



COMMODITY
COMPONENTS

A GLOBAL LEADER IN SUPPLY CHAIN SOLUTIONS

GUADALAJARA, MEXICO. FACILITY PROCESS FLOW - IMMEX



5 MODALITIES OF IMMEX PROGRAM

1. HOLDING COMPANY IMMEX

Holding Companies maintains registration for multiple manufacturing subsidiaries

2. INDUSTRIAL IMMEX

Simplest modality: Applies to manufacturers which temporarily import goods to make a final export good

3. SERVICES IMMEX

Specifically for service companies which support IMMEX registered importers / exporters

4. SHELTER IMMEX

For registered Mexican companies. The shelter company serves as legal representative / assumes all risk and liability

5. THIRD PARTY IMMEX

Where certified business does not have manufacturing capability - outsource to third party which is then IMMEX registered

CCI PROCESSES PERFORMED WITHIN IMMEX

CCI formally registered in **2 Modalities** of IMMEX Program
+ Approved for recycling / disposal

2. INDUSTRIAL IMMEX

Simplest modality: Applies to manufacturers which temporarily import goods to make a final export good

- Simple Assembly
- Sub-Assemblies
- Re-work
- Testing
- Flashing / Programming
- Re-Taping / Re-Reeling

3. SERVICES IMMEX

Specifically for service companies which support IMMEX registered importers / exporters

- Receiving
- Product Validation
- Controlled Storage
- Cycle Counting
- Customised Pack & Label (customer spec)
- Pick / Ship on demand
- JIT / Sequenced supply
- Reporting / Documentation
- Customs Interface

MULTIPLE BENEFITS OF IMMEX PROGRAM

IMMEX Program generates unquestionable benefits to participants

AVOID PAYING GENERAL
IMPORT TAX (16%)

AVOID VAT PAYMENT (10-15%)
-IVA/IEPS CERTIFICATION

AVOID COMPENSATORY
QUOTA PAYMENTS
(EG ANIT-DUMPING)

REDUCED CUSTOMS FEE

VIRTUAL IMPORT/EXPORT
DECLARATIONS
(PEDIMENTOS)

CONSOLIDATED IMPORT
DECLARATIONS

USE OF SECTORIAL BENEFITS
PROGRAM (PROSEC)

STANDARD FINANCIAL BENEFITS WITH SOME BASIC RISKS

Normal company (without IMMEX program)



Company with IMMEX program



Major Benefit

- Cashflow / Cost Benefit – Duty Deferral

Risks / Considerations

- Inventory control requirement
- Meticulous reporting / Record keeping
- Time restrictions for consumption
- Surplus / Obsolete inventory

RESTRICTIONS/CONSIDERATIONS TO ACHIEVE BENEFITS OF IMMEX PROGRAM

IMMEX Program is complex and has numerous risks and restrictions

Companies with Export value= \$0.5m / 10% turnover

Restricted to import of approved HTS codes

Restricted to approved use (products / processes)

Storage in approved and registered locations

High level of inventory control / accuracy
- To ensure materials are re-exported within the 18m timeframe
- Audit / Cycle Count process

Annual reports / monthly statistical reporting
- Meticulous record retention / reporting

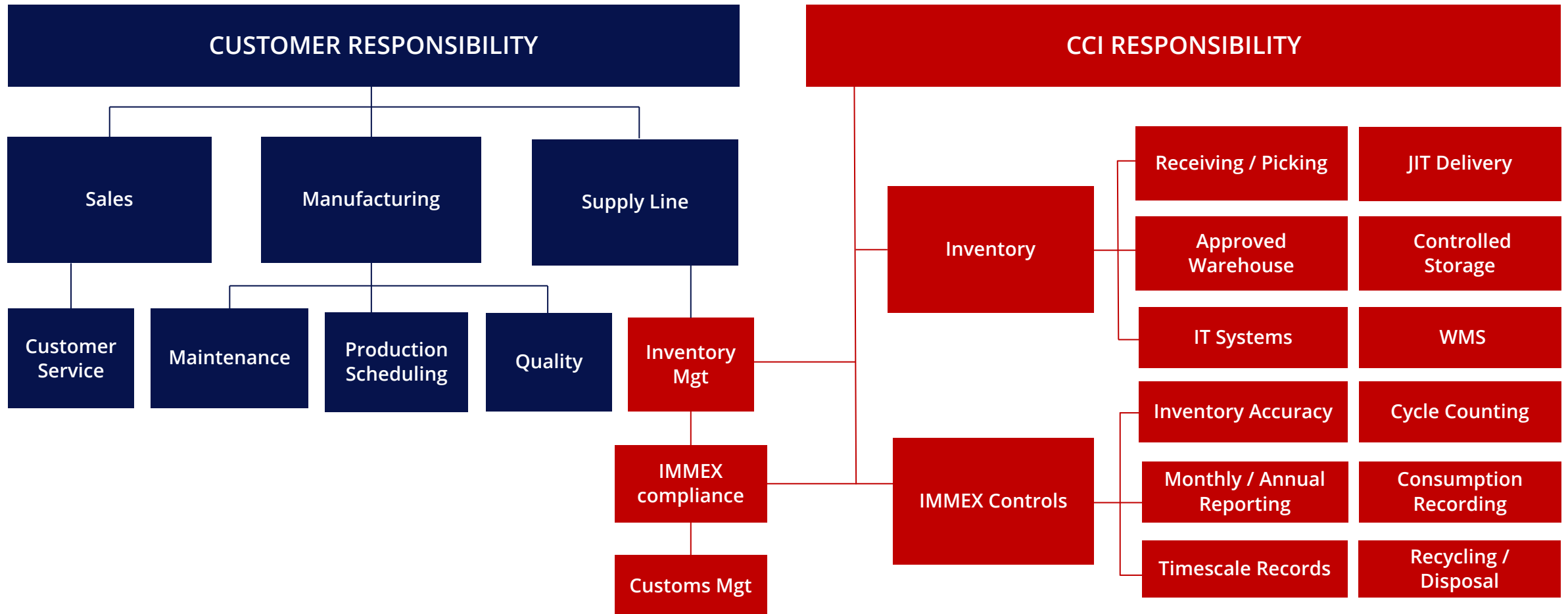
Time restrictions for consumption (export) of imported materials

PARTNERING WITH CCI

Partnering with CCI:

- Allows the financial benefits to be achieved
- Provides solutions to mitigate risks associated with consumption within specified timescale
- Generates a solution to manage the complex processes / controls

COMPLEXITY AND CONTROLS ASSUMED BY CCI



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* Provided by CCI as IMMEX Service Provider

PARTNERING WITH CCI PROVIDES MAJOR TIMESCALE EXTENSION

Company with IMMEX program



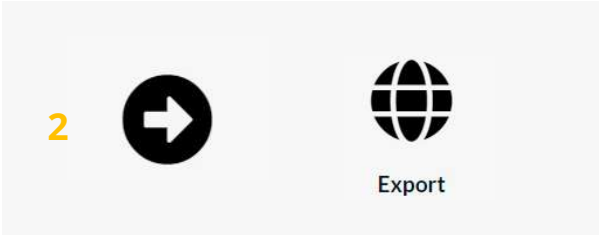
- Standard IMMEX process allows 18 months to consume imported material in exported finished product
- Using a standard IMMEX Service Provider, the timescale can be extended by 6 months
- CCI will manage IMMEX / FTZ processes to facilitate subsequent extensions (potential max 5 years)

RISK MITIGATION BY PARTNERING WITH CCI

Partnering with CCI provides 3 opportunities to benefit from extended timescale...



...to feed material to Maquila Operation for standard consumption in export production



...to find overseas purchasers for surplus imported material



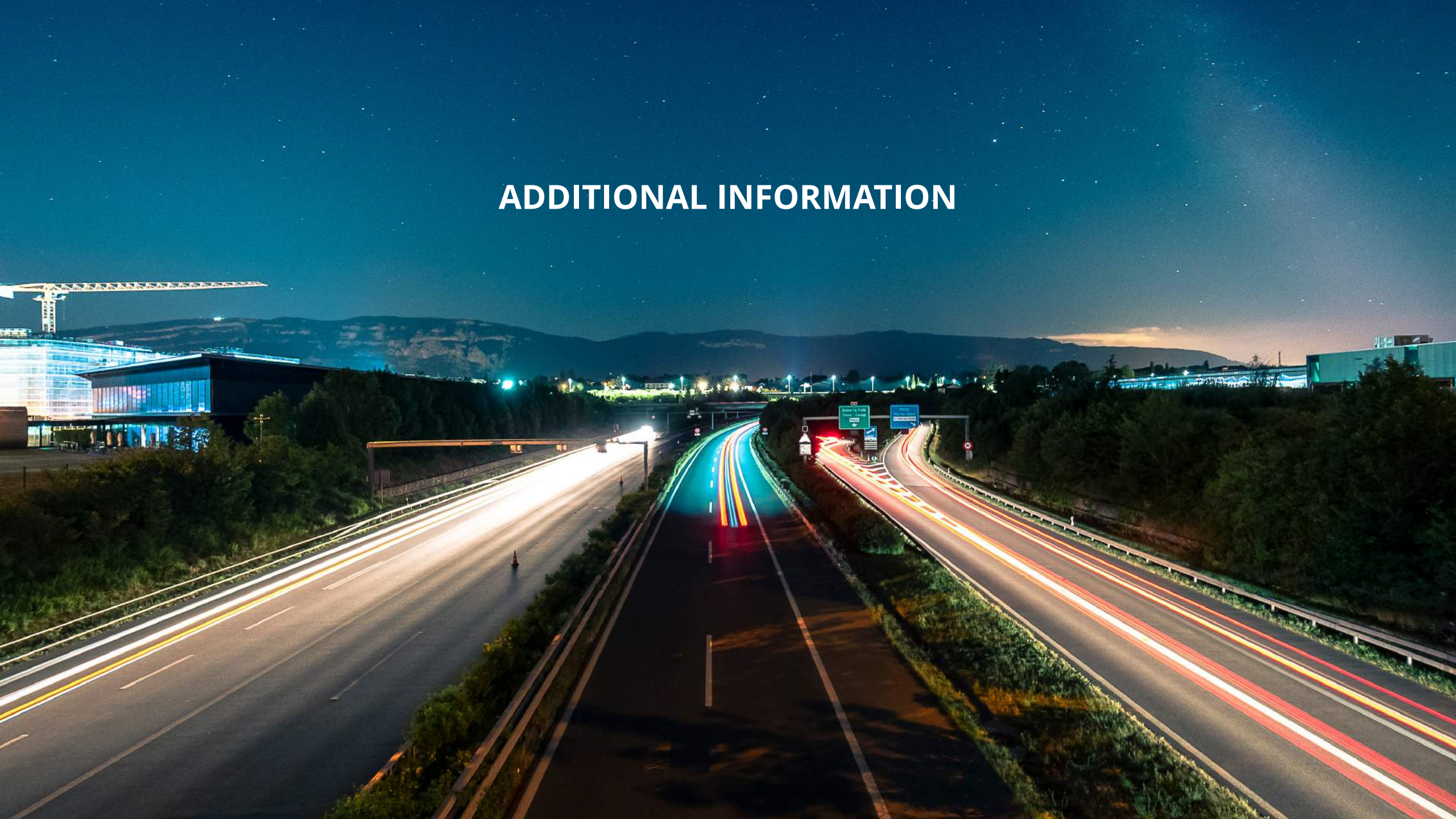
...to dispose of material via an approved recycling company

- Obsolescence cost risks reduced

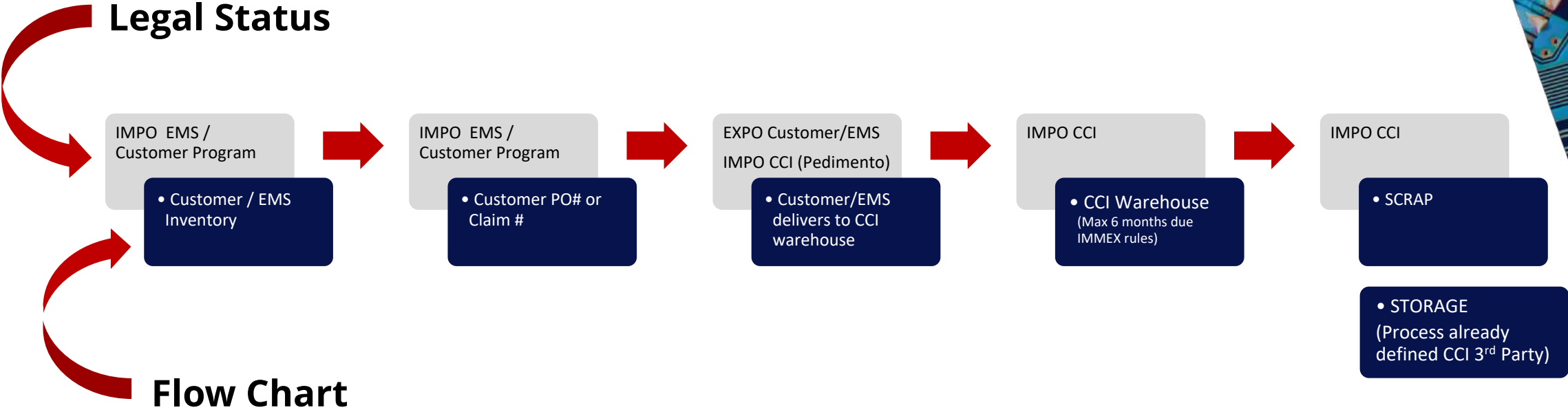
Note: CCI is also approved for recycling within IMMEX process



ADDITIONAL INFORMATION



RISK MITIGATION OPTIONS OFFERED BY CCI



Go to next slide

RISK MITIGATION OPTIONS OFFERED BY CCI

