



## “Modified” DDP Terms and Guidelines

Dear Trading Partner,

This document outlines Burlington’s “Modified” - Delivered Duty Paid terms and guidelines. Our intention is to provide all parties with complete transparency to the MDDP container shipping process, to ensure successful, on-time deliveries that meet everyone’s expectations.

In order to be approved to ship MDDP to Burlington, the terms and guidelines must be agreed upon by both parties. Please return a signed copy of this completed page to your Burlington buyer.

U.S. Customs & Border Protection (CBP) has determined through ongoing audits that in a number of Delivered Duty-Paid (DDP) transactions, entities making entry either did not have the right to make entry or undervalued the shipments. CBP stresses that companies should verify that other parties with whom they are transacting business are properly following all pertinent rules and regulations.

**Burlington’s Modified DDP Terms and Guidelines have been agreed upon by the parties and are applicable to purchase order’s showing DDP Inco Terms with MDDP showing as a subset. Pursuant to these Terms and Guidelines, Buyer will assume costs of contracting, carriage and insurance while all other cost & risks are the sole responsibility of the Seller. Title and risk will transfer to the buyer upon out gate of the destination port (NY/NJ or LA/LGB).**

It is Burlington’s policy that the company will not enter into any transaction that does not comply fully with all applicable CBP rules and regulations. Accordingly, Burlington Stores Inc. will only consider (modified) DDP transactions that conform to the following:

1. The importer of record (IOR) in the transaction must be a real entity with a place of business, employees, and books and records, and provides Burlington copies of the certificate of incorporation and business registration, upon request.
2. The IOR must have the right to make entry. Right to make entry is limited to:
  - a. Owner of the goods who has a financial interest in the transaction, having more than a custodial interest in the goods
  - b. Purchaser of the goods who has a financial interest in the transaction, having more than a custodial interest in the goods
  - c. Licensed Customs broker
3. If the IOR is a nonresident importer, the IOR must have a registered agent in the State where the port of entry is located who is authorized to accept service of process against the IOR and the IOR must file a bond on CBP Form 301.
4. If the IOR is either an owner or purchaser of the goods, the value declared at time of entry must be based on a bona fide sale for exportation to the United States and the transaction must meet the following requirements:
  - a. The IOR (Burlington’s vendor) must have supporting documentation, including a purchase order or contract, an invoice, and proof of payment, establishing that the entered value reflects the price paid or payable, in the event CBP issues a Request for Information
  - b. The terms of sale must reflect that the IOR has a financial interest in the transaction
  - c. The quantity, description and duty rate declared at entry must be correct
  - d. Burlington must be declared as the ultimate consignee on the Bill of Lading (this is a requirement of the ocean carriers and nonnegotiable)



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5. In order to ensure that proper Customs entries are made by the IOR with appropriate classification, Burlington requires all documents needed for payment of merchandise, receipt of the following documents **before** acceptance of delivery of the merchandise by Burlington in the U.S.:
  - a. A copy of the Customs entry – Customs Form 7501 (upon request only & pricing maybe redacted).
  - b. The name, telephone number, and contact person at the Customs brokerage firm processing the entry on behalf of the IOR. Burlington personnel must confirm with such broker that a proper entry was made **before** accepting delivery of the goods.
6. For purposes of CTPAT Security, it is Burlington’s Supply Chain Security policy that for any shipments in transito Burlington facilities, the booking must be approved by the Transportation Logistics Department or Burlington’s 3PL in Asia (MOL) **prior** to vessel loading regardless of terms.
7. For shipments not meeting this requirement on pre booking approval, Burlington’s security policy is:
  - a. To request the ISF (10+2) information to review prior to accepting the delivery;
  - OR
  - b. To inspect the container at a secure location prior to delivery, which will be done at the vendor’s expense.
8. All vendors must receive approval from Burlington to ship merchandise to Burlington using (modified) DDP terms and are required to sign this document prior to commencing their first shipment. When shipping (modified) DDP the vendor must comply with the procedures described herein.
  - a. If a Vendor ships WITHOUT Burlington’s approval or before signing and acknowledging Burlington’s (modified) DDP Terms and Guidelines, the Vendor will be responsible for any and all forwarder, ocean, drayage and assessorial charges associated with the shipment(s).
  - b. Vendor must contact their Buyer to begin the (modified) DDP approval process.
  - c. **Each vendor number/division must be approved separately (one signature page per division/vendor number)**
  - d. A Vendor is approved for (modified) DDP after Burlington’s Global Logistics’ Department has approved and added the vendor to the approval list; you should receive confirmation from your buyer.
9. (Modified) DDP orders ship on Burlington’s ocean contracts & insurance. Vendors must ship Full Container Load (CY) to LAX/LGB or NYC/EWR and are responsible for all customs clearances to include the ISF filing, duties, brokerage fees, and pier pass.
  - a. Containers must be loaded according to USDOT weight limitations and guidelines.
  - b. Each PO line must be loaded completely before loading the next PO line.
  - c. Freight Forwarder Consolidated (CFS) shipments are NOT approved to ship with (modified) DDP terms.
10. ASN and UCC Label Requirements:
  - a. The vendor must submit 1 ASN per container via EDI within 3 business days of the vessel sailing.
  - b. Carton marking instructions can be found in chapter 4 of the Domestic Vendor Manual and must show the country of origin on the shipping cartons.
11. The Vendor must complete an on-line booking with MCS/MOL Burlington’s nominated Freight Forwarder at least 2 weeks before the cargo ready date (3 wks. prior during Peak Season).
12. Burlington’s forwarder will send the container manifest and Seaway Bill (SWB) to the 1<sup>st</sup> Notify Party listed within the booking. Please ensure your US Customs broker’s full name, address, phone number and email address are listed within the 1<sup>st</sup> Notify Party section the booking.



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- 13. After US customs clearance and the container is made available, Burlington’s nominated dray carrier will secure an appointment for container pickup.
- 14. Burlington’s ocean contracts call for 4 free business days at port once the container becomes available.
  - a. The Vendor will be responsible for demurrage charges if:
    - i. The container is not US Custom’s cleared or made available for pickup timely.
    - ii. The container is unavailable for pick up due to exam/Customs holds/OGA holds.
  - b. The Vendor must settle demurrage and pier pass charges directly with the terminal.
- 15. Transfer of ownership occurs when Burlington’s nominated dray carrier “out gates” the container from port. For purposes of Burlington’s MDDP Terms and Guidelines, out gates means the container leaves the port of destination.
- 16. Once the vendor submits an invoice, packing list and copy of the FCR to [import.treasury@burlington.com](mailto:import.treasury@burlington.com) and Burlington has possession of the container off US port payment of goods will be released.

By signing below you acknowledge and agree that all MDDP orders shipping to Burlington will fully comply with the terms identified above.

Vendor Name: \_\_\_\_\_

Vendor Number: (full 9 digit #): \_\_\_\_\_

Logistics Contact Name: \_\_\_\_\_

Logistics Contact Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Ports of Origin Typically Shipped From: \_\_\_\_\_

\_\_\_\_\_

Vendor Representative Name Printed: \_\_\_\_\_

Vendor Representative Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**BUYER:** Please send this form along with your GMM form to [transportation.approvals@burlington.com](mailto:transportation.approvals@burlington.com) once complete for final approval. Subject line should state the following: MDDP - vendor name & 9 digit vendor number.