

Section 7

SHIPPING INSTRUCTIONS

As of April 1, 2008 Canada, Customs implemented new rules to ensure that all shipments are screened for contents, prior to vessels leaving overseas ports. All suppliers must send the information listed below to our forwarder, Expeditors International, at least 48 hours in advance of loading a container.

- **Shipper name and address and a valid China postal code if country of origin is China**
- **Ultimate consignee name and address** – The consignee on the Ocean Bill of Lading must be Giftcraft Ltd., with the full address. However, if you put “To Order of Shipper” on the Ocean Bill of Lading in the consignee field, it must read “Blank endorsed. This endorsement must be made by the shipper”.
- **Delivery address** – This section would show Giftcraft Ltd., and our address.
- **Notify party and phone number** – This would show Giftcraft Ltd. and our telephone number.
- **Country of export**
- **Description**

Canada Customs specifies that the cargo data must be complete and accurate. General descriptions such as “said to contain” or “shippers load and count” or “general merchandise” are not acceptable information to be used as cargo description. All contents and quantities of the shipping container must be on the Ocean Bill of Lading in detail, and must be clear enough that Canada Customs can read the notice and know what the items are. Please review the examples of acceptable descriptions as shown below:

 - 100 cartons Ceramic Tableware Plates
 - 250 cartons Metal Candle Holders
 - 25 cartons Ceramic Deco Wall Plates

It is also unacceptable to show the heading “Metal Products” or “Ceramic Products” and list only the item numbers, quantities and values on the paperwork. Each item must be fully described as shown on the examples given above. Every supplier must ensure that the accurate information is supplied to our forwarder Expeditors International. Expeditors International will send this information to Canada Customs (Canada Border Services Agency) 24 hours before the shipment is loaded on the vessel to notify Customs of all products that will arrive on the vessel.

This requirement is not for Customs clearing, but to notify Customs of the contents of each container prior to the vessel sailing. It is very important that all information provided to the forwarder is accurate, as Canada Customs will send back a message to hold the shipment if they deem that not all information is complete or accurate. The container will be held at the dock and will be released once Canada Customs is satisfied all information provided meets all their requirements.

Cooperation with this rule is paramount to ensure all products arrive at Giftcraft within the specified shipment window.

Important: short shipments, late shipments or air freight shipments must be notified to the appropriate Giftcraft Procurement Analyst for approval, 14 days prior to the confirmed actual ship date.

When the Shipment has been made:

*** ATTENTION: SHIPPING DOCUMENTS REQUIRED ***

To ensure that your shipment is processed for payment in a timely manner you must E-Mail all shipping documents as follows to: inboundlogistics@giftcraft.com

- Shipments to CANADA - Within 5 to 7 business days after ETD/Sail date for Ocean Shipments.
- Shipments to USA - Within 3 to 5 business days after ETD/Sail date for Ocean Shipments.
- ALL AIR Shipments: Air Freight or Fed-Ex shipments - All Doc's must be emailed the Same Day goods ship.

The following documents are mandatory:

- **Bill of Lading (copy)**
- **Commercial Invoice**
- **Packing List**
- **Certificate of Inspection**

- Certificate of Origin or Form A – if applicable
- Canada Customs Invoice – if Shipment is going to Canada
- Fumigation Certificate – if applicable
- Plant and Plant Product Declaration (PPPD) Form – To comply with USDA Lacey Act – If applicable

Please send all the above Documents in one email only to inboundlogistics@giftcraft.com Be sure to list the PO # in the Subject line.

Any emails with missing documents or incorrect documents will be deemed as a failure to following our Supplier Guide and Not processed.

Failure to provide mandatory shipping documents may result in a delay in processing and may incur storage charges to your account.

Payments for Ocean Shipments are processed approx. 10-12 days before the In-Land terminal arrival date and are made every Tuesday and Thursday. Air shipments payments will be processed on the next payment day.

Payment Processing

To eliminate fraudulent payments, Giftcraft has moved to a two-step positive confirmation payment procedure. Step 1 will be collection of bank information and step 2 is confirmation.

Step 1 – Bank Information

For all new suppliers, Giftcraft will request a bank information form (attachment 1)

Suppliers are required to fill out the blue sections on the form with their Company name, address, bank name, swift account, etc. The form must be signed by an officer of the company and stamped with the company seal.

Notes regarding the “Bank Information Form”:

- The form is filed by Giftcraft and will be referenced on all future payments.
- The beneficiary name must be a company, not an individual. Personal accounts will not be accepted.
- Any changes to beneficiary or bank information must be submitted using this form with checkmarks in yellow squares to highlight the change from the original. The reason for the change must be indicated at the top and the form signed by the same company officer.

Step 2 – Bank Confirmation

Prior to every TT payment, Giftcraft will email a bank instruction form (attachment 2). The form will list the invoices/ POs to be paid and the bank information where the money will be deposited. Suppliers will need to sign and stamp the instructions and scan a copy back to Giftcraft.

Notes regarding the “Bank Instruction Form”:

- The form must be signed by the same officer who signed the Bank Information form in step 1.
- The form must have the company stamp
- Changes to bank or beneficiary information are not permitted on this form.
- By signing this form, the supplier takes full responsibility for losses due to incorrect information.

When Payment is Received by the Supplier:

- Send the original documents and the number of copies specified below, via AIR courier (ie. FEDEX/ UPS/ DHL ect.) @ your expense, to the attention of INBOUND LOGISTICS
 - Commercial invoice (original + 3 copies)
 - Canada Customs Invoice (original + 3 copies)
 - Packing List (original + 2 copies)
 - Bill of Lading (full set 3 originals + 2 copies)
 - Exporter Statement or Form “A” (original + 1 copy). ***
 - Inspection Statement (original copy)
 - Fumigation certificate - if applicable
 - Plant and Plant Product Declaration (PPPD) Form-to comply with the USDA Lacey Act - if applicable

*** See sample form of Exporter Statement of Origin on “Section 8 – Forms” section of the supplier guide. Canada Customs will accept the Exporter Statement of Origin from qualifying countries in lieu of the Certificate of Origin Form “A”.

Special Document Procedures:

Canada Customs Invoice

The Canada Customs Invoice must be completed carefully. Below are some especial instructions that must be followed:

- Section 17 must show the total FOB value of the invoice
- Section 20 must show the name and full address of the supplier
- Section 23(i) must show the total of all transport, storage, insurance, banking, customs and any other charges included in the FOB cost.
- Section 23(ii) must be left blank
- Section 23(iii) must show the total cost of export packing (material and labour).
- Section 24(i), 24(ii) and 24(iii) must be left blank

Important: If you are not the actual manufacturer of the goods and act as a buying agent, you must show your buying commission in section 12 as follows:

The FOB total includes Buying Commission \$.....
List the name of the manufacturer of each item in section 12.

Packing List

The Packing List must indicate the following:

- Item number(s)
- Quantity packed per inner carton
- Quantity packed per master carton
- Master carton measurements (L x W x H) in centimeters
- Master carton gross weight in kilograms
- Total cubic measurements in cubic centimeters
- Total gross weight of the shipment in kilograms

Special Forms samples: see on "Section 8 – Forms"

Canada Customs Invoice (Fillable Format)

Certificate of Inspection – This form must be completed by the manager of the Quality and Control Department or any other employee within this department as assigned by the Supplier.

Exporter Statement of Origin

Plant and Plant Product Declaration Form (PPPD) - Lacey Act Amendment

Info required pertaining to the government link to Lacey Act on: http://www.aphis.usda.gov/plant_health/lacey_act

Routing Instructions:

From **USA Shipments** – Please call us to confirm freight forwarder.

Overseas Shipments – Freight forwarder is Expeditors International.

You will be able to find the nearest office to you by following the office locator link on the main page www.expeditors.com

Consignee: Giftcraft Ltd.
8550 Airport Road, Brampton, Ontario, L6T 5A3, Canada
Tel: (905) 790-2000 Fax: (905) 790-0738

Notify Party: Same as above consignee. Attention: INBOUND LOGISTIC

Discharge Port: Vancouver, B.C.

Final Destinación: Brampton, Ontario, Canadá.

GIFTCRAFT PROCESS GUIDE **CUSTOMS DOCS AND PAYMENT PROCESS**

Always reference our Supplier's Guide for Export documents <http://vendor.giftcraft.net> | User: vendor | Password: w123456

Always Email Complete docs to inboundlogistics@giftcraft.com
INBOUND LOGISTICS Includes – Garry, TJ and Gilbert

Do NOT send any docs to Nita or Accounting; we will forward them Do NOT send docs to individual email id's Ensure all docs are sent ONCE ONLY and no repeats

Please Ensure to Follow the below for Docs Emailed to Giftcraft- Subject Line Must Include PO Number(s)
You are shipping All shipments must include the below listed Mandatory Docs:

- Bill of Lading
- Commercial Invoice / Packing List
- Exporters Statement of Origin or Certificate of Origin
- Inspection Certificate (Mandatory for Payment)

Only Samples are exempted from Inspection Certificate

****Incomplete Docs will not be processed which delays payment process****

Do not resend documents when checking payments

Payment queries (If necessary) should have PO# and Bill of Lading Reference
Do not resend documents to emails when requesting any follow up. This causes confusion
Our Email System is set up to print docs automatically; do not resend docs

For Sample Shipments – Free of Charge Items – Note below procedure: Sample items sent to Canada carry the same regulations like any other items Samples aren't exempt from regulatory customs requirements.

Invoices for samples must include all details just like a regularly shipped full priced items

Invoices Must Include Clear Description, Type of Goods & Materials Type

Invoices Must also include Unit Price, Total Value, Clear Description

Do not use \$1 Value – this is not a realistic Value –

List the amount(s) with valid realistic Unit Price -

Include sufficient descriptions to have items cleared without issues. Samples do go through Customs and nothing is exempted.

We request you use/ issue a - SEABAY BILL of LANDING - for all ocean sample shipments to avoid having to send us an OBL.

PAYMENT PROCESS

No need to follow up on payments; standard Company Policy is listed below:

Payments are made as per standard practice 10-12 days prior to shipment arrival at our Inland-Terminal (Toronto)

Special arrangement such as Advance payments etc. will be dealt with as required

Payment days are Tuesday and Thursday every working week

Payments made should reflect in your bank accounts 1-3 days after remittance due to intermediary bank involvement

You will receive a Notification Email with Remittance Info directly from our Bank (HSBC) once payment have been made from our Accounts payables department

Sending OBL by COURIER AND TELEX RELEASING

As per Compliance we always and at all times requires all shippers to courier us all original documents as they are listed in our supplier guide

Telex Releases can be requested from Expeditors in circumstances where you would estimate the documents may be delayed and to avoid possible Storage or Penalties

Documents for both Canada and USA shipments come to
Giftcraft Head Office in Brampton | Canada – **“Note Address Below”**

Attention: TJ
Giftcraft Ltd
8550 Airport Road
Brampton | Ontario | L6T 5A3
Tel: 905.790.2000 | Fax:905.790.0738

It is also the responsibility of the shipper to ensure OBL's are sent or telex release is done in a timely manner to avoid storage charges at destination.

Shippers should be able to send us the Original OBL and docs at least 4-6 days prior to Shipment's inland terminal arrival date; considering the payment timeline

We plan to ensure the payments are remitted timely; it is equal responsibility of shippers to ensure original docs are sent to us in a timely manner

******* USA ISF & BILL OF LADING INFO*******

All required details are also listed in our Supplier guide

Consignee: Giftcraft Inc.
300 International Drive, Suite 100
Williamsville, NY 14221

Notify Party: Giftcraft Inc.
c/o Expeditors International of Washington, Inc.
21318 64th Ave South, Kent, WA 98032

Discharge Port: Seattle, Washington

Final Destination: Giftcraft Inc.
c/o Expeditors International of Washington, Inc.
21318 64th Ave South, Kent, WA 98032

Clarifications if any Email to inboundlogistics@giftcraft.com