

M A T A S
G R O U P

Appendix C

Logistics & Delivery

Appendix C – Logistics & Delivery
Matas Group

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1 ORDER FREQUENCY AND DELIVERY SCHEDULE

When signing a contract with Matas Group, the delivery frequency and a fixed delivery day are set by Matas Group Supply Chain.

1.1 Individual Deliveries

Contracts for individual Deliveries are made by Matas Group generating an Order, for which the following Order and Delivery date shall apply:

Order day to Supplier no later than 6 a.m. (for KICKS Warehouse) and 10 a.m. (for Matas Warehouses):
to be mutually agreed

1.2 Manually generated orders

In agreement with the Supplier, Matas Group may place an order manually on any day of the week.

1.3 Hours of operation

Our warehouses receive deliveries during the following times:

- Matas Warehouses in Allerød and Lyngby: Monday to Friday from 7 a.m. – 1 p.m.
- KICKS Warehouse in Rosersberg: Monday to Friday from 7 a.m. – 2 p.m.

2 ORDERS

2.1 Order quantities

Matas Group does not accept partial deliveries or back orders.

- Matas Group orders using the consumer packaging's GTIN.
- Matas Group orders quantities for consumer packaging (1 pcs.) and if needed rounds off to quantities consistent with Supplier's retail packaging and/or shipping packaging. Notwithstanding, Matas Group reserves the right to order consumer packaging if Suppliers' retail packaging quantities exceeds Matas Group requirements at the time of placing the order.
- Minimum orders (MOQ) at SKU level are not accepted for new products, unless otherwise agreed between Matas Group and the Supplier.
- A dialogue concerning minimum orders cannot be initiated until three months after the launch of a product and minimum orders cannot exceed one month's average forecast POS sales of third-party labels.

2.2 Order corrections

All changes to orders must be in the hands of Matas Group Logistics no later than 12:00 on the weekday before delivery date. The change is only valid when it has been approved by Matas Group Logistics.

Changes in quantities (incl. reduction in quantity) must be made automatically via the formats applicable at any time:

- Advance Shipping Notice (ASN)
- For Matas Operations Warehouse deliveries, order correction template (contact logistik@Matas.dk for template and guide)

The quantity delivered shall not exceed the quantity ordered unless a written agreement exists between the Parties.

Matas Group supply planning does not handle cancellations or reductions in quantities manually.

2.3 *Change of delivery date*

Change of delivery date must be agreed and approved by Matas Group Logistics, via email to logistik@Matas.dk (for Matas Warehouse orders) or info.deliverysupport@kicks.se (for KICKS Warehouse orders).

If a delivery date is exceeded and no new delivery date is agreed, the order will be cancelled. Once an order has been cancelled, deliveries may no longer be made to this order number.

3 **DELIVERIES**

3.1 *Supplier's Delivery Obligation*

The Supplier undertakes to deliver the Articles to the extent specified in the Order. Other Articles or substitutes are not to be included in the Delivery.

The Supplier's delivery obligation applies every week of the year, even during holiday periods. Any deviations regarding public holidays must be communicated by either party at least 90 days in advance.

Delivery of the Order may only occur during a single unloading operation, after which the Order is deemed to have been delivered. Additional deliveries are not accepted against the same order number without prior written approval from KICKS.

Delivery must be made to the Delivery Point according to the Order.

3.2 *Delivery Addresses*

The Supplier will deliver to the following addresses, unless otherwise agreed.

Matas Operations Central warehouse - Allerød

Rørmosevej 1
3450 Allerød DK

Matas Operations Campaign and Webshop warehouse - Lynge

Tofteengen 6,
3540 Lynge

Please note: Webshop is *Port 7-10*, campaign is *Port 11-14*

KICKS Group AB - KICKS Group Central Warehouse

Kromgatan 11
195 72
Rosersberg
Sweden

3.3 Samples and Testers

In cases where samples and testers are to be stored centrally, they are subject to the same requirements as regular products (including but not limited to the requirements regarding article information, barcodes, EAN numbers etc.).

3.4 Deliveries

The Supplier is responsible for unloading goods.

The Supplier ensures that the carrier holds standard insurance, and that the driver can communicate fluently in Danish (for Matas Operations locations), Swedish (for KICKS locations) and/or English.

Matas Group is responsible for ensuring that space and equipment for unloading, such as pallet jacks are available.

3.5 Deviations on Delivery

Delivery deviations include, but are not limited to, Deliveries:

- with content that deviates from the Order and/or Delivery notification (QTY, SKU etc).
- that are not completed at the agreed Matas Group warehouse location(s) on the requested Delivery Date (Date/time).
- that do not follow this Logistics Appendix.
- that are not accompanied by proper documentation, including electronic documentation, or are incorrectly labelled.

3.6 Delivery Delays

If a Delivery takes place on a day other than the Delivery Date requested in the Order, the Supplier shall notify Matas Group of this immediately and in writing. A new Delivery Date must be approved by Matas Group, which can also choose to withdraw the Order.

Matas Group reserves the right to reject delivery of an order that is not delivered on time. On time being either the requested delivery date or the new confirmed delivery date, that has been agreed with and confirmed by Matas Group supply planning team.

3.7 Complaints and Handling of Deviations in Delivery

Content in Deliveries that deviates from the Delivery Notification is noted during the goods receipt process at Matas Group's warehouse location. To be claimable by Matas Group, complaints about incorrect package contents must be made in writing after the inbound delivery has been received and checked.

In case of deviations, Matas Group reserves the right to either return the goods at the Supplier's expense or to adjust the purchase order in relation to what was delivered. Any deviations due to public holidays must be communicated by either party at least 90 days in advance.

3.8 *Refusal of Delivery*

The Supplier may not refrain from delivering Products due to a dispute between the Parties regarding i) payment, ii) other claims against Matas Group or iii) interpretation of this Agreement.

If the Supplier has not received payment within 45 days from a settlement or arbitration ruling with a decision on such compensation to the Supplier becoming legally binding, the Supplier is, however, entitled to cancel its obligations under this Agreement.

3.9 *Special Instructions*

In certain exceptional occasions, Matas Group may issue special instructions for deliveries. Such instructions are limited in scope and apply to specific time periods or deliveries, such as Christmas calendars for a given year. Special instructions do not differ significantly from these logistics terms, but can distinguish between items such as pallet labelling, load height, etc. The Supplier undertakes to follow such special instructions.

3.10 *Update of delivery instructions*

Matas Group reserves the right to update the terms of Appendix C - Logistics & Delivery and will communicate in writing to Supplier at least three months before changes take effect, unless it is mutually agreed to take effect faster.

3.11 *Disclosure obligation in case of disruption*

Each Party undertakes to inform the other about known system disruptions, interruptions, or other known problems that may affect the Delivery to Matas Group.

4 **PACKAGING OF GOODS**

The following requirements must be met for all goods.

4.1 *Packaging Requirements*

Each Order must be packed and delivered in accordance with the Order and these Delivery Instructions.

Supplier is responsible for ensuring that goods are packed and transported in such a way that they are not damaged when handled by the Supplier or during transport to Matas Group.

For deliveries to Matas Operations:

- Each item must be packed separately, in a box, bag or similar.
- All sale items must be barcoded. Other items must be clearly marked with Matas Operations item number or barcode.

- Retail packages (inner package) and wholesale packages (outer package) must be marked with a barcode or Matas Operations item number.
- Testers must be marked with a barcode, EAN number or Matas Operations item number.
- POS and signage material for campaigns must be barcoded or with the Matas Operations item number.
- Legal requirements must be met regarding specially marked goods in accordance with points in the agreement regarding legislation and statutory taxes.
- All deliveries to Matas Operations warehouse must be made in accordance with applicable legislation in the area, free of charge.

For deliveries to KICKS:

- Supplier Delivery notifications to KICKS must have a packaging hierarchy that includes pallet level.
- Suppliers using eFlow shall, in the Delivery Registration in eFlow, handle pallets as packages, meaning that no matter how many packages are loaded on a pallet, the total contents of all packages must be reported as one.
- Suppliers using EDI must indicate the packaging hierarchy per KICKS Message Implementation Guideline UN/EDIFACT – DESADV D96A EAN005. Pallets may be loaded with packages of goods only, transport packaging only, or a mix of transport packaging and packages.

4.2 *Pallets*

Goods must be loaded and delivered on intact and undamaged EUR pallets, with the following specifications:

- A pallet must be loaded so that it is stable during transport and handling. Liners can be used if they are used sparingly and are perforated. Tower stacking should be avoided.
- Delivery on half pallets can be made if the volume does not justify the EUR pallet in terms of transport costs.
- Deliveries containing one package may be sent as parcels, while Deliveries containing two or more packages must be assembled on half pallets or EUR pallets.
- Pallets must be stretch-wrapped with transparent stretch-film around and on top, while the pallet tunnels must be free of plastic. The goods must not be crushed by the stretch film but held in place by it.
- Pallets must be erected without overhangs where no packaging or packages may protrude outside the pallet.

For Matas Operations deliveries, the following measurement limit applies:

- Maximum pallet height is 1.80 meters.

For KICKS deliveries, the following weight and measurement limits apply:

- EUR pallet, containing one Item: maximum height: 125 cm, maximum weight: 1,000 kg
- EUR pallet, mixed pallet containing two or more Items: maximum height: 160 cm, maximum weight: 1,000 kg
 - Note that it can be advantageous to keep stackable mixed pallets at 125 cm to save space during transport.
- Half pallet: maximum height: 100 cm, maximum weight: 500 kg.

4.3 *Package Size and Weight*

The size of the package must not exceed the dimensions of the EUR pallet it is loaded onto. Packages delivered as parcels must not exceed the dimensions of 600 x 400 x 400 mm.

- For Matas Operation deliveries, the weight of packages must not exceed 12 kg without written approval from Matas Operations (centrallageret@Matas.dk).
- For KICKS deliveries, the weight of packages must not exceed 15 kg without written approval from KICKS.

The delivery may be refused, unless there is an agreement with the respective Matas Group warehouses.

4.4 *Packaging Material*

Material used for packing goods must be of such quality that goods are not damaged during transport, handling or storage. Packages should be stackable on top of each other. For more information, see Appendix B - Matas Group Supplier Code of Conduct on the Appendix Portal <https://matasgroup.com/partner-contract-appendix/>.

4.5 *Hazardous Goods*

Goods that are covered by either the ADR convention (dangerous goods), ADR-S convention or IMDG code must be packed, loaded and labelled according to the legislation. Information about the UN code must be provided, i.e., the goods registration form, before delivery to Matas Group.

5 **MATAS GROUP LABELLING REQUIREMENTS**

For Matas deliveries, each delivery must contain a delivery note.

- The delivery note must be affixed to the outside of the pallet.
- Delivery note must contain Matas Operations purchase order number.
- In case of an erroneous delivery note, Matas Operations will send a complaint to the Supplier.

Goods received without a delivery note, barcode or with the wrong barcode will be refused, and the goods are returned at the Supplier's expense.

For KICKS deliveries, the following two sections on Pallet Labelling and Package Labelling apply.

5.1 *Pallet Labelling*

Pallets must be labelled with a clearly visible pallet label inside the stretch film.

Suppliers using eFlow are to use the eFlow package label as a pallet label.

Suppliers using EDI are to use standardised pallet labels as recommended by GS1, including GS1- 128 code with the pallet SSCC. See <https://gs1.se/en/> for more information.

At least one pallet label must be attached high on the short side of the pallet or the long side of the halfpallet.

5.2 Package Labelling

Suppliers using eFlow:

- eFlow package labels must be used as a pallet label if delivery is made on pallets. When delivering on pallets, only one package label per pallet is to be used, regardless of how many packages are loaded on each pallet.
- The eFlow package label must be used if the delivery consists of parcels and attached to the side or top of the package.
- It is incumbent upon the Supplier to produce labels of such quality that they are readable by scanners. See <https://gs1.se/en/> for additional label quality and printer maintenance information.

Suppliers using EDI:

- Suppliers using EDI produce their own package labels. It is recommended that the Supplier follow GS1 standards for label layout and content.
- The label must contain:
 - SSCC number in plain text and GS1-128 barcode format
 - Delivery address
 - KICKS Order number
 - Supplier name

Barcode quality verification:

- EDIFACT suppliers must provide a GS1 Barcode Verification Report showing an approved barcode. The report can be ordered from <https://gs1.se/en/> or a local GS1 organisation.
- In the event of major changes at the Supplier, such as new inventory, new system that generates labels or other changes, KICKS must be provided with a new report.
- Suppliers shall provide KICKS with a new report within two weeks of request by KICKS. Report requests can be generated if, for example, KICKS notices substandard barcodes.

Label placement:

- Labels must be clearly placed on the side or top of a package
- Labels must not be placed over seams or edges
- Tape, including transparent tape, must not be applied over any part of the label barcode
- Labels must be intact upon delivery and must not be altered or obstructed during transport

The Supplier is responsible for ensuring that printers are maintained and serviced regularly and as necessary to ensure high-quality printouts with legible text and functional barcodes without vertical or horizontal barcode interruptions.

6 GLN CODES

Matas Group has the following GLN codes in the EDI orders that stipulate where the goods should be delivered.

GLN 01 or 5719809000009 – Function: Delivery Point
Matas Operations Central warehouse - Allerød

Rørmosevej 1
3450 Allerød DK

GLN 5745001251000 – Function: Delivery Point
Matas Operations Webshop warehouse – Lyngø
Tofteengen 6, Gate 7-10
3540 Lyngø

GLN 5745001251017 – Function: Delivery Point
Matas Operations Campaign warehouse – Lyngø
Tofteengen 6, Gate 11-14
3540 Lyngø

GLN 7340176005052 – Function: Delivery Point
KICKS Group Central Warehouse
Kromgatan 11
SE -195 72 Rosersberg

GLN 7340176005069 – Function: Delivery point for special instructions
KICKS Group Warehouse Assembly Area
Kromgatan 11 Door #24
SE-195 72 Rosersberg

GLN 7340176052001 – Function: Invoice address
KICKS Group AB
C 8060
190 87 Rosersberg

GLN 7340176010100 – Function: EDIFACT UNB ID
KICKS IT, Klarabergsviadukten 90
111 64 Stockholm

7 ELECTRONIC DATA EXCHANGE

7.1 *Electronic Data Exchange for Matas*

7.1.1 *Exchange of Data*

When trading with Matas Operations, it is expected that the Supplier can exchange documents (purchase orders, invoices, packing slips, etc.) electronically.

In connection with the signing of this Agreement and set-up in Matas Operations' system, the Supplier will be contacted by Matas Operations' EDI business partner, for purposes of identifying the right solution for the exchange of digital documents.

The following documents are exchanged as part of the digital strategy:

- Orders

- DesAdv.
- Invoices / Credit notes

For purposes of supporting the digital flow, Matas Operations supports the following solutions:

7.1.2 *EDI solutions*

- EDIFACT D.96A (Matas Operations guideline) via VAN/EDI partner
- OIOUBL format via NemHandel (Danish CVR numbers only)

7.1.3 *Matas Operations Web Portal – if an EDI solution is not possible:*

Orders are sent via an online portal solution, from where the order may be retrieved and invoices sent.

Please note that there is no communication back to Matas from this order portal. Notes are for your internal use only in the portal. Changes to quantities are to be done in accordance with current forms mentioned in this Appendix section 2.2 Order corrections.

7.2 *Electronic Data Exchange for KICKS*

A prerequisite is an electronic exchange of Order, ASN and Invoice for which there are two options:

- A partnership with ORDERS, DESADV and INVOICE messages according to the EDIFACT format specified in the KICKS Message Implementation Guidelines.
- The web application eFlow for orders, ASN and invoices according to KICKS' applicable procedures for eFlow.

Further guidelines for the implementation of the Electronic Data Exchange elements regarding Labelling Requirements are listed above in section 5 and further implementation guidelines are available on request to KICKS Logistics.

Each Delivery must be preceded by an ASN, which must be received by KICKS no later than 18.00 on the last working day before the delivery date of the goods to KICKS Central Warehouse.

Suppliers using eFlow must supplement the delivery registration in accordance with applicable procedures in eFlow prior to the time in Section

The ASN is generated and sent by eFlow to KICKS.

If Delivery takes place on the same day as the Supplier sends the ASN, the Supplier must notify KICKS in writing in advance.