

Douglas

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1. Introduction

With this guideline the Parfumerie Douglas Nederland B.V. is compiling a delivery system for all suppliers. This system must be used by all the Company's logistics depots (Cross-docking centres). Furthermore we strongly recommend applying these guidelines for the collaboration with all the international companies associated with Parfumerie Douglas Nederland B.V.

The logistics depot operated by Parfumerie Douglas Nederland B.V. is attached as Enclosure A on page 12 in this document.

The shipment guideline is immediately effective and shall be valid until it is superseded by a new version.

2. Shipment

In principle, deliveries shall be effected "free domicile". Changes in the ordering behaviour of the branch offices mustn't arise in this context.

- **Exclusion of liability**

All consignments handed over to delivery points must be packed with transport packing in order to prevent unauthorised access. It is particularly important for palletised consignments that they must be covered with heat sealed stretch wrapping, shrink-wrapping, or tension straps to prevent unauthorised access. Should one of these preconditions not have been fulfilled, receipt of the goods shall only be taken under exclusion of liability. That means that acceptance shall be "subject to reservation".

- **Delivery notes**

Delivery notes are to be fixed to one unit of the consignment in document packets by the supplier. In case a document packet is not used, the packed item including the delivery note is to be marked clearly with the reference "Delivery note".

If the consignment is palletised, the delivery note is to be fixed on the face side of the carton, facing outwards. If the consignment is sent in a cardboard box, the delivery note is to be fixed to the top right on a long side.

- **Transport label**

The address of the consignor and consignee plus Douglas retail outlet number as well as the clearly marked Douglas order number must be marked on every package.

- **Consignment security and identification**

For additional security and ease of identification a company must wrap a cross of its own adhesive tape around each package, i.e. once vertically and once horizontally. (cf. ADSp "latest version" no 6)

- **Consignments (with the same Douglas order number) consisting of more than one package**

In this case the consignment must be marked as a single shipment. The Douglas order number is the control code number of all processes. Likewise the number of packages in a consignment has to be marked on the transport label. (cf. ADSp "latest version" no 6)

→ **Example:** Package No 1 of 10

- **Delivery by parcel services**

Deliveries by parcel services are accepted for a maximum of 30 parcels.

If the prescribed quantity is exceeded, Douglas reserves the right to refuse the receipt.

- **Loading packages**

Please consider that only packages, that have a weight under 15 kg, can be handled.

If the prescribed weight is exceeded, Douglas reserves the right to refuse the receipt.

- **Loading pallets**

Pallet size may not exceed the size of a euro pallet standard (1,20m x 0,80m). Shipments of more than four pallets and/or 200 packages have to be sorted on the pallet by Douglas order no. Sorting the packages according to the Douglas retail outlet number and the name of the brand are only accepted as an interim solution.

- **No mixed cardboard boxes**

An article must not be delivered in cardboard boxes of different dimensions. Exceptions will only be allowed if there is a shortage of a cardboard box of a specific dimension. If different articles are packed in the same cardboard box, they must be separated physically within the box.

→ **Example:** Paper bags, cardboard inserts, etc.

- **Decorative material and goods usual in the trade**

Separate shipment units (packages) must be used for these goods and consequently they will have different delivery notes. That means that decorative material has to be declared as a separate delivery.

- **Marking of new products / promotion goods**

The label of the shipment unit must be highly visible and should include a marking (e.g. a red spot) showing that these goods are new products or promotion goods. As a result this will ensure that the goods will be handled immediately in the logistics centres.

3. Notification of shipment

The notification that goods are ready for dispatch must be sent by the supplier to the point of delivery concerned stating the data relevant to the consignment (Quantity of

cardboard boxes and / or pallets, weight, consignor, consignee, incl. Douglas retail outlet no, order no of Parfümerie Douglas GmbH, delivery note no).

This notification must be received on the day prior to delivery by no later than 2 pm by fax or email as a matter of principle.

Late notifications will result in disruptions to the system and could possibly lead to inability to take receipt of consignments on time. The supplier will be held responsible for such delays.

4. Forwarding documents (Invoices / Delivery notes)

- The delivery note must only refer to one Douglas order number. I.e. one Douglas order number shall always have its own individual delivery note and invoice number. They can not be bunched together.
Please remind that the Douglas order no is the key driver for all supply chain processes within the Douglas network.
- An invoice may only be raised for a single order number.
- Invoices referring to the same order number must not have more than one invoice line with the same EAN code.
- All delivered items (in particular articles in displays) have to be shown as separate items on the delivery note and on the invoice.
- The sort sequence of the items on the invoice and on the delivery note should be identical with the sequence on the order.
- The supplier must ensure that the correct delivery note and / or invoice can be raised at any time if an invoice / delivery note is missing or incorrect.
- Invoices sent as a bundle to the accounting offices have to be sorted according to the Douglas retail outlet no.

The following information must be shown as a minimum for the forwarding papers (cf. Point 5) to identify each consignment and to be accepted as a hand-over document by Parfümerie Douglas:

- Consignor's address
 - Consignee's address incl. Douglas retail outlet no
 - Quantity and type of packages (parcels, Euro-pallets, etc.)
 - Parfümerie Douglas order no (which has to be clearly marked as such)
 - Delivery-note no
 - The total number of articles (sales units) has also to be shown separately on the delivery note and on the invoice.
-

5. Identification and communication

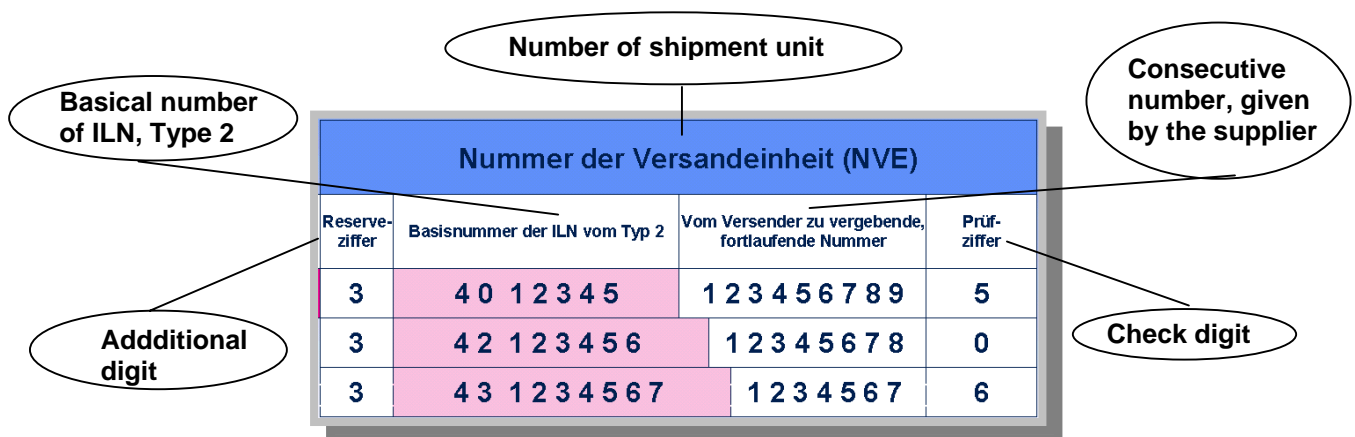
5.1 EAN 128 Transport label

For internal handling purposes Parfümerie Douglas needs an EAN 128-Transport label fixed to every package, described in detail below. Each salable article must have an EAN13- bar code to identify it.

The EAN 128-Transport label should include the following information:

- NVE = Number of dispatch unit (clear package number identification in EAN 128standard)

The 18-digit number of the dispatch unit shall consist of the following design:

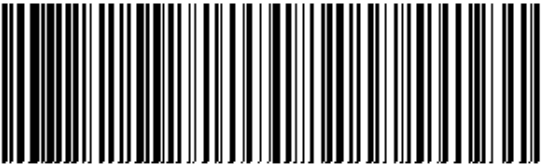
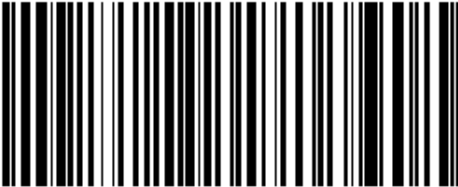


- Order number of the consignee of the goods (in this case: Parfümerie Douglas GmbH order number => DB "400")
- ILN of the consignee: Branch (=>DB "413")
A current list of the ILN of all branches can be forwarded by us by request.
- Delivery note number (DB "90")

List of the desired data description elements and their formats for Douglas:

DB	Coded Data content	Format
00	Dispatch number	n2 + n18
400	Consignee order number	n3 + n8
413	Final consignee ILN	n3 + n13
90	Delivery note number	n2 + an...30

Example of a Douglas incoming goods label according to the GS1 Europe recommendation:

Absender: XXX GmbH	Empfänger: Parfümerie Douglas GmbH
NVE: 3 4012345 123456789 5	
ILN Filiale:	43 25439 00012 1
Douglas Best.-Nr.:	0004812
Lieferscheinnummer:	00000012345678
 (413)4325439000121(90)00000012345678(400)0004812	
N V E  (00)340123451234567895	

If you have not yet begun to use the EAN 128-Transport label, we would ask you to convert to using this method of marking.

Our requirement complies with the agreed recommendations established in the agreement with the GS1-Europe between the industry and the trade. Information on this can be obtained from:

GS1-Europe (former: Centrale für Coorganisation GmbH) in Cologne.

Tel.: 0049-221 / 94714-0; <http://www.gs1-germany.de>

5.2 Electronic Data Interchange (EDI, EANCOM)

As Douglas uses meanwhile EDI to communicate with a large number of trading partners, (ORDERS, INVOIC) we wish to introduce delivery notification by EDI in the future (DESADV).

We would ask you to use this kind of notification with us if you are already using EDI. In this case the volume of data on the EAN 128 transport label shown in Point 5.1 will be reduced.

Please contact our IT Management to agree details.

IT Management:

Dhr. R. Wolters	Tel.:	+31 24 3515183
	E-Mail:	R.Wolters@douglas.nl

6. Taking over the goods

6.1 Issuing a receipt

The reception points of Parfumerie Douglas will attest the quantity and type of packages taken over (dispatch units) but not however, their contents, value or weight

Packages are defined as pallets (stacked and wrapped pallets are also counted as a single unit), half pallets or individual packages. Cardboard boxes on a sealed, secure pallet are not counted as a package. Parfümerie Douglas will only recognise those delivery slips which have been delivered in accordance with Point 2 of the shipping guidelines.

6.2 Notification of damage

- If damage is externally identifiable, it must be recorded by the consignee on the confirmation of receipt when the goods are delivered and countersigned by the forwarder.
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7. Part delivery / Subsequent delivery / Incorrect delivery

- As a rule subsequent deliveries will not be accepted. Subsequent deliveries will only be accepted in the following cases:
 - Orders on special conditions and new products:
In both of the above mentioned cases the invoice and delivery note for the subsequent delivery must refer to the order number on the original invoice.
 - Samples and testers:
A subsequent delivery will be made automatically
- In the case that a specific article is not delivered, the following information will be required on the delivery note depending on the circumstances (per order item and / or article):
 - The article cannot be delivered subsequently, please re-order
 - The article cannot be delivered subsequently, please do not re-order (E.g. End of line articles).
 - Article will be delivered subsequently (only for orders sold at individually negotiated terms and conditions and for new products)
- Incorrect deliveries will be returned at the expense of the supplier.

8. Individual agreements with the delivery points

- **Handling procedure:**

Handling details are unscheduled date of delivery, time of delivery and as well the handling of pallets (see below). These details shall be agreed individually in written form between the supplier and the delivery point. A copy of the relevant correspondence is to be handed over to the logistics department at Parfümerie Douglas GmbH.

- **Pallet handling:**

The exchange of pallets shall generally be concurrent. An exchange account may also be set up by agreement. The pallet account shall then be balanced and settled at regular intervals. Conventional pallets normal in the trade and in usable condition shall be exchanged. Only the supplier and delivery point shall be responsible for agreeing balance of account and settlement of account.

- **Campaigns / New products:**

The precondition for planning logistics arrangements for campaigns and new products with the cross-docking sites is that the goods arrive in the stores at least two weeks prior to the date of sale. Special agreements in individual cases will have to be agreed with the central purchasing office in Nijmegen in writing prior to the beginning of the two-week period.

9. Failure costs and liability

As a result of the CIF delivery term, between the supplier and Parfumerie Douglas, the responsibility for the quality and the security of the transport chain shall of course remain with the supplier.

In case the supplier abides by the organisational and administrative regulations, he shall not have to bear any costs. For failures and / or mistakes caused by the supplier and which as a result disrupt the process flow of Parfumerie Douglas, Parfumerie Douglas reserves the right to invoice these expenses to the supplier.

This refers, e.g., to the following cases:

- Delivery date not observed
- No waybill (or insufficient information)
- No invoice for (only for suppliers sending paper invoices)
- No delivery note
- No Parfumerie Douglas order number
- No notification of delivery
- No transport label
- Delivery slip cannot be understood or accepted
- Unsorted delivery

Generally, but especially during peak times the CDCs are authorized to refuse deliveries which are not conform to this shipment guideline in order to achieve a high throughput.

In addition the CDCs will prioritise suppliers which totally fulfil the shipment guideline to reduce order cycle times / times to POS.

10. Appendix

A. Logistic depots of Parfumerie Douglas Nederland B.V.

Douglas Logistiek Centrum (DLC)
Hanzepoort 30 / Luik 7
7575 DA Oldenzaal

B. People to contact

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