

Gexpro Services New Supplier Approval Packet, Rev L
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Legal entity: Gexpro Services

PLEASE COMPLETE AND RETURN AS INDICATED BELOW:

Table with 4 columns: Item, Page, Owner, Action. Rows include 1.0 SUPPLIER PROFILE, 2.0 WIRE BANKING VERIFICATION FORM, 3.0 INSURANCE CERTIFICATE, 4.0 INDEMNIFICATION AGREEMENT, 5.0 SUPPLIER NONDISCLOSURE AGREEMENT, 6.0 TAX FORMS (6.1 W-8, 6.2 W-9), 7.0 GEXPRO SERVICES QUALITY SURVEY OR AUDIT, and 8.0 SUPPLIER SECURITY ACKNOWLEDGMENT.

Please return all necessary forms in electronic format to the requesting Gexpro Representative:

1.0 Supplier Profile

I. Company Information To be completed in English:

Supplier Name: Supplier Website:
Division/subsidiary (if applicable) of:
Address: City, State Zip:
Phone Number: Fax Number: Email Address:
CEO/President: Controller: Plant Manager:
Quality Manager: Purchasing Manager:
Person who will receive Corrective Actions:
Supplier Type: []Manufacturer []Distributor []Manufacturer's Rep []Service Provider
Regulatory Support Capability:
[]DFARS 252.225-7009 []EU (CE, ATEX, PED, etc) []RoHS/WEEE []REACH []ITAR
Years in Business: Product/Service at this Facility:
Military/Aerospace: Commercial: Other:
Personnel Totals
Company: Management: Engineering: Production: Quality:
Union Shop (Y/N): If "Y" Provide Contract Expiration Date:
Plant Area: Capacity Utilization %: Number of shifts:

Trading Company Information (If Applicable)

Company Name:
Address: City, State Zip:
Phone Number: Fax Number: Email Address:

II. Hazardous Products

Do you supply any products that are considered hazardous, or any products that are hazardous when shipped together? (If yes, you must agree to provide an MSDS sheet with each shipment and comply with US Dept of Transportation regulations) Yes: No:

III. Payment Terms (No Exceptions to choices below)

Suppliers not offering cash discount will be paid in Net Average 75 days from receipt of material
If you wish to be paid in less than 75 days, you may enroll in the Gexpro Accelerated Payment Program. The terms of this program 2.5% Average 30, Net Average 75 days from receipt of material
Comments regarding terms: _____

IV. Payment Method

- Check (U.S. Banks) and W-9 (Domestic)
Wire Transfer Form (EFT)
Other

V. Indicate Key Terms: Attach a copy of your Current Terms & Conditions and including Freight Terms and Return Policy, updating as necessary.

Freight Min: or Freight Min Lbs :
Min Order Amt \$: or Min Order Lbs:

2.0 Wire Banking Verification Form

VENDOR INFORMATION

VENDOR NAME ("VENDOR")	DATE	GEXPRO VENDOR APCODE	
REMIT TO ADDRESS (HOW IT SHOULD APPEAR ON INVOICES)	CITY	STATE	ZIP
ACCOUNTING CONTACT NAME	TELEPHONE	FAX NUMBER	
IRS TAXPAYER ID (FEIN)			
EMAIL ADDRESS FOR REMITTANCE ADVICE			

Above named Vendor hereby authorizes General Supply and Services, Inc. and subsidiaries of General Supply and Services, Inc. (collectively, "Gexpro") to originate Automated Clearing House electronic funds transfer (EFT) credit entries to Vendor's account, as indicated below, for payment of goods and/or services.

BANKING INFORMATION

BANK NAME	BANK ABA ROUTING NUMBER	BANK ACCOUNT NUMBER
ADDRESS	PHONE	BANK ACCOUNT TYPE CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/>
CITY	STATE ZIP	BANK CONTACT NAME

Vendor acknowledges and agrees that the terms and conditions of all agreements with Gexpro concerning the method and timing of payments for goods and services shall be amended as provided herein. Vendors whose previous payments were remitted via check will receive funds via ACH three (3) calendar days after due date on invoice. If payment date falls on a weekend or holiday, funds will be deposited the following business day.

Vendor shall be responsible for any loss, which may arise by reason of any error, mistake or fraud regarding the information Vendor has provided in this agreement.

This authority shall remain in effect until fifteen (15) days after Financial Institution, at address shown above, and Gexpro, at address shown below, have received written cancellation from Vendor. Notice of cancellation shall in no way affect credit or debit entries initiated prior to actual receipt and processing of notice. Vendor understands that Gexpro may suspend this Agreement at any time.

By signing this Authorization, Vendor in no way relinquishes any legal right to dispute any item.

Vendor Authorization:

Authorized Name

Authorized Signature

Title

Date

3.0 Insurance Certificate

Attach a Certificate of Insurance/Product Liability

Annually: **Resubmit updated Certificate of Insurance to** Gexpro (Attn: Contract Administrator, 2235 Corporate Lane, Naperville, IL 60563)

INCO Terms 2000 and Title Passage – Unless otherwise agreed to by the parties, INCO terms shall be DDP. Title transfers from supplier to buyer at destination.

Important Note: To ensure timely payment, please submit all invoices (Drop & Stock) to the address identified on the Purchase Order. Do not mail invoices to any branch locations.

4.0 Indemnification Agreement

In consideration of such purchases of products, goods, materials, services, fixtures and any deliverables provided therewith (collectively, "products") as General Supply and Services, Inc., dba Gexpro, and its affiliates, (hereafter the "Distributor") may hereafter make from

Company Name:

agrees:

1. To defend, at its own cost and expense, any and all claims and actions which may be asserted or brought against Distributor, or any customer (including a customer's customer), agent or representative of Distributor (collectively "Customers") that purchases or obtains products from Distributor, based on alleged:
 - (a) Defect or defects in any product, whether in materials, workmanship, design or otherwise, hereafter purchased by Distributor from Manufacturer, or
 - (b) Failure of such products to conform to specification, plans, drawings, National Electrical Code and other state and local code requirements, samples or other descriptions contained or referred to in individual orders accepted by Manufacturer, or
 - (c) Infringement of title, any patent, trademark, copyright or other intellectual property by reason of the sales, operation or use of the products hereafter purchased by Distributor from Manufacturer;
 - (d) Breach, default or non-compliance by Manufacturer of its obligations under this Agreement. Provided that Distributor shall give prompt written notice of such claim or action and furnish all available information and assistance (at Manufacturer's expense) to enable Manufacturer to defend or otherwise dispose of such claim or action; and
2. To indemnify and hold harmless Distributor from any and all judgments against Distributor and Customers resulting from claims and actions of the type described in Paragraph 1 above, except to the extent that such judgments result from claims and actions based on the negligence of the Distributor, or its Customers, or based on any warranty not authorized by Manufacturer, and
3. To maintain product liability insurance with insurers and minimum amounts acceptable to Distributor covering its interests as a distributor of Manufacturer's products; it being understood that the maintenance of such product liability insurance coverage shall not be a satisfaction of Manufacturer's liability hereunder or in any way modify Manufacturer's indemnification of Distributor.
4. Manufacturer further covenants and agrees that in connection with any products sold or delivered by Manufacturer to Distributor that:
 - (a) All products shall comply with all applicable laws, rules and regulations, including any specified in purchase orders issued by Distributor;
 - (b) No products shall be produced using forced, indentured or convict labor or using the labor of persons in violation of the minimum working age law in the country of manufacture or, in the case of services, where the services are rendered;
 - (c) Manufacturer shall comply with all laws regarding improper or illegal payments, gifts or gratuities and Distributor's entertainment and gift policies; and Manufacturer agrees not to pay, promise to pay or authorize the payment of any money or anything of value, directly or indirectly, to any person or entity for the purpose of illegally or improperly inducing a decision or obtaining or retaining business or any advantage in connection with any products to be purchased by Distributor from Manufacturer; and
 - (d) Manufacturer has not engaged and shall not engage in any sharing or exchange of prices, costs or other competitive information or undertaken any other collusive conduct with any third party supplier or bidder in connection with the preparation or submission of any bid or proposal to Distributor or the negotiation of any Distributor purchase order for products.

From time to time, at Distributor's request, Manufacturer shall provide to Distributor such certificates of compliance by Manufacturer with respect to this Agreement and any Distributor purchase order as Distributor may reasonably request.

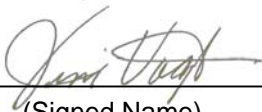
- 5. This Agreement, and all disputes related to it, shall be governed by the laws of the State of New York, United States of America, without giving effect to its conflict of law rules. Any litigation arising from this Agreement may be brought only in the United States District Court for the Southern District of New York or, if such court lacks subject matter jurisdiction, in the Supreme Court of the State of New York in and for New York County. The Parties hereby submit to the jurisdiction of said courts, and waive any defense of *forum non conveniens*.
- 6. This Agreement shall govern all future purchases by Distributor from Manufacturer notwithstanding any attempted disclaimer or limitation of tort or warranty liability by Manufacturer.

The undersigned executes this Indemnification Agreement on behalf of itself and its affiliates and subsidiaries set forth on Attachment as such listing may be modified by General Supply & Services, Inc. and the undersigned in writing, and further represents that it is duly authorized and empowered to execute and deliver this Indemnification Agreement on behalf of itself and such affiliates and subsidiaries. Any changes to this document are not valid unless initialed by an authorized representative of the Distributor.

Executed and effective this _____ day of _____, 20_____

General Supply & Services, Inc.,
d/b/a Gexpro

(Company Name)

By: 

(Signed Name)

By: _____
(Signature Required)

James Vogt

Printed Name

(Printed Name Required)

Title: Manager-Strategic Contracts

Title:

6.1 W8 (Non-US only)

Form W-8BEN

(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions. ▶ Give this form to the withholding agent or payer. Do not send to the IRS

OMB No. 1545-1621

Do not use this form for: **Instead, use**

- Form:**
- A U.S. citizen or other U.S. person, including a resident alien individual W-9
 - A person claiming that income is effectively connected with the conduct of a trade or business in the United States
W-8ECI
 - A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) W-8ECI or W-8IMY
 - A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501©, 892, 895, or 1443(b) (see instructions) W-8ECI or W-8EXP
- Note:** These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.
- A person acting as an intermediary W-8IMY
- Note:** See instructions for additional exceptions.

Part I Identification of Beneficial Owner (See Instructions).

1 Name of individual or organization that is the beneficial owner	2. Country of incorporation or organization
3 Check the appropriate box	
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Disregarded entity <input type="checkbox"/> Partnership <input type="checkbox"/> Simple trust <input type="checkbox"/> Grantor trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Estate <input type="checkbox"/> Government <input type="checkbox"/> International organization <input type="checkbox"/> Central bank of issue <input type="checkbox"/> Private foundation	
4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address	
City or town, state or province. Include postal code where appropriate	Country (do not abbreviate)
5 Mailing address (if different from above)	
City or town, state or province, Include postal code where appropriate.	Country (do not abbreviate)
6 U.S. taxpayer identification number, if required (see instructions) <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN	7 Foreign tax identifying number, if any (optional)
8 Reference number(s) (see instructions)	

Part II Taxpayer Identification Number (TIN)

- 9 I certify that (check all that apply):**
- A** The beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.
 - B** If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
 - C** **The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).**
 - D** The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
 - E** The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.
- 10 Special rates and conditions** (if applicable – see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9a above to claim a _____ % rate of withholding on (specify type of income): _____ Explain the reasons the beneficial owner meets the terms of the treaty article:

Part III Notional Principal Contracts

11 I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- 1** I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates
- 2** The beneficial owner is not a U.S. person
- 3** The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner’s share of a partnership’s effectively connected income, **and**
- 4** For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions. Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶

Signature of beneficial owner (or individual authorized to sign for beneficial Owner) Date (MM-DD-YYYY) Capacity in which acting

6.2 W9 (US Only)

Form **W-9**

Rev. May 2007
Department of the Treasury Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Give form to the requestor.
Do not send to the IRS.

Name (as shown on your income tax return)

Business name, if different from above.

Check the appropriate box:
 Individual/Sole Proprietor Corporation Partnership Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ Other (see instructions) ▶ Exempt payee

Address (number, street, and apt. or suite no.) Requester's name and address (optional)

City, state and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instruction on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.
Note: If the account is in more than one name, see the chart on page 2 for guidelines on that's number to enter.

Social security number

OR

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Services (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
 3. I am an U.S. person (including an U.S. resident alien).
- Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requestor) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued).
2. Certify you are not subject to backup withholding

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a US trade or business is not subject to the withholding tax on foreign partners/ share of effectively connected income.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States.
- An estate (other than a foreign state), or
- A domestic trust (as defined in Regulations section 301.7701-7).

7.0 Gexpro Services Quality Survey or Audit

USA/CANADA/WESTERN EUROPE SUPPLIERS:

- 1) The Supplier Quality Appraisal Survey, **form QF60**, is intended to furnish data about your Quality Management System (QMS) and its ability to assure and maintain the quality of your products and services. All elements must be completed. Answer questions that do not pertain to you as N/A.
- 2) Submit supplemental data on additional sheets as necessary.
- 3) If you are ISO certified, please submit a digital copy of your registration certificate with this survey.
- 4) If you are not ISO certified, please submit a digital copy of your Quality Manual with this survey.
- 5) The completed questionnaire – QF60 – and any supporting documentation must be submitted in electronic form when returning the supplier approval package.

MEXICO/ASIA/EASTERN EUROPE SUPPLIERS:

- 1) Contact your Gexpro Services Buyer to arrange an on-site audit

8.1 Gexpro Services Conditions of Purchase for Products & Installation Services

Seller shall comply with the terms of the Gexpro Services standard Terms and Conditions of Purchase, as defined in SIF200, as amended. Terms and Conditions are available upon request and are posted on the Gexpro Services website under Supplier Information.

http://www.gexproservices.com/gexproservices/supplier_information_site.jsp

8.2 Supplier Compliance Agreement

In consideration of such purchases of products, goods, materials, services, fixtures and any deliverables provided therewith (collectively, "products") as General Supply and Services, Inc., dba Gexpro, and its affiliates, (hereafter the "Distributor") may hereafter make from the undersigned party (the "Supplier"), Supplier covenants and agrees for the benefit of Distributor:

1. Supplier covenants and agrees that effective as of this date, whether or not with respect to any products that Distributor may purchase from the Supplier, the Supplier will:
 - Not employ workers below the applicable minimum age requirement.
 - Not utilize forced, prison, or indentured labor, or workers subject to any form of compulsion or coercion.
 - Comply with laws and regulations governing minimum wages, hours of service, and overtime for employees.
 - Comply with laws and regulations protecting the environment, including any environmental permits applicable to its operations and facilities.
 - Provide its workers a safe and healthy workplace.
 - Maintains and enforces a company policy requiring adherence to ethical business practices, including a prohibition on bribery of government officials and third parties.
 - Respect the intellectual property of others.

2. Supplier acknowledges that Supplier's commitment to and compliance with high ethical standards is an essential and mandatory part of its business relationship with Distributor and that its failure to comply with the standards set forth in this document shall entitle the Distributor to terminate without liability any contract or purchases order between the parties for the procurement of products.

8.3 Gexpro Import Commercial Invoice and Customs Content Requirements

Requirements

A commercial invoice covering the merchandise being imported is required by U.S. Customs. The invoice shall be in English containing adequate information to determine the proper duties. The Customs regulations spell out the invoice requirements, which include the following information that must be shown.

- A. Name and address of the seller.
- B. Name and address of purchaser (or consignee if shipped at no charge or on consignment).
- C. Date of sale.
- D. Port of entry for which merchandise is destined.
- E. Terms and conditions of sale, payment and any discounts.
- F. A detailed description of the merchandise including the name by which item is known, the grade or quality, and the marks, numbers under which sold by the seller or manufacturer. Include the harmonized tariff number for U.S. Customs.
- G. Quantities (pieces, weight and/or measure). Purchase price of each item in the currency of purchase (or value of each item, if shipped at no charge or on consignment).
- H. Itemization by name or type and the amount of charges not included in the invoice price, packing, inland freight, commissions, etc.
- I. All rebates, drawbacks and bounties, if applicable.
- J. Country of origin of the goods.
- K. Marks and numbers of the shipping packages. Packing details to what merchandise is contained in each individual package (a separate packing list is acceptable).
- L. Name of responsible employee of the exporter, who has knowledge of the transaction or can readily obtain such information with the telephone/fax number.
- M. All goods or services furnished for the production of the merchandise (e.g., assists such as dies, molds, tools, engineering work) not include in the invoice price.

Description

Commercial invoices with general descriptions such as "electrical machinery" are not acceptable. A detailed description is one, which enables an import specialist to properly classify imported merchandise. Accordingly, the commercial invoice must indicate any information, which has a direct bearing on the proper classification and value of the imported item.

Canada Shipments - shipping address with agent for imported materials ship to address appears on the purchase order. This is to include notify party on your shipping invoice/documents as follows:

Tower Group International, Inc.
128 Dearborn Street
Buffalo New York 14207
Attention: Valerie Matthews
Telephone: (716)-879-1078
Fax: (716)-879-1091

For other than Canada use the following Gexpro import broker:

Expeditors International of Washington, Inc.
870 Ashland Avenue
Folcroft PA. 19032
Attention: Marie Crane
Telephone: (610)-534-2590
Fax: (610)-534-7290

Claused:

Send your shipping invoice plus covering airway bill with the shipment in addition to sending copies by fax to the Gexpro customs broker on the day of shipment. This will permit customs clearance without delay.

Country of Origin Marking Requirements:

Every article of foreign origin (or its container) entering the U.S. must be legibly marked with the English name of the country of origin. The purpose of marking is to inform the purchase in the U.S. of the country where the article was made. The marking must be:

1. In a conspicuous place
2. Legible
3. Permanent

These requirements, 1135 "r", pertain to imported commercial materials. The complete purchase order number must be on each shipping label. Payment of duty is the responsibility of Gexpro. Seller is not responsible for payment of duty and will not invoice purchaser for the amount of the duty.

Three (3) copies of the supplier's invoice, in English, listing unit prices and stating accurate description of materials must accompany each shipment for the use of the U.S. bureau of customs.

Title of goods passes at buyers dock. The information contained in this document is the property of Gexpro and is disclosed in confidence. It shall be returned upon request and shall not be used, except to render services to Gexpro, disclosed to others, or reproduced without the express written consent of Gexpro. If consent is given for any reproduction, this notice shall be provided thereon. The foregoing is subject to any rights that the US Government may have in such information. Use of the information in this document to manufacture products or to provide services other than for Gexpro will be subject to negotiation of suitable terms and compensation to Gexpro. Rent-free use of government owned facilities is not authorized in the performance of this order unless stated elsewhere in the body of the order.

This purchase order is written in U.S. dollars. Foreign invoices against this purchase order will be converted to U.S. funds using the fixed conversion rate at the time of the transaction.

From time to time, at buyer's request, seller shall provide certificates to buyer relating to any applicable legal requirements, in each case in form and substance satisfactory to buyer. Without limiting the generality of the foregoing, seller shall provide certificates of origin relating to products within the meaning of the rules of origin of the NAFTA preferential duty rules of origin, which will include a statement as to whether the goods in question were produced in the United States, Mexico or Canada, or, if the country of origin or manufacturer is not NAFTA eligible, then a statement as to the country of origin or manufacture.

8.4 Requirements for Regulated Wood Packaging Materials

July 1, 2005


Dear Valued Supplier:

Please take note of the new requirements relative to packaging material, necessitated due to the enactment of several international and national level regulations in the recent past in respect to packaging made from regulated wood packaging materials (WPM), specifically: (i) the "Guidelines for Regulating Wood Packaging Materials in International Trade" (ISPM15), an International Standard for Phytosanitary Measures adopted by the International Plant Protection Convention (IPPC), sanctioned under the World Trade Organization (WTO); and (ii) the U.S. Department of Agriculture's Animal Plant Health Inspection Service (APHIS) Final Rule of WPM import requirements (69 FR 55719; 7 CFR 319.40-1 to 10). As a result of these regulations, all wood packaging material must be treated appropriately and marked under an official program developed and overseen by the National Plant Protection Organization (NPPO) in the country of export.

Accordingly, effective September 15, 2005, all orders under which the Supplier will be supplying product to Gexpro or its customers must be in compliance with the "Guidelines for Regulating Wood Packaging Materials in International Trade" (ISPM15)

If you have any questions on this matter, please contact my office at 630-718-6102. Thank you for your cooperation and quick response to this request.

Sincerely,



Jim Vogt - Manager, Strategic Contracts

8.5 Minimum-Security Criteria for C-TPAT Foreign Manufacturers in English

These minimum security criteria are fundamentally designed to be the building blocks for foreign manufacturers to institute effective security practices designed to optimize supply chain performance to mitigate the risk of loss, theft, and contraband smuggling that could potentially introduce terrorists and implements of terrorism into the global supply chain. The determination and scope of criminal elements targeting world commerce through internal conspiracies requires companies, and in particular, foreign manufacturers to elevate their security practices.

At a minimum, on a yearly basis, or as circumstances dictate such as during periods of heightened alert, security breach or incident, foreign manufacturers must conduct a comprehensive assessment of their international supply chains based upon the following C-TPAT security criteria. Where a foreign manufacturer out-sources or contracts elements of their supply chain, such as another foreign facility, warehouse, or other elements, the foreign manufacturer must work with these business partners to ensure that pertinent security measures are in place and are adhered to throughout their supply chain. The supply chain for C-TPAT purposes is defined from point of origin (manufacturer/supplier/vendor) through to point of distribution – and recognizes the diverse business models C-TPAT members employ.

C-TPAT recognizes the complexity of international supply chains and security practices, and endorses the application and implementation of security measures based upon risk¹. Therefore, the program allows for flexibility and the customization of security plans based on the member's business model.

Appropriate security measures, as listed throughout this document, must be implemented and maintained throughout the Foreign manufacturer's supply chains - based on risk².

Business Partner Requirement

Foreign manufacturers must have written and verifiable processes for the selection of business partners including, carriers, other manufacturers, product suppliers and vendors (parts and raw material suppliers, etc).

Security procedures

For those business partners eligible for C-TPAT certification (carriers, importers, ports, terminals, brokers, consolidators, etc.) the foreign manufacturer must have documentation (e.g., C-TPAT certificate, SVI number, etc.) indicating whether these business partners are or are not C-TPAT certified.

For those business partners not eligible for C-TPAT certification, the foreign manufacturer must require that their business partners to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation (e.g., contractual obligations; via a letter from a senior business partner officer attesting to compliance; a written statement from the business partner demonstrating their compliance with C-TPAT security criteria or an equivalent World Customs Organization (WCO) accredited security program administered by a foreign customs authority; or, by providing a completed foreign manufacturer security questionnaire). Based upon a documented risk assessment process, non-C-TPAT eligible business partners must be subject to verification of compliance with C-TPAT security criteria by the foreign manufacturer.

Point of Origin

Foreign manufacturers must ensure that business partners develop security processes and procedures consistent with the C-TPAT security criteria to enhance the integrity of the shipment at point of origin, assembly or manufacturing. Periodic reviews of business partners' processes and facilities should be conducted based on risk, and should maintain the security standards required by the foreign manufacturer.

Participation/Certification in a Foreign Customs Administration Supply Chain Security Program

Current or prospective business partners who have obtained a certification in a supply chain security program being administered by foreign Customs Administration should be required to indicate their status of participation to the foreign manufacturer.

Security Procedures

On U.S. bound shipments, foreign manufacturers should monitor that C-TPAT carriers that subcontract transportation services to other carriers use other C-TPAT approved carriers, or non-C-TPAT carriers that are meeting the C-TPAT security criteria as outlined in the business partner requirements.

As the foreign manufacturer is responsible for loading trailers and containers, they should work with the carrier to provide reassurance that there are effective security procedures and controls implemented at the point-of-stuffing.

Container and Trailer Security

Container and trailer integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At the point-of-stuffing, procedures must be in place to properly seal and maintain the integrity of the shipping containers and trailers. A high security seal must be affixed to all loaded containers and trailers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standard for high security seals.

In those geographic areas where risk assessments warrant checking containers or trailers for human concealment or smuggling, such procedures should be designed to address this risk at the manufacturing facility or point-of-stuffing.

Container Inspection

Procedures must be in place to verify the physical integrity of the container structure prior to stuffing, to include the reliability of the locking mechanisms of the doors. A seven-point inspection process is recommended for all containers:

- Front wall
- Left side
- Right side
- Floor
- Ceiling/Roof
- Inside/outside doors
- Outside/Undercarriage

Trailer Inspection

Procedures must be in place to verify the physical integrity of the trailer structure prior to stuffing, to include the reliability of the locking mechanisms of the doors. The following ten-point inspection process is recommended for all trailers:

- Fifth wheel area - check natural compartment/skid plate
- Exterior - front/sides
- Rear - bumper/doors
- Front wall
- Left side
- Right side
- Floor
- Ceiling/Roof
- Inside/outside doors
- Outside/Undercarriage

Container and Trailer Seals

The sealing of trailers and containers, to include continuous seal integrity, are crucial elements of a secure supply chain, and remains a critical part of a foreign manufacturers' commitment to C-TPAT. The foreign manufacturer must affix a high security seal to all loaded trailers and containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.

Written procedures must stipulate how seals are to be controlled and affixed to loaded containers and trailers, to include procedures for recognizing and reporting compromised seals and/or containers/trailers to US Customs and Border Protection or the appropriate foreign authority. Only designated employees should distribute seals for integrity purposes.

Container and Trailer Storage

Containers and trailers under foreign manufacturer control or located in a facility of the foreign manufacturer must be stored in a secure area to prevent unauthorized access and/or manipulation. Procedures must be in place for reporting and neutralizing unauthorized entry into containers/trailers or container/trailer storage areas.

Physical Access Controls

Access controls prevent unauthorized entry to facilities, maintain control of employees and visitors, and protect company assets. Access controls must include the positive identification of all employees, visitors, and vendors at all points of entry.

Employees

An employee identification system must be in place for positive identification and access control purposes. Employees should only be given access to those secure areas needed for the performance of their duties. Company management or security personnel must adequately control the issuance and removal of employee, visitor and vendor identification badges. Procedures for the issuance, removal and changing of access devices (e.g. keys, key cards, etc.) must be documented.

Visitors

Visitors must present photo identification for documentation purposes upon arrival. All visitors should be escorted and should visibly display temporary identification.

Deliveries (including mail)

Proper vendor ID and/or photo identification must be presented for documentation purposes upon arrival by all vendors. Arriving packages and mail should be periodically screened before being disseminated.

Challenging and Removing Unauthorized Persons

Procedures must be in place to identify, challenge and address unauthorized/unidentified persons.

Personnel Security

Processes must be in place to screen prospective employees and to periodically check current employees.

Pre-Employment Verification

Application information, such as employment history and references must be verified prior to employment.

Background Checks / Investigations

Consistent with foreign regulations, background checks and investigations should be conducted for prospective employees. Once employed, periodic checks and reinvestigations should be performed based on cause, and/or the sensitivity of the employee's position.

Personnel Termination Procedures

Companies must have procedures in place to remove identification, facility, and system access for terminated employees.

Procedural Security

Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain.

Documentation Processing

Procedures must be in place to ensure that all information used in the clearing of merchandise/cargo, is legible, complete, accurate, and protected against the exchange, loss or introduction of erroneous information. Documentation control must include safeguarding computer access and information.

Manifesting Procedures

To help ensure the integrity of cargo, procedures must be in place to ensure that information received from business partners is reported accurately and timely.

Shipping and Receiving

Departing cargo being shipped should be reconciled against information on the cargo manifest. The cargo should be accurately described, and the weights, labels, marks and piece count indicated and verified. Departing cargo should be verified against purchase or delivery orders. Drivers delivering or receiving cargo must be positively identified before cargo is received or released. Procedures should also be established to track the timely movement of incoming and outgoing goods.

Cargo Discrepancies

All shortages, overages, and other significant discrepancies or anomalies must be resolved and/or investigated appropriately. Customs and/or other appropriate law enforcement agencies must be notified if anomalies, illegal or suspicious activities are detected - as appropriate.

Physical Security

Cargo handling and storage facilities in international locations must have physical barriers and deterrents that guard against unauthorized access. Foreign manufacturer should incorporate the following C-TPAT physical security criteria throughout their supply chains as applicable.

Fencing

Perimeter fencing should enclose the areas around cargo handling and storage facilities. Interior fencing within a cargo handling structure should be used to segregate domestic, international, high value, and hazardous cargo. All fencing must be regularly inspected for integrity and damage.

Gates and Gate Houses

Gates through which vehicles and/or personnel enter or exit must be manned and/or monitored. The number of gates should be kept to the minimum necessary for proper access and safety.

Parking

Private passenger vehicles should be prohibited from parking in or adjacent to cargo handling and storage areas.

Building Structure

Buildings must be constructed of materials that resist unlawful entry. The integrity of structures must be maintained by periodic inspection and repair.

Locking Devices and Key Controls

All external and internal windows; gates and fences must be secured with locking devices. Management or security personnel must control the issuance of all locks and keys.

Lighting

Adequate lighting must be provided inside and outside the facility including the following areas: entrances and exits, cargo handling and storage areas, fence lines and parking areas.

Alarms Systems and Video Surveillance Cameras

Alarm systems and video surveillance cameras should be utilized to monitor premises and prevent unauthorized access to cargo handling and storage areas.

Information Technology Security Password Protection

Automated systems must use individually assigned accounts that require a periodic change of password. IT security policies, procedures and standards must be in place and provided to employees in the form of training.

Accountability

A system must be in place to identify the abuse of IT including improper access, tampering or the altering of business data. All system violators must be subject to appropriate disciplinary actions for abuse.

Security Training and Threat Awareness

A threat awareness program should be established and maintained by security personnel to recognize and foster awareness of the threat posed by terrorists and contraband smugglers at each point in the supply chain. Employees must be made aware of the procedures the company has in place to address a situation and how to report it. Additional training should be provided to employees in the shipping and receiving areas, as well as those receiving and opening mail.

Additionally, specific training should be offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies, and protecting access controls. These programs should offer incentives for active employee participation.

¹ *Foreign manufacturers shall have a documented and verifiable process for determining risk throughout their supply chains based on their business model (i.e., volume, country of origin, routing, C-TPAT membership, potential terrorist threat via open source information, having inadequate security, past security incidents, etc.).*

² *Foreign manufacturer shall have a documented and verifiable process for determining risk throughout their supply chains based on their business model (i.e., volume, country of origin, routing, potential terrorist threat via open source information, etc.)*

Supplier Security Acknowledgement

As a participant in the U.S. Customs & Trade Partnership against Terrorism (C-TPAT) program, Gexpro is responsible for meeting certain security requirements. As a result, it is required that as a supplier to Gexpro that your company review, implement and acknowledge the following security requirements.

Seals

1. Documented seal procedure in place that covers:
 - a. Affixing the seal to the container
 - b. Control of the seals
 - i. Only designated employees have access to seals
 - ii. Seal log
 - iii. Seals are stored in a secure location
 - iv. Seals are inventoried on a regular basis
 - v. Reporting of compromised or tampered seals
2. Containers are sealed with a PAS 17712 approved security seal or higher
3. Seals are verified at time of loading
4. Seal number is put on the cargo documents

Container Inspection

1. Documented procedure to check the integrity of the container before stuffing/loading. The following 7 point inspection checklist is recommended by Gexpro and U.S. Customs for all containers:
 - a. *Front wall* (verify blocks and vents visible, use a tool to tap the wall – it should sound hollow, a measuring tape can be used on the front of the container when empty to see if there are false walls)
 - b. *Left side* (unusual repairs to structural beams, repairs to walls on the inside of the container must be visible on the outside, use a tool to tap side walls – it should sound hollow)

- c. *Right side* (same as left side recommendations)
- d. *Floor* (verify height from ceiling, look for unusual repairs)
- e. *Ceiling and Roof* (verify height from floor, blocks and vents should be visible, repairs to ceiling on inside of container should be visible on outside, use tool to tap ceiling)
- f. *Inside and outside doors* (verify secure reliable locking mechanisms, look for different color bonding material, inspect plates or repairs to container)
- g. *Outside and undercarriage* (check C-Beams, support beams should be visible)

Trailer Inspection

1. Documented procedure to check the integrity of the trailer structure before stuffing. The following 6 point inspection process is recommended by Gexpro and U.S. Customs for all trailers:
 - a. Locking mechanisms of the door have not been tampered with
 - b. Fifth wheel area – check natural compartment and skid plate
 - c. Exterior – front and sides
 - d. Rear – bumper and doors
 - e. Front wall
 - f. Left side

Container and Trailer Storage

1. Containers and trailers must be stored in a secure area to prevent unauthorized access and tampering
2. Containers or trailers remaining in the loading area at the end of the day must be secured (for example locked and sealed)
3. Wherever possible personal vehicles should not be parked in the cargo area
4. Procedures must be in place to report unauthorized entry into a container or trailer

Please note that the above requirements will be part of the Gexpro vendor management and measurement process. Failure to comply with the above requirements may result in further action to be determined by Gexpro.

For additional information on the U.S. Customs Border Protection Customs & Trade Partnership Against Terrorism (C-TPAT) program and security requirements, please refer to the CBP website at: http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/