



July 12, 2012

TO: Wholesalers reporting Shipment Data to MSAi for blu ecigs

SUBJECT: **2012 blu ecigs DATA REPORTING PROGRAMMING DETAILS**

Enclosed is a copy of the **2012 blu ecigs Data Reporting Programming Details** document which includes Data reporting instructions for reporting Electronic Cigarettes to MSAi for blu ecigs using the Multi-Cat™ All Tobacco Format. This document is being sent to you in response to your recent enrollment with blu ecigs to report shipment Data for electronic cigarettes. These instructions outline standard requirements for reporting Electronic Cigarette products to blu ecigs, which includes disposables, refill cartridges and kits.

The attached document reflects the assignment of a new MSAi Category Code that should be used for reporting Data for Electronic Cigarettes in the Multi-Cat™ All Tobacco Format.

E-Cigarettes 003292

All Wholesalers reporting Shipment Data to MSAi for blu ecigs must ensure that their systems reflect the required product descriptions to ensure that weekly sales of blu ecigs products to your customers are correctly reported to the Distributor Support Center.

Contact the Distributor Support Center at (1-877-544-4429) for questions pertaining to reporting Electronic Cigarettes under the MULTICAT™ format.

blu ecigs®

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blu ecigs Data Reporting Program



2012 MultiCat™ All Tobacco Data Programming Details

blu ecigs DATA REPORTING REQUIREMENTS

Data:

- All Data which includes shipments to retail, returns, and inventory must be reported in selling units and submitted in the following reporting format outlined in this document:

MULTICAT™ All Tobacco Format

Wholesalers opting to utilize the optional MULTICAT™ Format to satisfy blu ecigs reporting program requirements must agree to release all sales Data to blu ecigs. blu ecigs will accept other manufacturer's MULTICAT™ Format reporting requirements unless otherwise noted in the comments field.

- Each week and each site must be a separate file.
- Wholesaler must authorize release of any/all historical Data to blu ecigs.
- Report accurate weekly Data (includes outbound shipments, transshipments, returns and inventory) to the Distributor Support Center in a format acceptable to blu ecigs. This Data must be provided for **all** Non-Direct Wholesalers, **all** wholesale clubs, **all** distribution centers, and **all** other locations that the Wholesaler supplies.
- Data will be verified for accuracy, timeliness, readability, reasonableness and completeness.
- Data must be received by the Distributor Support Center no later than 3 working days following the end of the shipping week unless otherwise instructed.
- All shipment Data reported must be account specific, covering all manufacturers' electronic cigarette products by UPC/SKU. Information must also include specific description and UPC/SKU of all promotional products shipped to each account. The 2012 blu ecigs Data Programming Details document available from the Distributor Support Center provides complete instructions for complying with blu's specific Data reporting requirements regarding Electronic Cigarettes.
- Wholesalers must submit 100% complete and accurate Data for each week of the period.
- All products purchased by the Wholesaler or any affiliates, subsidiaries and the parent company, and shipped, sold, or returned from customers must be included in the Wholesaler's sales information reporting.
- Wholesaler must report all saleable and unsaleable product accepted back from customers via UPC/SKU with a negative value entered in the corresponding Purchase Record.
- blu ecigs reserves the right to utilize the Data as it deems appropriate.

Weekly Inventories:

- Participant must provide accurate weekly Inventory counts of all electronic cigarette products (including promotional product) for all Manufacturers by UPC/SKU during the period, as well as, a final Physical Inventory count at the end of Reporting Week 13 in each quarter. Inventories reported must include detailed product description Code Number or promotional description (i.e. OI "Off Invoice", TD "Trade Discount" product, etc.) as applicable. Participant will adjust internal inventory records to reflect the results of the Physical Inventory prior to the submission of the Data for Reporting Week 13 in each quarter for each of the Participant's Sites and Non-Direct Wholesalers for which the Participant is reporting Data.
- All products purchased, tax stamped or obtained by the Wholesaler or any affiliate including but not limited to subsidiaries, parents or related companies must be included in the Data reports.

Quarterly Inventories:

- Wholesaler must provide an accurate final physical inventory count at the end of reporting week 13 in each quarter. Wholesaler will adjust internal inventory records to reflect the results of the Physical Inventory prior to the submission of the Data for Reporting Week 13 in each quarter for each of the Wholesaler's Sites and Non-Direct Wholesalers for which the Wholesaler is reporting Data. The quarterly inventories should be included in regular weekly Data files for the final week of the quarter.

Note: Due dates for receipt of Quarter Ending Inventory Files will be communicated to you by the Distributor Support Center prior to the end of each quarter.

blu ecigs DATA REPORTING REQUIREMENTS

Product Description

This field provides the detailed description of the SKU being reported. It is essential for brand identification.

- Include all attributes of the product when describing the SKU.
- Separate each attribute description with a space.
- Exclude any extraneous words that do not describe the actual product (e.g. DSPLY, No Returns).
- Avoid using 2-character state abbreviations in the product description.

Examples of attributes to include are:

| E-Cigarettes | |
|-------------------------|--|
| Brand/Brand Family | blu, Krave, Njoy |
| Flavor | Cherry Crush, Classic Tobacco, Vivid Vanilla |
| Style/Color | Gold, White, Silver |
| Menthol vs. Non Menthol | M, MEN, MTHL, NM, NON-MEN |
| Pack Type | Kit, Refill Cartridge, Disposable |
| Strength/Nicotine Level | 0MG, 12MG, 16MG, 24MG, ZERO |
| Refill Cartridge Count | 3CT, 5CT, 10CT |

Failure to follow these guidelines may result in unclassified products. This may have an adverse impact on meeting the Manufacturer's Program requirements.

IMPORTANT: blu ecigs requires specific Product Descriptions for this field.

The following Standardized Product Descriptions are required for all blu ecigs Products reported to blu in **Brand Identification Record (BID)** Section - Columns 32-81:

Wholesalers **must** use blu ecigs Product Descriptions provided below.

NO OTHER PRODUCT DESCRIPTIONS WILL BE ACCEPTED.

E- Cigarette Products

Disposables

blu Disposables Classic Tobacco
blu Disposables Magnificent MEN

Kit

blu Kit

Refill Cartridges (High Nicotine)

blu Cartridges Classic Tobacco HN
blu Cartridges Magnificent MEN HN
blu Cartridges Cherry Crush HN
blu Cartridges Vivid Vanilla HN
blu Cartridges Java HN

Refill Cartridges (Zero Nicotine)

blu Cartridges Classic Tobacco Zero
blu Cartridges Magnificent MEN Zero
blu Cartridges Cherry Crush Zero
blu Cartridges Vivid Vanilla Zero
blu Cartridges Java Zero

blu ecigs DATA REPORTING REQUIREMENTS

Items per Selling Unit

| Reporting Requirements | | | | Examples | | | | | |
|------------------------|--------------------------------|---|--|------------------------------|----------------|----------|-----------|-----------|---------------------------------|
| MSA Category Code | MSA Category | Items Per Selling Unit (in BID record) | Selling Units Field (in PUR record) | Brand Sold | Items per Unit | Qty Sold | BID Entry | PUR Entry | Total MSA Calculated Eaches |
| 3292 | E-Cigarettes Disposable | Number of packs per selling unit. (Note: this is not a stick count) (e.g. Selling unit = Box) | Number Boxes shipped for a particular SKU to a customer. | BRAND X MEN Disposable 12mg | 5 Packages | 3 Boxes | 5 | 3 | Total Packages $5 * 3 = 15$ |
| 3292 | E-Cigarettes Refill Cartridges | Number of packs per selling unit. (Note: this is not a cartridge count) (e.g. Selling unit = Box) | Number Boxes shipped for a particular SKU to a customer. | BRAND X MEN Refill Cartridge | 10 Packages | 2 Boxes | 10 | 2 | Total Packages $10 * 2 = 20$ |
| 3292 | E-Cigarettes Kit | Number of kits per selling unit. (e.g. Selling unit = Box) | Number Boxes shipped for a particular SKU to a customer. | BRAND X MEN Kit 24mg | 10 Kits | 8 Boxes | 10 | 8 | Total Kits $10 * 8 = 80$ |

These values are used to calculate a total unit count. For example, the Items per Selling Unit in the BID record is multiplied by the Quantity Shipped in the PUR record to obtain the total number of packages or kits.

Inventory Reporting

The BID Record contains the Measure Value 1 field, in which closing inventory (in selling units) should be reported for the unique SKU.

The following are three examples of how to report Items per Selling Unit and inventory within the BID record:

Example 1:

If the selling unit is a box of 30 E-cigarettes kit and the closing stock inventory is 10 kits, then report 1 in the Items per Selling Unit field and report 10 in the Measure Value 1 field for inventory.

Example 2:

If the selling unit is a box of 12 packages of Disposable E-cigarettes and the closing stock inventory is 2 packages, then report 1 in the Items per Selling Unit field and report 2 in the Measure Value 1 field for inventory.

Example 3:

If the selling unit is a box of 6 packages of refill cartridges and the closing stock inventory is 3 packages, then report 1 in the Items per Selling Unit field and report 3 in the Measure Value 1 field for inventory.

blu ecigs DATA REPORTING REQUIREMENTS

Quantity Shipped Reporting

The PUR Record contains the Measure Value 1 field, which is populated with the total number of selling units of the unique SKU, which were distributed to a customer.

The following are examples of how to report Items per Selling Unit and quantity shipped.

Example 1:

If the selling unit is a box of 30 E-Cigarette kits and the quantity shipped is 15 kits, then report 30 in the Items per Selling Unit and report 0.5 in the Measure Value 1 for the quantity shipped

Example 2:

If the selling unit is a box of 12 packages of Disposable E-Cigarettes and the quantity shipped is 5 packages, then report 1 in the Items per Selling Unit field and report 5 in the Measure Value 1 field for quantity shipped.

Example 3:

If the selling unit is a box of 10 packages of refill cartridges and the quantity shipped is 5, then report 1 in the items per selling unit and report 5 in the Measure Value 1 for the quantity shipped.

The same methodology applies for returns.