

Principles

Logistical, administrative and organisational instructions are prerequisites for all deliveries. Adherence to the following guidelines is essential to ensure merchandise is handled and distributed efficiently throughout the supply chain between our publishing partners, the suppliers and mds GmbH.

The following „Delivery Instructions“ are part of our General Terms & Conditions and of the distribution agreements with our publishing partners.

1. Delivery Addresses

music distribution services GmbH
Incoming Goods Department
Carl-Zeiss-Straße 1
55129 Mainz/Germany

Please note: Access ONLY via Rheinhessenstraße!

2. Contacts

Mr Admir Osmankovic
Phone +49 (0)6131 / 505 180
Fax: +49 (0)6131 / 505 189
Email: admir.osmankovic@mds-partner.com

3. Delivery Times

Monday – Friday: 7.30 am – 12.30 pm and 1pm – 3 pm

4. Notification

We reserve the right to choose the place of delivery, depending on demand. Place of delivery is either the warehouse in Mainz or the external storage facility in Flörsheim. In order to avoid delivery jams and long waiting times, to inform about the correct delivery address and for consignment deliveries of more than 3 parcels **advance notification must be given** by sending the delivery note on the last working day prior to the actual delivery until 1 pm at the latest by fax to +49 (0)6131 / 505 189.

Delivery notification for pallets must be made at least 48 hours ahead of the target time. Correctly announced deliveries will be prioritised. Unannounced or late delivery will be allocated to the next free delivery slot.

It is mandatory to notify mds of large deliveries (more than 6 pallets) separately in advance.

mds will charge a fee of 50,- € for unannounced deliveries.

DELIVERY INSTRUCTIONS



5. Delivery Note

Each consignment must be accompanied by a delivery note and the usual freight papers.

Delivery note outside: Delivery note accessible and legible in an envelope taped to the outside of the package or one of the packages.

Delivery note inside: Package marked, with a print or a sticker „invoice/delivery note inside“.

Delivery note must carry the following information:

- Exact delivery address (see page 1)
- Supplier and date of delivery
- Publisher
- Exact title number, short title and ISBN/EAN
- Total number per title/article
- Number of pallets per title/article
- Number of items per pallet
- Total weight of consignment

The delivery note of pallet consignments must be handed over to the mds incoming goods department before unloading the truck.

A fee of 35,- € will be charged for missing delivery notes or for missing information on the note.

6. Freight charges

Delivery is carriage free mds GmbH, Mainz (exception: goods purchased by mds).

A fee of 50,- € will be charged for deliveries that are not carriage free.

7. Customs Clearance

All consignments arriving from abroad must be delivered duty paid.

8. Loading of Truck / Unloading of Goods

Goods destined for mds must be readily accessible and must not be blocked by extraneous goods. Unloading is done with fork lifts and lift trucks, assisted by the driver.

9. Passing of risks and property

In the course of mds' performance of services the risk of accidental destruction and deterioration of goods passes on as follows:

- **Incoming goods:** mds' duty of care for the goods starts with the receipt of goods from the freight forwarder at the incoming goods department and the subsequent unloading.
- **Goods out:** mds' duty of care for the goods ends with the provision of goods for takeover by the freight forwarder in the goods out area.

10. Checking Incoming Consignments in the Incoming Goods Department

mds accepts goods with reservation only. The driver will be given a receipt confirming the number of packages/items. The consignment will be accepted subject to a further check of quantity and condition of contents by mds, based upon the delivery note, at a later date.

External damage to the consignment must be confirmed in writing on the consignment note to mds by the carrier.

11. Exchange of Pallets

All consignments must be delivered on Euro-Pallets in perfect condition and fit for exchange. These are returned by the Incoming Goods Department with used pallets which are fit for exchange.

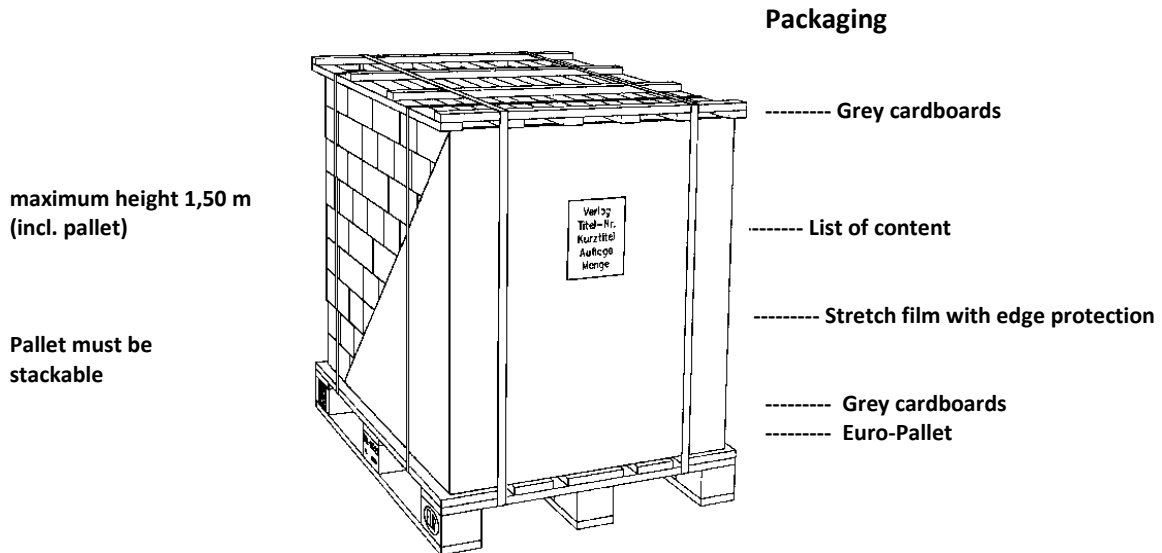
If there is no sufficient stock of pallets available for exchange, return of pallets or clearing will be done in due course. In this case the driver will receive a pallet slip confirming the difference in quantity. A return of pallets is only possible on presentation of the original pallet slip.

12. Packaging

- All goods must be delivered on Euro-Pallets (1200 x 800 mm). Exceptions apply only for deliveries from non-EU countries in compliance with the allowed dimensions.
- The pallets must be packed to a maximum height of 1,500 mm including the pallet.
- Different titles must be separated from one another and must be stacked with flush faces.
- Layers of goods must be stacked on one another in a staggered fashion.
- Each stacking layer must contain an equal number of items.
- Packaged goods must not exceed at any point the clearance of the pallet.
- The pallet must be secured with a robust cover and the sides must be protected with stretch-film wrapping and edge protection.
- Both the pallet and the blocks of goods resp. packages must be protected by stretch film to prevent slipping of goods.
- The pallets must be stackable.
- The following information must be provided on the narrow side of every pallet in a clearly visible manner: publisher, title number, short title, EAN/ISBN and quantity.
- Show total number of packages/pallets on each one (e.g.: package 1/5, 2/5, 3/5 etc.)
- Each packaging unit must be marked with clearly visible and legible writing detailing: publisher, EAN, short title and quantity.
- Packaging units must always contain the same number of titles.
- Use only packaging materials mentioned in section 15 of the mds delivery instructions.
- Opened packages must be easily accessible and must bear clearly visible markings.

The work involved for repackaging a pallet, e.g. because of exceeding the maximum height or due to faulty packaging, will be charged with 35,- € per pallet

Illustration: Delivery of a packaged pallet



13. Deliveries of Small Quantities on Mixed Pallets

- Mixed pallets are only permissible for lower quantities. Greater quantities on pallets are always to be delivered with articles of the same type (1 article / pallet)
- Apart from the delivery note a further requirement for mixed pallets is the list of contents which must be fitted on the narrow face of the pallet detailing quantities and EAN/title numbers.
- Different titles must be clearly separated from one another and be packed as packaging units and must be stacked with flush faces.
- The information on the packaging units must be equivalent to the contents.
- mds will charge a fee of 35,- € for each title loosely inserted/not delivered as packaging units.
- One title must not be split up amongst several pallets.
- Each packaging unit must be marked with clearly visible and legible writing detailing: the publisher, the EAN, the short title, the quantity.
- If small quantities are forwarded via packing services, the packages must bear the information „mds Incoming Goods Department“ together with the publisher's name.
- Individual packages must not exceed a total weight of 30 kg.

14. Barcode

Each delivered item must be properly labeled with a barcode. If not, mds will label the items against payment of a fee.

15. Delivery of Packaging Units

A packaging unit counts as one item and must be marked as such. Multi-volume editions under one EAN are one packaging unit and must be packaged as one set (using shrink wrapping or boxes) and labelled accordingly when delivered.

16. Packaging Material

The following packing materials may be used:

- Pallets: Only Euro-Pallets (exception see point 11)
- Wrapping film/Shrinkwrap: Only transparent PE-film (if possible no-dye)
- Carton which can be recycled
- Stuffing material: Only corrugated cardboard and paper or bio-packs

17. Non-Compliance with these Delivery Instructions

We reserve the right to charge extra time for incidents of non-compliance to the publisher (current hourly rate 35,- EURO) if not documented otherwise.

In case of non-compliance with these delivery instructions mds will be exempted from the claim settlement which may result from any inventory differences.

We would like to remind you that adherence to these regulations will speed up the receipt of your products as well as those of your publisher colleagues thus guaranteeing the prompt availability of your titles.

Thank you in advance for adhering to the above instructions!