

MSNL B.V.

General Delivery and Packaging Instruction of trading goods

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1. INTRODUCTION

The Contractor must deliver the goods to the Distribution Centre (DC) indicated in the contract or in subsequent instructions.

A distinction is made between different type of goods: A) horizontal goods sent to the shops horizontally (PP: packed/packed); B) horizontal goods sent (after reconditioning) to the shops hanging (PH: packed/hanging); C) and hanging goods sent to the shops hanging (HH: hanging/hanging). The requested delivery method is indicated in the contract.

If the Contactor does not comply with the instructions for delivery, MSNL BV reserves the right to refuse the goods and/or to claim the expenses incurred from the Contractor without any prior warning.

Since 2008, MSNL BV has a partnership with Bleckmann Fashion & Lifestyle Logistics for our logistics operations. Bleckmann operates our warehouse and distributes the goods to the shops.

2. PACKAGING IN GENERAL

2.1 Polybags

See Chapter 3 when a polybag is required, and when not. If required, then:

- The size of the polybag must be adjusted to the size of the folded article(s) (see General instructions for clothing).
- The material must be HDPE / (High Density Polyethylene) or LDPE (Low Density Polyethylene).
- The thickness must be 0.025 millimetre minimum (=40 micron).
- The polybag must have small air holes and should be transparent.
- Small articles (mainly accessories) must be packed in a polybag with a minimum size of in cm 10 (length) x 15 (width). A paper should be added so the content of the polybags is not transparent.
- The polybag must be securely closed with a hem on top of the article(s) (taped over the total length).
- Below 2 recycling symbols should be on polybag:



2.2 Cartons (=boxes)

See paragraph 3 for the required size of cartons. Other requirements:

- Quality of all cartons:

Quality:	C/HOH Outer layer:
	Kraft 300G
Intermediate layer:	Wellenstoff 112G
Inner layer:	Kraft 300G
- Cartons are never under filled or overfilled. This means cartons should be efficiently filled, no “air” (see Photo 2.1 and 2.2)
- The cartons are stackable and cannot sag
- The cartons must remain undamaged during transport
- Cartons should not be packed in plastic (see Photo 2.3 and 2.4)
- No paper tape, staples, straps or steel/plastic wire may be used to fold the cartons into shape
- The side and bottom of the carton can be either glued or closed with PVC tape. The upper side must be closed with PVC tape



Photo 2.1 Carton under filled: NOT CORRECT



Photo 2.2 Carton filled: CORRECT



Photo 2.3 Carton packed in plastic: NOT CORRECT Photo 2.4 Carton not packed in plastic: CORRECT

2.3 Pallets

If items are delivered on pallets, the following rules apply (see Photo 2.5 and 2.6):

- Use only original Euro pallets, 80 x 120 cm
- Disposable pallets are not allowed
- Pallets must not be stacked higher than 1.90 meters (including the pallet)
- Loaded pallets must be wrapped in foil, unless otherwise agreed with the MSNL BV Inbound department
- The information on the stacked cartons must face outwards
- Cartons must be sorted on the pallets by order/colour/carton number/snake loading (see appendix 19)
- Pallets must be sorted by order/colour/carton number/snake loading in the truck or container (see appendix 19)



Photo 2.5 Stacked pallet: NOT CORRECT



Photo 2.6 Stacked pallet: CORRECT

3. PACKAGING FLAT PACKED GOODS

3.1 Packed/Packed (PP)

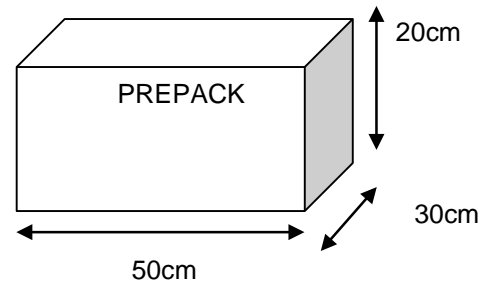
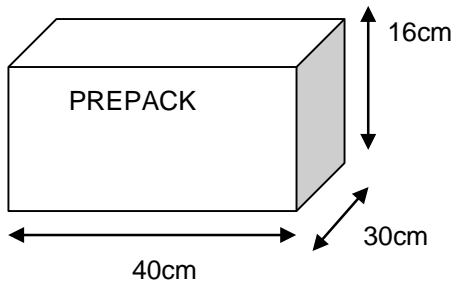
3.1.1 Prepacks

A prepack is a combination of sizes combined in 1 polybag:

- The composition of the prepack is specified exactly in the contract
- “Rest sets” (incomplete prepacks) are not allowed
- Each prepack must be packed in a polybag
- The individual items within in the prepack must be without polybags
- No “master polybag” is allowed
- Each polybag must be labelled with a “prepack barcode” which you can order at Check Point (see appendix 21)
- 1 article/colour per carton, not mixed
- Each carton must contain the same number of prepacks
- Carton weight is maximum 18kgs.
- Carton dimensions (see Photo 3.1 and Drawing 3.1 and 3.2):
 - o Because of our flat pack sorter system, the prepacks have limitations in length, width and height
 - o When one or more sides of a prepack are smaller than or equal to in cm 30(length)x40(width)x16(height) – you can pack several prepacks in one carton. Carton dimensions must be in cm 60 (length) x 40 (width) x varying height of minimum 30 and maximum 35. *NOTE: carton and prepack size are not the same!*
 - o When one or more sides of a prepack are larger than in cm 30(length)x40(width)x16(height), only 1 prepack per carton is allowed. Carton dimensions must be adapted to the size of the prepack, with length and width either 30x40cm or 60x40cm and height varying between 16 and 32 cm. *Note: when weight limits are to be exceeded, carton dimensions should be either 30x40 or 40x60 with adjusted height. If so, height can be lower than 16 cm.*
 - o **Maximum size of 1 pre-pack in cm is 55(length)x30(width)x16(height),**



Photo 3.1 Prepack with size 56 (length) x 42 (width) x 16 (height) = Full case (not several prepacks in 1 carton)



Drawing 3.1 Several prepacks in 1 carton = size 60 x 40 x [30-35] cm Drawing 3.2 Example: One prepack per carton = size 60 x 40 x 20 cm

3.1.2 Single units

Packed orders can also be raised for “single units”: Delivery must then be per individual size, with the following packaging requirements:

- Each piece individually packed in a polybag
- No “master polybag” is allowed, no packing for example per 10 units (see Photo 3.2 and 3.3).
- Price tag should be visible, price side up
- Only one article/colour/size allowed per carton (no mix of sizes allowed)
- Per colour/size each carton must contain the same number of units (e.g. all cartons size XL should have X pieces per carton, all cartons size XXXL should have Y pieces)
- Carton weight is maximum 18kgs.
- Carton dimension in cm 60 (length) x 40 (width) x 32 (height). Carton height can only be adjusted if the weight limit will be exceeded. If so, adjust only those cartons that exceed the weight limit per size.



Photo 3.2 Master polybag for single units: NOT CORRECT
CORRECT

Photo 3.3 No master polybag for single units:

3.1.3 Combination order single units and prepacks

A combination order is an order which contains both single units and prepacks. They should be packed as described above. No mix of single units and prepacks is allowed in one carton.

3.1.4 Small articles (single units or prepacks)

Small articles (mainly accessories) must be packed in a polybag with a minimum size of in cm 10 (length) x 15 (width) and a maximum size of in cm 30 (length) x 40 (width). This polybag should have 1 transparent side and 1 nontransparent side (or a paper can be added so the content of the polybag is non transparent). Note that the price tag should be visible on the transparent side.

3.2 Packed /Hanging (PH)

These are products that will be reconditioned in the DC. These articles arrive packed and leave hanging. The following packaging requirements apply:

- Only one master polybag per carton is allowed
- No individual polybags
- Only 1 size per article/colour per carton
- Cartons must display "RECON YES"
- Carton dimensions may vary with a maximum of 120x80x32cm unless otherwise agreed with MSNL Inbound Department.
- Carton weight is maximum 25kgs

3.3 Case labels and markings on cartons

Contractor will deliver the cartons with case labels:

- Labels must be attached to the top right hand corner of a short side of each carton. See appendix 17
- Label types are available on the Check Point site per order, see appendix 21
- Label information includes:
 - a barcode with the article number
order number / prepack (set) code if
applicable/colour code/size
 - carton number (to be filled by
contractor)
 - carton content (to be filled by
contractor)

4. PACKAGING HANGING GOODS

4.1 Hanging/Hanging

Hanging goods are forwarded to the shops hanging.

4.1.1 Hanger

The type of hanger must be as prescribed in the 'Hanger type per product group' appendix 20. Detailed information available in the "General Instructions for Clothing" (point 10.2)

4.1.2 Selvedge braid

Detailed information available in the "General Instructions for Clothing" (point 7.1)

4.1.3 Covers (bundles/individually)

A cover must be placed every 50-60 cm, making bundles per size
Leftovers of 1 size should also be bundled separately.

Please note that colors sensitive to stains or dust (e.g. white/off-white) should be covered **individually**.
Please contact inbound department MSNL (inbound@msmode.com) for this individually packing instruction before delivery.

No master cover over a set of articles with a cover. Nothing may be written and/or labelled on the covers. The 'Cover instructions' appendix describes how the cover is to be knotted.

More information is available in the "General Instructions for Clothing" (point 10.2)

The use of tape/straps or any other binding material around the hanger is not permitted.
Goods must be loaded with the open eye of the hanger and the collection label to the front of the truck/container.

5. DELIVERY

5.1 Incoterms

MSNL BV standard delivery terms are based on the Incoterms 2010. MS Buying department agrees on Incoterm to be used per order. Delivery terms as handover and Incoterm are stated on the contract.

Standard Incoterms for delivery used for MSNL purchase orders are:

Type	Inco term	Countries	Note
SEA	FOB + port of destination (Example: FOB Shanghai)	All countries except Bangladesh	1) The place where cargo needs to be delivered is communicated by MS Mode's Logistics Service Provider to all vendors; 2) As defined in the FOB term: local charges are paid by vendor
	FCA Chittagong	Bangladesh	1) The place where cargo needs to be delivered is communicated by MS Mode's Logistics Service Provider to all vendors
AIR	FOB + port of destination (example: FOB Shanghai)	All countries except Bangladesh	1) The place where cargo needs to be delivered is communicated by MS Mode's Logistics Service Provider to all vendors; 2) As defined in the FOB term: local charges are paid by vendor
	FCA Dhaka	Bangladesh	1) The place where cargo needs to be delivered is communicated by MS Mode's Logistics Service Provider to all vendors
	CPT Amsterdam	All countries	Air shipments paid by the vendor (= freight prepaid)
ROAD	FCA Istanbul	Turkey (except free zone Mersin)	The place where cargo needs to be delivered is communicated by MS Mode's transporter.
	DAP Amsterdam	Turkey: Mersin	Delivery address Bleckmann: Beiraweg 11, 1047 HN Amsterdam
	DDP Amsterdam	European countries except Turkey	1) Vendor pays freight charges; 2) Delivery address Bleckmann: Beiraweg 11, 1047 HN Amsterdam

If the agreed delivery time cannot be achieved, the Contractor must inform MSNL BV Inbound department and the responsible purchase department as soon as possible in writing.

If there are discrepancies in the numbers of the quantities to be delivered compared to the ordered quantities. The Contractor must inform MSNL BV Inbound department as soon as possible, no later than 4 weeks before delivery for orders for which transport is organized by MSNL BV and at least one week before delivery date for DDP and DAP orders.

Partial deliveries are not permitted unless prior written permission is obtained from MSNL BV Inbound department. The Contractor must clearly indicate 'partial delivery' on the packing list and invoice, and the fact that it is a partial delivery must be stated on reporting.

5.2 Loading Instructions

The Contractor is responsible for the proper loading of the goods. The load bin of the truck/container must be clean, dry and gas- and odor-free.

The loading sequence for packed and hanging goods is indicated in the appendix 19 'Numbering of cartons and loading sequence'. Please note that the loading sequence is per order number and snake loading (PO number, color number, pre-packs, single units)

5.3 Transport under the responsibility of MSNL BV (depending on Incoterm stated on contract)

If MSNL is responsible for transport, you may contact the Inbound department (Inbound@msmode.com) to get more information on the processes to be followed.
You will get information on our logistic partners for transport.

5.4 Import under the responsibility of MSNL BV (depending on Incoterm stated on contract)

Please contact the Inbound department for more information.
Most important information is that MSNL BV Inbound department (Inbound@msmode.com) should get the following information. ONLY FOR SEA shipments:

- 1 original GSP or FORM -A and 1 copy – only when required
- 1 original invoice and 2 copies
- 1 original FCR (forwarder's cargo receipt) and 1 copy
- 1 original packing list and 1 copy
- 1 original bill of lading and 1 copy- only when required

Send documents to:
MSNL BV
Attn: Inbound department
Diemermere 1
1112 TA Diemen

Note that for air shipments, the original documents must be sent with the goods.
For FCA Istanbul shipments the original documents should be handed over to the MSNL BV contracted transport company.

5.5 Direct delivery of goods at MSNL (Warehouse Bleckmann) in the Netherlands

The Contractor must book deliveries **48 hours in advance** at inbound.ms@bleckmann.com and cc to inbound@msmode.com to guarantee inbound capacity. The needed data for the booking are the following:

- Order number
- Article number/colour(s)
- Number of cartons
- Number of hanging pieces
- In case the truck has hanging and packed goods mention which goods have been loaded first.

When booking is done the contractor will be assigned a timeframe. If the timeframe cannot be managed, deliveries must be re-planned. Cancellations of bookings must be done 24 hours before original delivery appointment.

Without booking confirmation of Bleckmann deliveries will be refused.

A booking cannot be made without adding the packing list(s) to the booking request. The packing list(s) should also be forwarded to MSNL BV Inbound department at inbound@msmode.com

For packing list requirements see chapter 6.

The driver of the truck should always handover a document mentioning order and article number to Bleckmann before truck is opened at DC which order and article number will be unloaded. (e.g. add article and order number on the CMR, add a packing list with needed article and order number).

Unless otherwise agreed, goods must be delivered at the agreed time at the following address:
Bleckmann warehouse: Beiraweg 11, 1047HN Amsterdam. The distribution centre is open every business day, Monday to Friday, from 7:00AM to 5:00PM. Deliveries can take place between 7:00AM to 3:00PM

6. PACKING LIST

6.1 Packing list Requirements

- Each delivery must be accompanied by a waybill required for transport with the packing lists attached • For each contract, a separate packing list is required (mention the name of the MSNL BV contractor!).
- For deliveries to the DC, the packing lists must be made available by email to inbound@msmode.com and inbound.ms@bleckmann.com 48 hours in advance.
- For deliveries from the Far East, the packing list(s) must be made available by email to MSNL BV Inbound department at inbound@msmode.com as soon as possible, but no later than two weeks after FOB/FCA date.

6.2 Packing list layout

The packing list lay-out depends on the type of order:

- Hanging garments
- Pack-to-hang or single units
- Prepacks
- Combination orders (units+prepacks)

For each type, the layout as shown in appendix 13 “Packing list layout and examples” is mandatory. Examples and Excel templates are made available in this appendix.

7 INVOICE

7.1 Invoice information

The Contractor must invoice MSNL BV separately for each delivery. The invoice must indicate at least the following information:

1. Contractor's bank number
2. Contractor's office address
3. The name of the relevant bank with address and account number (also SWIFT number, IBAN for suppliers abroad)
4. MSNL BV purchase contract number (for every contract number a separate line)
5. MSNL BV item number (for every item number a separate line)
6. Description of goods
7. Composition of fabric
8. Knitted or woven
9. Country of origin
10. Transport condition
11. Total quantity
12. Statistical number of goods
13. Price per unit (pieces, metres)
14. Total goods amount
15. MSNL BV VAT number: NL856269864B01
16. Supplier's VAT number
17. VAT percentage and total VAT amount (for Dutch suppliers)
18. Payment terms
19. Invoice date (= Hand over date)

7.2 Additional invoice information

1. Please note that every invoice must be sent electronically:
 - a. The electronic invoices are in PDF format of version 1.4 or later;
 - b. The file name should obtain supplier name and invoice number;
 - c. When an electronic invoice is sent, no paper invoice should be sent to the Financial Administration (please note that the shipping documentation send to the Inbound department for the import of goods does not change);
2. Addressed to Finance Department (via e-mail in PDF):
 - a. To ensure complete registration of invoices we would like to receive the invoices electronically in our mailbox: **msnl.invoices@msmode.com**
 - b. From this mailbox the invoices will immediately be picked up as start of our workflow.
3. Only 1 invoice per ordernumber:
 - a. When there is an issue with 1 order we need to block the payment of the total invoice. So this means that payment of all orders on the invoice will be delayed.
4. Any questions regarding invoices and payments can be sent to: **msnl.questions@msmode.com**. All e-mails will be answered within 24 hours.

7.3 Credit Notes

1. All credit notes need to be invoiced on a separate invoice or separate invoice line.
2. The invoice must indicate the MSNL purchase contract number of the credited goods.
3. The invoice must indicate the description of the reason of credit note.

8 PAYMENT TERMS

The payment terms are indicated on the contract taking into account the numbers of days based on the contractually agreed payment term.

If the Contractor does not comply with the instructions corresponding to the relevant payment term, MSNL reserves the right to claim the (additional) expenses incurred from the Contractor.

9. Claim Procedure MSNL B.V.

When a discrepancy has occurred, prior to or after inspection of the goods upon arrival, MSNL B.V. reserves the right to refuse the goods and/or to claim the expenses at the vendor.

Discrepancies per department and percentage claim or claim amount

Inbound Logistics

When cargo is delivered at our warehouse (DC) there will be a 5% random check in both the single units and pre-packs.

If there are discrepancies, e.g. contence or product of carton is not equal to carton label or packing list, there will be an additional check of 5%.

If there are still discrepancies we will perform a 100% check. All costs will be claimed at vendor.

Inbound Logistics	
100% inbound check of delivery cargo (see above)	A minimum of 250 euro per order or >250 euro based on actual costs
Discrepancy related to incorrect packaging in general (chapter 2, 3 and 4)	A minimum of 250 euro per order or >250 euro based on actual costs
Discrepancy related to incorrect snakeloading / palletising (page 6, paragraph 2.3)	250 euro
Late delivery, no show, or late cancellation of delivery at DC (page 13, paragraph 5.5)	250 euro
Repack boxes with mixed sizes (page 9, paragraph 3.1.2)	A minimum of 250 euro per order or >250 euro based on actual costs
Repack pre-packs to full case (1 pre-pack per box) in case pre-pack exceeds maximum size of 55x30x16 (page 7, paragraph 3.1.1)	A minimum of 250 euro per order or >250 euro based on actual costs
Packing of single units in a single polybag in case P/H is delivered instead of P/P (page 10, paragraph 3.3)	A minimum of 250 euro per order or >250 euro based on actual costs
Pricing of articles without pricetags or with incorrect pricetags	A minimum of 250 euro per order or >250 euro based on actual costs
Purchase Department	
Late delivery (delivery later than agreed handover date)	
1-5 days late:	5%
6-10 days late:	10%
>10 days late:	refusal of goods
Purchase Department / Quality Control	
Minor discrepancy (excluding recovery expenses) (fault not immediately visible for the wearer or observer of the wearer)	5% - 10%
Major discrepancy (excluding recovery expenses) (fault immediately visible for the wearer or observer of the wearer)	10% - 30%

Way of claiming

Discrepancies are claimed with a claim letter along with a credit note.

Abovementioned claim shall be deducted from the invoice (which is) exclusively at MSNL's discretion.

The invoice will be paid in accordance with the general payment conditions of MSNL.

More than 3% under- or over delivery

MSNL can only accept 3% under delivery or over delivery (per size / single units). When this percentage is above 3%, the buying department must be informed. In this case the buyer will decide if MSNL will accept or will claim the under delivery. The amount of the claim depends on the circumstances and style.

Delay

If the order cannot be shipped on time (than agreed handover date), the buying department must be always be informed on time. If the delay is 1 week or more, the buyer will decide if MSNL will accept this or claim this.

Calculation claim amount

The claim amount is based on the percentage per discrepancy, excluding claims from the Inbound Logistics department.

The claim amount is calculated as the product of a percentage, order quantity, the purchase price and recovery expenses if made.

Claim amount = claim percentage * order quantity * purchase price + recovery expenses if made.

In the event of recovery expenses, as a result of the defect, these are either included in the claim amount or claimed separately.