports Standard Operating Procedure (SOP)</b>	<b>Last Revision Date:</b> March 15, 2018	<b>Page:</b> Page 15 of 17

**Exhibit 3**

**SOMI Set-Up Requirements**

Prior to approving new suppliers for participation in the SOMI program, the Allegion Commodity Manager must ensure all mandatory requirements are satisfied.

**The Allegion Commodity Manager must fill out the following fields:**

**Supplier Name:** \_\_\_\_\_

**Supplier Contact Name:** \_\_\_\_\_

**Supplier Contact E-mail:** \_\_\_\_\_

**Allegion Business Unit:** \_\_\_\_\_

**Allegion Commodity Manager:** \_\_\_\_\_

**Allegion Commodity Manager E-mail:** \_\_\_\_\_

For each type of SOMI transaction below (as applicable), Allegion Commodity Managers and Suppliers must ensure all of the requirements listed below are implemented, understood and completed **before any SOMI shipments are initiated.**

**Requirements for SOMI Implementation with direct shipments to Mexico**

<b>PART I:</b>							
<b>Process:</b>	Set-Up	Set-Up	Set-Up	Set-Up	Set-Up	Set-Up	Set-Up
<b>Originator:</b>	CM	Buyer	K+N	Supplier	Supplier	Supplier	Supplier
<b>Document or Procedure:</b>	SOMI Agreements w/ GEP Contract Number	SOMI Attachment A	Agreement with ocean freightliner for container retrieval in Ensenada port on file	Responsibility Template (send to KN)	Commercial Invoice Compliance Proof	Declare Value of Goods to 3PL	Ensure Supplier / 3PL Contract Executed
SOMI Import into Mexico 3PL via the Ensenada port	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Continuation</b>							
<b>Process:</b>	Set-Up	Set-Up	Set-Up	Set-Up	Set-Up		
<b>Originator:</b>	Supplier	3PL	Transp.& Log. Mgr.	Transp.& Log. Mgr.	Buyer/CM		
<b>Document or Procedure:</b>	Supplier Tax ID to 3PL	HTS # confirmed with ALLEGION Customs team	Cass Set-up for KN charges	Cass Set-up for BLS charges	Registration of New Parts in MX Customs System (Complete Southbound forms)		
SOMI Import into Mexico 3PL via the Ensenada port	Yes	Yes	Yes	No	Yes		

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<b>Exhibit 3, continued</b>
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Set-Up Requirement REMINDERS:

- **Evidence of Invoice Compliance** – SOMI supplier shall submit two (2) sample SOMI invoices to demonstrate a full understanding of SOMI invoice requirements (one sample for Mexico Ensenada port as destination). Once submitted, the samples will be reviewed and approved by Customs and Sourcing. See sample invoice herein as Attachment 4.
- SOMI Agreement must be signed by Supplier and Allegion Commodity Manager.
- SOMI Attachment A must be signed by Supplier and Allegion Commodity Manager. The SOMI Attachment A is an internal form not discussed in this Import Procedure.





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**Policy Name: SOMI Port of Ensenada Imports Standard Operating Procedure (SOP)**

**Exhibit 4**

**SOMI Invoice Requirements (sample template)**

**INVOICE SAMPLE - FOR SOMI SHIPMENTS to MX FACILITIES**

Page (s)

**SUPPLIER'S LETTERHEAD**  
Address of Supplier  
Supplier contact person

**NOTE to SUPPLIER:**  
These invoice requirements apply shipments from NON-NAFTA countries, including Asia, Australia and Europe, destined for MX facilities. **ALL items in red font are mandatory and must be carefully followed.**

<b>Invoice #</b>	<b>Invoice Date</b>	<b>Exchange rate</b>	<b>Export Date:</b>	<b>Port of Export:</b>	<b>Port of Entry/Import:</b>
<b>Currency</b>	<b>Packing list #</b>	<b>Payment Terms:</b>	<b>Purchase Order #: SOMI PO # _____</b>	<b>Blanket Order Line Item</b>	
<b>Consignee</b>	<b>Deliver To</b>	<b>Notify Party</b>	<b>Invoice Comments</b>		
Total Logistics, S. de R.L. de Chilpancingo 91-4 Col. Ciudad Industrial C.P. 22444 Tijuana, B.C. Mexico	Total Logistics, S. de R.L. de Carretera Transpeninsular N Colonia Carlos Pacheco C.P. 22890 Ensenada, B.C. Mexico	Jaime Ulises Rolon Alcazar Kuehne + Nagel, S.A. de C.V. Blvd. Agua Caliente No. 4558- Col. Aviación Tijuana B.C. 22420 phone: +52 (664) 972-9472 & 70 fax:	*** SOMI - Schlage (or Ives, LCN, as applicable) ***		
<b>Carrier</b>	<b>Container #</b>	<b>TERMS of Sale: Deliver At Port (DAP) to 3PL Shipping Dock</b>			
<b>Shipment Reference number:</b>		<b>Mode</b>	<b>Freight Collect Third Party</b>	<b>T&amp;E / Inbond: NO</b>	

QTY	PART #	DESCRIPTION	CLASSIFICATION	Weight (kgs)	Origin	unit price	Total Cost
20	043156886425	Item Number AUTOMATIC DOOR CLOSERS	8302.60.3000	2	CN	5.00	\$ 100.00
15	043156781959	Item NUMBER PARTS OF AUTOMATIC DOOR CLOSERS	8302.60.3000	4	MX	10.00	\$ 150.00
<b>Total Weight</b>				<b>6</b>			

\_\_\_\_\_  
Signature

<b>TOTAL</b>	<b>250.00</b>
<b>Two hundred fifty dollars</b>	