

# Vendor Operations Guide

## Shipping Guide

Released September 2021

V2

**Crate&Barrel** **CB2** HUDSON | GRACE

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## Section 9 Shipping Guide

### Purchase Order Management

Domestic and Import purchase orders are currently managed under different purchase order management systems. However, this is subject to change at any time at the discretion of the Company. Vendors must review and comply with the additional details and requirements below.

#### **Domestic Purchase Orders**

The Company has partnered with OpenText as our electronic purchase order management service provider for domestic orders. If you have neither an in-house Electronic Data Interchange (EDI) solution nor an EDI provider, OpenText also offers a web-based solution called Freeway that allows for EDI functionality via web portal. Vendors are required to choose traditional EDI integration or the OpenText Freeway portal for order management. There are fees associated with both of the OpenText order management solutions.

The following are the process steps and order requirements for our Vendors, Buying Agents, and Selling Agents:

- The Company will send purchase order information via EDI or OpenText Freeway.
- The Vendor will provide system confirmation of the purchase order.
- All purchase order changes and updates will be submitted and approved via traditional EDI or the Freeway web-portal.
- We will require all Vendors/agents to create a Shipment Plan in advance of the ship date and generate master carton labels.
- The Shipment Plan must then be submitted 7 days before the handover date for domestic orders.
- Domestic Vendors will send the Company an ASN electronically on the day of shipment or within 24 hours of the handover date.
- A late ASN is subject to a chargeback of \$750.00 if the ASN is not submitted on time as specified above.

EDI compliance, via traditional EDI or the web-based Freeway portal, is a requirement of Vendor onboarding. You will receive an email from OpenText providing you with information regarding traditional EDI integration or the web-based portal Freeway.

**OpenText Support:**

- Freeway
  - Email: [desktop@opentext.com](mailto:desktop@opentext.com)
  - Call: Service Desk 800-334-2255 opt 2,4,6 for your day-to-day queries
- Compliance Link EDI
  - Please email all other questions to [crate-tpm-group@crateandbarrel.com](mailto:crate-tpm-group@crateandbarrel.com) and [VendorCompliance@crateandbarrel.com](mailto:VendorCompliance@crateandbarrel.com).

**Import Purchase Orders**

The Infor Nexus platform for purchase order management promotes purchase order efficiency and increases supply chain visibility. Infor Nexus offers the following benefits to our Vendors:

- Electronic delivery of purchase orders and purchase order amendments
- Factory floor system to ensure packing and labeling compliance is met based on the Company's requirements
- Advance Shipment Notice (ASN) delivery
- Greater communication among all parties, including our Logistics Providers
- Streamlined invoicing procedures

Vendors are required to register with Infor Nexus before initial purchase order placement. Also, Vendors are responsible for the following related to the Infor Nexus platform:

- Vendor Level:
  - Annual Membership fee
  - Invoice fee
  - Wire transfer / ACH fee (money movement fee)
- Factory Level:
  - Potential investment in a printer
  - Investment in a scanner
  - Investment in labels

**InforNexus Support:**

- Email: [infornexusservice@infor.com](mailto:infornexusservice@infor.com) to open up a ticket

## On-Time Shipping Policy

We count on getting orders from our Vendors on time and complete. We have made major advertising and catalog investments in order to present your product to our customers. When we do not have the product we advertise timely and as shown, we lose sales and customers. We expect your cooperation in this effort.

### **PO Contract**

The ship date on the PO is the key to our Shipping Policy. For this reason, it is imperative that when you receive a Company PO, you acknowledge the ship date and confirm that you accept the terms of the PO. Contact your Merchandising team if the ship date is not achievable. As possible, we will work together to develop a mutually acceptable ship date and the PO document will be revised and reissued. As always, a PO confirmation will again be required. The Company does have the right to alter quantities if the ship date is revised.

If the anticipated ship date is different from the confirmed PO, you must contact your Merchandising team to discuss the specific situation and to develop a solution that is mutually acceptable. Proactive communication of a shipping delay can help us to reduce the negative impact on our customers.

### **On-Time Shipping**

Currently, our on-time shipping policy is the last approved ship date plus or minus 5 calendar days (this creates a shipping window of 11 calendar days). An “*early shipment*” is defined as shipping more than 5 days earlier than the last approved ship date. A “*late shipment*” is defined as shipping more than 5 days after the last approved ship date.

To support U.S. Customs requirements, the ship date will match the purchase term listed on your PO. The purchase term listed on your PO is the point where transfer of ownership between the manufacturer and the Company takes place.

**Import – FOB (Freight on Board)** – For import POs with a purchase term of FOB, the last approved ship date will be defined as the Cargo Handover date.

**Import – Ex-Factory** – For import POs with a purchase term of ex-factory, the last approved ship date is defined as when the shipment leaves the factory.

**Domestic – FOB Origin** – For domestic POs with a purchase term of FOB Origin, the last approved ship date is considered the date the shipment leaves the factory.

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**Domestic – FOB Destination** – For domestic POs with a purchase term of FOB Destination, the last approved ship date is considered the date the shipment arrives at the Company’s distribution center ship-to location.

### **Late Shipments**

If for any reason, you believe that your shipment will be late, you must contact your Merchandising team prior to the last approved ship date listed on the PO to discuss implementation of one of the following options:

- You can upgrade the transportation method to get the goods to the Company at approximately the same time as if the shipment had been shipped on time. You will be responsible for the incremental costs of the upgraded transportation. You may also be subject to penalties, but the Company will take your proactive steps into consideration in determining what penalties apply.
- If a shipment is leaving more than 15 days late, in addition to the late shipment penalty, you must arrange for upgraded transportation at the Vendor’s expense.

Notwithstanding those options, the Company has the right to cancel all or a portion of the late PO, in its sole discretion.

### **Partial Shipments**

The PO may contain different ship dates for different SKUs. The SKUs on the PO must be shipped in their entirety and on time. Split shipments of a SKU are not permitted without prior written approval and, if not approved, will result in late penalties on all or a portion of the shipment.

### **Product Quantity Variance**

The Company allows a maximum variance on a PO (over or under) of up to 3% per SKU:

- If the shipment is under the PO quantity, the remaining units on the PO are governed by the Company’s On Time Shipping policy.
- If the shipment is over the PO quantity, one or more of the following may occur:
  - The Company may return the excess units at the Vendor’s expense;
  - The Company may cancel units on future POs equal to the amount of variance on the current shipment;
  - The Company may accept the excess units in exchange for a 20% discount from the purchase price on the excess units.

Note that specific product categories may not allow any variance; contact your Merchandising team if you have questions.

### **Cancellation Policy**

The Company reserves the right to cancel all or part of the units on a PO if the shipping window has been missed. The Company reserves the right to cancel the excess or

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shortage units that result from a shipment variance to the PO greater than 3% (over or under).

### **Early or Late Shipment Penalty**

If your shipment is early or late (shipping outside of the ship window), the Company reserves the right to charge 1% of the purchase price per day for the shipment (up to 15%), and/or to charge the gross margin loss on lost sales in the case of a late shipment.

We calculate gross margin loss as: *Gross Margin Loss = (Planned Sales – Actual Sales) x Gross Margin %*. Note that Gross margin % is based on our landed cost.

## **Carton Labeling and Packing Lists**

The Company's carton labeling specifications are consistent for both import and domestic Vendors. Because we may allocate your merchandise to our stores in either the full master pack or inner pack units, note the requirements in the section regarding inner carton labeling specifications. Contact the Merchandising team you are working with regarding specific inner carton labeling requirements.

### **Master Carton Labeling**

In order to facilitate shipment receipt at our warehouses, each outer carton must be clearly labeled on the right side of the carton, centered from the top and bottom. For import orders, two labels are required per master carton. The master carton labels must be generated via the Infor Nexus/OpenText portals, as they meet all of our specifications and are essential to the receiving process in our warehouses and stores.

The following are required information on the master carton label

1. From: Ship from location. Vendor name must not be visible, vendor number required
2. To: Ship to location
3. SKU barcode and SKU number
4. Carton quantity (Master pack quantity)
5. Weight of carton (lb or kg)
6. SKU Description and Vendor item ID
7. Dept number/Dept description
8. Class number/Class description
9. Purchase order number

- 10. Item Country of Origin
- 11. Last 4 digits of the serial number of cartons
- 12. Serial number of carton and barcode

Master Carton Label Illustration

The following illustrations are meant for demonstration purposes only. As a reference point, the minimum spec of the label is 4.25”x5.5”.

The Company Master Carton Label

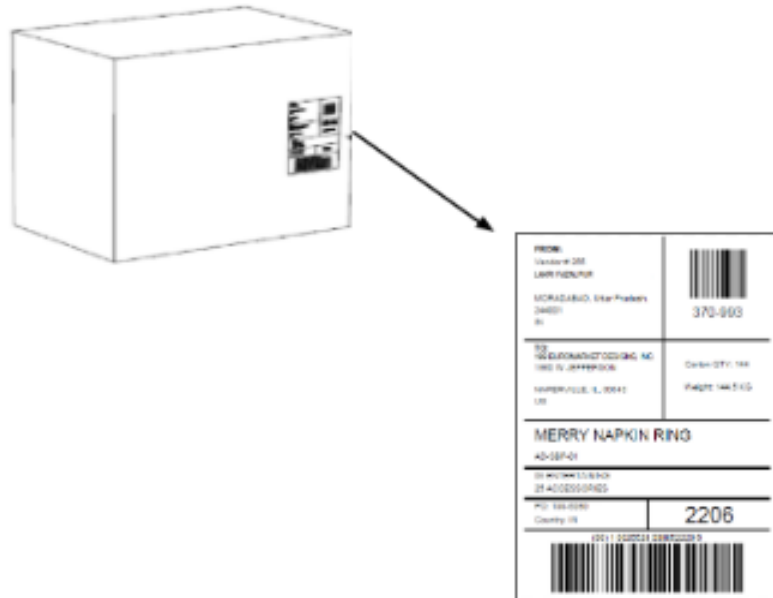
<p>FROM: Vendor # 1001234</p> <p>1000 WEST COAST AVE</p> <p>LOS ANGELES, CA 90034 US</p>	 <p><b>360-063</b></p>
<p>TO: 499 CRATE&amp;BARREL 1605 N. CHRISMAN ROAD</p> <p>TRACY, CA 953040000 USA</p>	<p>CARTON QTY: 16</p> <p>WEIGHT: 20.000lb</p>
<p><b>BRONZED CANDLE</b></p> <p>AC07</p>	
<p>31_CB2 ACCESSORIES 03_CB2 CANDLELIGHT</p>	
<p>PO: 499-7123456 COUNTRY: USA</p>	<p><b>0219</b></p>
<p>(00) 1 0100123 400000021 9</p> 	



Master Carton Label Placement Illustration

Below is an illustration of the proper master carton label placement for corrugated cartons.

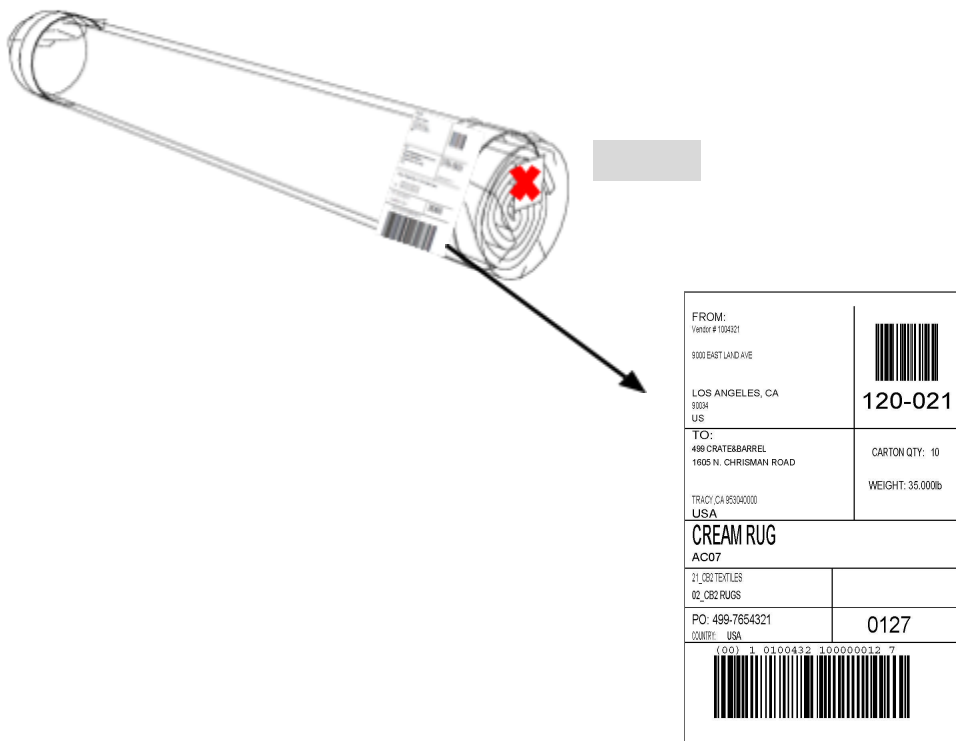
Infor Nexus shipments require 2 labels be applied on adjacent sides for corrugated cartons.



Rug Label Placement

Place labels on the side of the rug close to the end of the roll.

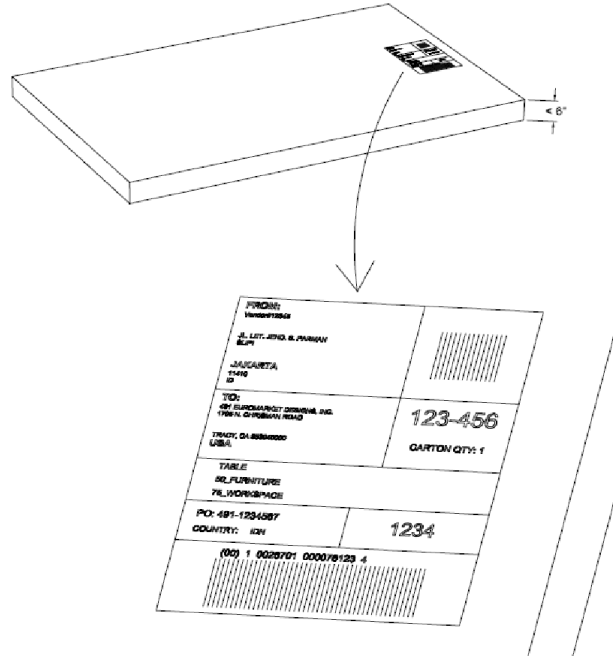
For Infor Nexus shipments, place labels on both sides toward the end of the rolled rug.



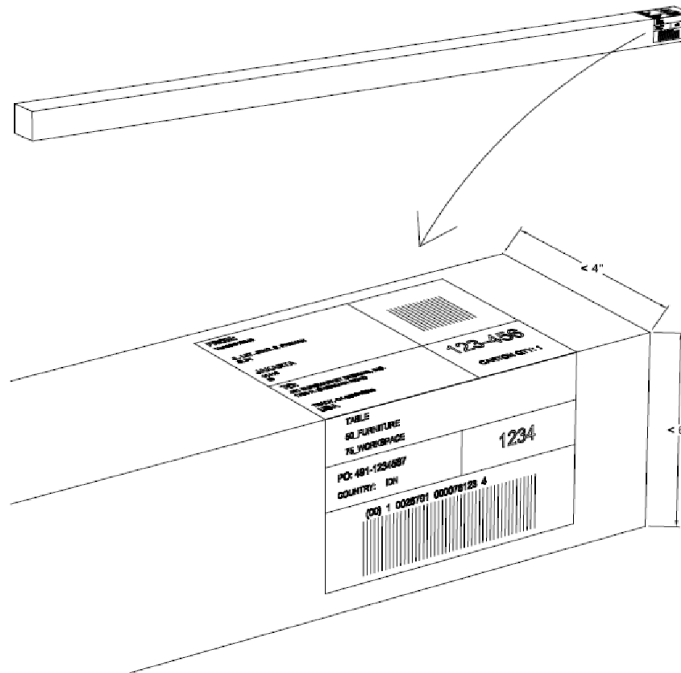
Carton Label Placement Exceptions

For Infor Nexus shipments, apply the labels on opposite sides of the master carton when there are space constraints.

Label placement for cartons with height less than 6 inches:



Label placement for cartons with width and height smaller than label size:

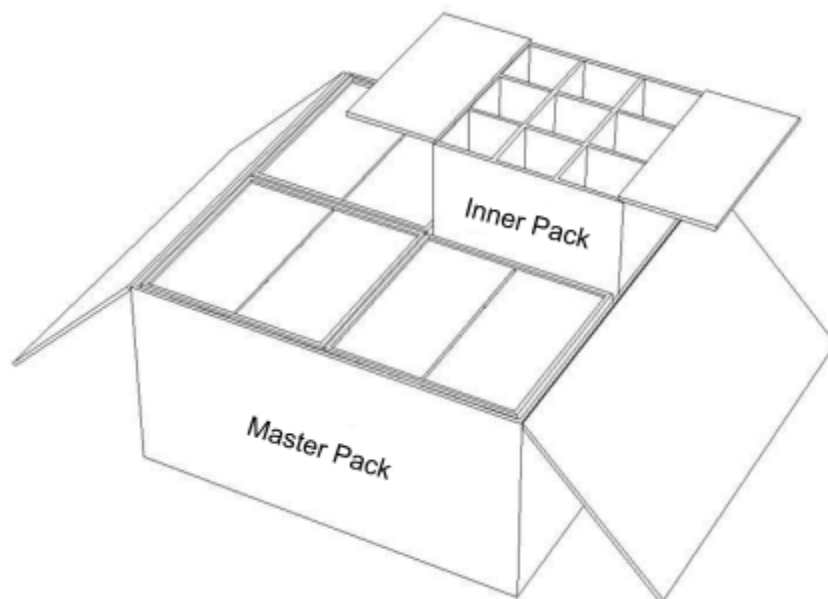


## Inner Packs

An inner pack refers to the quantity (sellable units) of product packaged together inside the master carton. An inner pack quantity can be as little as 1 unit (each item packaged individually but placed in a master carton). Our goal is to assign inner pack quantities that are efficient for those occasions when we have to ship less than a full master carton to our stores and we try to consider inner pack quantities that are consistent with the customer's purchasing patterns when buying multiple quantities of the same SKU.

The required inner pack quantity is listed on the purchase order. The master pack and inner pack dimensions must be consistent in size and configuration on each shipment. Product profiles (master pack, inner pack and dimensions) are used across the supply chain and inconsistencies create data integrity issues in our systems. The warehouses cannot receive a shipment that differs from the stated inner pack quantity without contacting Merchandising for approval. In many cases, when we receive an incorrect master and/or inner pack, the inventory must be repackaged. If the master and/or inner pack does not match the purchase order, the Vendor will be charged a minimum of \$500 per Distribution Center where the correction project is completed, or the cost of the project (\$64/hr. + materials + disposal if applicable), whichever is greater to resolve the situation.

### Master Pack/Inner Pack Illustration



### **Inner Carton Label Illustration**

Inner Unit Pack Carton Labeling. This information will be noted in your Purchase Order. All inner packs require Inner Unit Pack Carton Labels with the below 3 points of information.

1. SKU number
2. SKU Description
3. The quantity of SKUs or sets in the inner pack carton. Please only use pieces or sets. Using the words “dozens,” i.e. 6-dozen instead of 72 is not permitted.

#### Inner Carton Label Illustration

(1)	123-456
(2)	Pretty Goblet
(3)	9 pieces

(1)	456-789
(2)	5 piece bowl set
(3)	2 sets

### **Additional Labeling Requirements**

In addition to the master carton labels which are required for all cartons, additional labeling is required if any of the following criteria applies. This information must be either printed directly on the carton, or applied using separate labels.

#### Special Order/Made to Order (Custom) Shipments

All cartons must have the word “CUSTOM” boldly displayed using a brightly colored label on a minimum of two sides.

#### Adult Assembly Required Labels for Children’s Products

If a children’s product requires customer assembly, attach a bright orange sticker, at least 3” x 5”, with “ADULT ASSEMBLY REQUIRED” printed in black on each box. This sticker must be placed on one side of the box, not on the top or bottom. If you are not sure whether you need to apply this label, contact the Merchandising team and the Product Regulatory department.

<b>OK Sign-Off</b>	
Design/AD: Sarah Gaynor	Date: 01/21/2019
Safety/Compliance: Beverly Glon	Date: 01/21/2019
Prod: Kim Foster	Date: 02/05/2019
Translation: Lionbridge	Date: 01/21/2019
<b>Job Specifications</b>	
SKU #: N/A	
Project: Adult Assembly Required Label	
Safety & Compliance Contact: Beverly Glon	
Design/Production: Sarah Gaynor / Andy Nowak	
<b>Printing Specifications</b>	
Application: Illustrator	tin
File Name: xxxxxx_AdultAssReqLbL_012019	
Size: 178x8 3/4 x 5.4in BLEED + 125 in beyond trim	
Stock: Match existing label stock	
Inks: C (Black), PMS 182C (Orange)	
Finish: Match existing	
<b>ALL ARTWORK IS FINAL. DO NOT ALTER. Die-lines DO NOT print.</b>	
<b>Proofs</b>	
The Creative Department requires approval of two types of proofs. Production timeline must accommodate for two rounds of print proofs and 1 fully assembled production proof.	
1. <b>Print Proofs:</b> Approval of color correct proofs on final material or standard proof with ink drawdowns on final material is required by the Crate and Barrel Creative Department before running print job.	
<b>Deliver Proofs To:</b> Crate and Barrel 1550 Richy Road Northbrook, IL 60062 ATTN: Kim Foster	
<b>Product Shipment/Samples Specifications</b>	
Protective Packaging for Shipment: Products must be packed for shipping in a way that prevents damage during the shipping process.	
Print and Product Samples: Crate and Barrel Creative Department - Kim Foster Final Packaging Sample: 2 labels	
<b>Crate&amp;Barrel</b> Crate and Barrel, 1550 Richy Road, Northbrook, Illinois 60062 847 504 4652 Design (Sarah Gaynor) 847 239 6182 Production (Kim Foster) 847 239 6438 Safety & Compliance (Beverly Glon)	
<small>The following project development is an exclusive project. Approval requests for Crate and Barrel (or Crate&amp;Barrel Design). This custom project shall remain exclusive to Crate and Barrel. All artwork and design must be approved by the Creative Department. All artwork and design development should be approved by the Creative Department. All artwork and design development should be approved by the Creative Department. All artwork and design development should be approved by the Creative Department. All artwork and design development should be approved by the Creative Department.</small>	



Perishable Food Product Labels

If your product is perishable food, you must label the outside of the carton as such. Your Merchandising team will advise if this is required.

Two Man Lift Labels

In order to protect the safety of our associates, the master package (outermost package) weight should not exceed 60 lbs. If the carton weighs over 60 lbs., apply a sticker at least 3” x 5” with “TWO MAN LIFT” printed in black on each box. This sticker must be placed on one side of the box, not on the top or bottom.

Lot Number and Date

Include manufacturing lot number and production date

Labeling of Food Contact Items

Any item intended for serving, preparation, or storage of food or drink, will require a label on the master carton that identifies it as food contact, as below. Letters must be 1” high, assuming the carton size allows for this (image below is reduced); black print on white label.



Ceramic food contact items must be permanently marked with Company-provided artwork on the physical product with brand's name, country of origin and, in select cases at Company's discretion, performance attributes.

Decorative items *not* tested to comply with food contact standards must include a permanent sticker on the physical product that states "For Decorative Use Only," in English, French and Spanish; *example* --



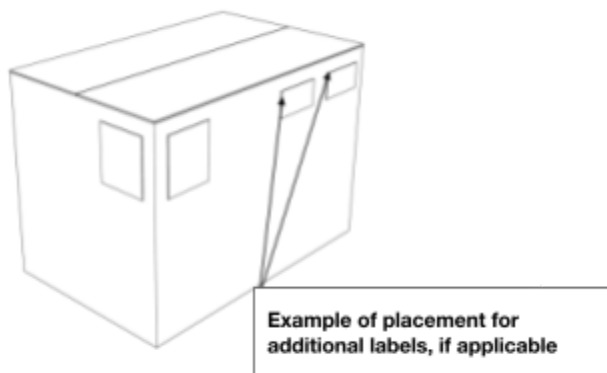
### Merchandising Sample Shipments

All cartons must have the word "SAMPLE" boldly displayed using a brightly colored label on a minimum of two sides.

### Mixed SKU Carton

This is defined as multiple items shipped in one large carton such as replacement parts, hardware and swatches. Each unique SKU must be packed in a master carton with an EDI/OpenText label and those must be placed in the larger mixed SKU carton with an outer label indicating the words MIXED SKUs boldly displayed using a brightly colored label on a minimum of two sides.

### Additional Labeling Requirements Illustration:



### Packing List Specifications

The packing list is a critical tool to ensure our warehouses receive your shipment accurately and efficiently. For domestic shipments there must only be one packing list per shipment sent. Missing or incomplete packing slips are the most common

warehouse receiving issue. Missing, incomplete, or inaccurate packing list will result in a charge of \$250 per incident.

### Packing List Requirements

Include all of the following information on your packing list:

- Date
- Ship from information
- Sold to information
- Ship to information
- Commercial invoice number(s)
- PO number
- SKU number
- Detailed item number and description of the merchandise
- Total quantity cartons
- Total quantity per carton
- Total quantity shipped per SKU
- Range of carton #'s that correspond to SKU (carton1 of 10, 2 of 10, etc.)
- Net weight per carton (lbs or kgs)
- Gross weight per carton (lbs or kgs)
- Cube/carton (cbm)
- Total net weight of the shipment (total weight of product without packaging - lbs or kgs)
- Total gross weight of the shipment (total weight of product plus packaging – lbs or kgs)
- Total cube (cbm)

For import shipments: Packing list is generated during the pack plan process in InforNexus and is part of the documentation required for U.S. Customs.

For domestic shipments: Copy of the packing list must be attached to one of the boxes and marked as such. It must also contain all of the requirements listed above.

For Vendors who import on behalf of the Company and are sending containers to our facilities directly after customs clearance: Email a copy of the packing list to the appropriate Merchandising team and directly to the warehouse that you are shipping to (email addresses listed on pages 17-18). Include the container number on the packing list.

For Vendors who load goods into containers/trailers at their facilities: Designate the number of pieces of each SKU per P.O. number that are loaded into each container. Also include the container number, container size and seal number on the packing list.

**Packing List Illustration**

The below illustration is meant for demonstration purposes only and illustrates a Packing List for OpenText shipments. Vendors using Infor Nexus must submit the Packing List generated through the portal. Contact us if you have any questions about either of our Packing List formats.

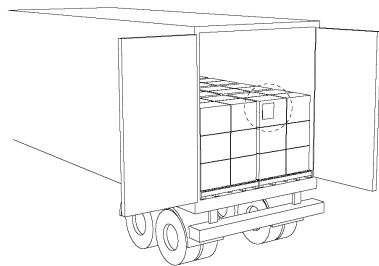
DATE:					SHIP FROM:								
INVOICE #:													
SOLD TO:					SHIP TO:								
CONTAINER / TRAILER #		SIZE:		SEAL #:									
PURCHASE ORDER #	SKU	ITEM #	DESCRIPTION	TOTAL CARTONS	QTY PER CARTON	QTY SHIPPED	CARTON SEQUENCE	N.W / CTN	G.W CARTON	CUBE / CTN (CBM)	TOTAL N.V	TOTAL G.W	TOTAL CUBE (CBM)
TOTAL:													
CONTAINER / TRAILER #		SIZE:		SEAL #:									
PURCHASE ORDER #	SKU	ITEM #	DESCRIPTION	TOTAL CARTONS	QTY PER CARTON	QTY SHIPPED	CARTON SEQUENCE	N.W / CTN	G.W CARTON	CUBE / CTN (CBM)	TOTAL N.V	TOTAL G.W	TOTAL CUBE (CBM)
TOTAL:													
GRAND TOTAL:													

**Packing List Placement**

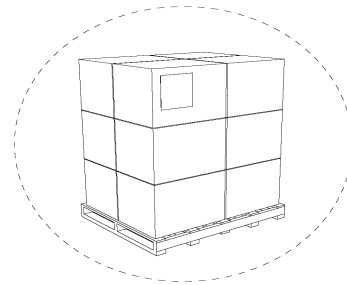
Ensure that the packing list is attached to the lead carton of the shipment and can be easily identified by the warehouse receiving staff, as illustrated below.

**Packing List Placement Illustration**

Trailer / Container Illustration



Pallet Illustration





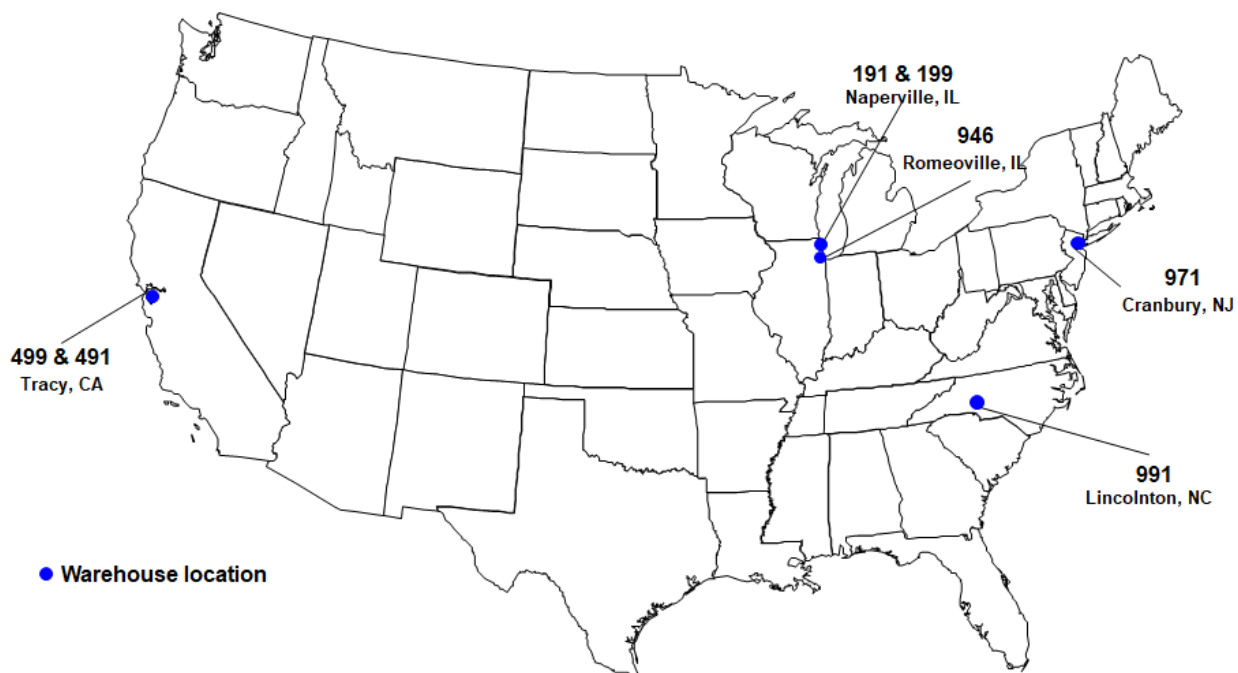
## Shipping Requirements

Each year, our warehouse locations receive millions of units of merchandise directly from our Vendors. To process this volume efficiently and accurately, we require consistency in the shipping methods from our Vendors. Proper shipping documentation, carton labeling and packing list information is critical to the process. Any errors in this data can hold up a shipment from receipt ultimately resulting in a delay in availability to the customer.

In the event that a Vendor has not met our shipping requirements, the warehouse personnel will inform the Merchandising team of the issue. If a substantial delay in the receiving process occurs, the Merchandising team will be provided with the amount of time required to properly receive the shipment. The cost of any project is \$25.00 per man-hour or \$0.25 per unit, or the total cost of the project. The Vendor will be charged a minimum of \$500.00 per receiving location. The method of calculating the charge (per hour vs. per unit) is within the discretion of the Merchandising team and will be communicated to the Vendor.

The Company provides general shipping instructions regarding the use of designated freight forwarders, domestic carriers, and efficient shipping methods. Any deviation from the Company shipping guidelines requires prior notification and approval by the Company's Global Transportation Department or penalties may be incurred for the incremental freight expenses, processing fees, and labor charge.

### The Company's Warehouse Locations



Below is a list of our warehouse and Canadian Cross-Dock locations. Locations are subject to change and specific shipping instructions are located on the first page of a purchase order.

### Housewares Warehouse Locations

Region	Location #	Address	Contact Information
West Coast	# 499	1605 N. Chrisman Road Tracy, CA 95304	Phone: 209-221-8007
Midwest	# 199	1860 W. Jefferson Naperville, IL 60540	<a href="mailto:napervilleoffice@crateandbarrel.com">napervilleoffice@crateandbarrel.com</a>
East Coast	# 971	353 Half Acre Road Cranbury, NJ 08512	Phone: 609-789-0999
Midwest	# 946	501 W. Taylor Road Romeoville, IL 60446	Phone: 815-377-2777

### Furniture Warehouse Locations

Region	Location #	Address	Contact Information
West Coast	# 491	1705 N. Chrisman Road Tracy, CA 95304	Phone: 209-221-8000
Midwest	# 191	443 Fort Hill Dr. Naperville, IL 60540	<a href="mailto:napervilleoffice@crateandbarrel.com">napervilleoffice@crateandbarrel.com</a>
East Coast	# 971	353 Half Acre Road Cranbury, NJ 08512	Phone: 609-789-0999
North Carolina	# 991	621 Lincoln County Parkway Extension Lincolnton, NC 28092	Phone: 828-428-0413 Fax: 828-428-4517

### Canadian Cross-Dock Locations

Region	Location #	Address	Contact Information
East	# 370	6060 Burnside Court, Unit #2 Mississauga, Ontario Canada L5T 2T5	Phone: 905-564-1758 Fax: 905-564-9713
Mountain	# 371	#1881 120 Ave. NE Calgary, Alberta Canada T3K 0S5	Phone: 403-736-1022
West	# 372	#120-9969 River Way Delta, British Columbia Canada V4G 1M8	Phone: 604-588-8512

East	# 374	1255 32 <sup>nd</sup> Ave c/o AMJ Lachine, Quebec Canada H8T 3H2	Phone: 877-813-3501 x-227 Fax: 514-631-7267
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### **Pallet Specifications**

When shipping merchandise on pallets, each pallet must meet the following specifications:

- Pallets must be reusable, of wooden construction, and comply with Wood Packaging Materials regulations regarding treatment to eliminate harmful insects. Do not use plastic pallets, as we cannot store them in our racking configuration.
- We will detain, fumigate, and/or export any shipments, at the Vendors' expense, where evidence of insects or non-indigenous organisms is found on pallets or crates.
- Pallet dimensions must be 48" x 40", 4-way entry (European pallet sizes will NOT be accepted). If the normal stacking footprint of a single packaged product is larger than a 48" x 40" pallet, the pallet dimensions must equal or exceed the dimensions of the packaged product. Product can also be floor loaded without pallets.
- The maximum height of the pallet and merchandise together is six feet. The strength of the carton shall be rated to handle the compression load of the weight of a fully stacked pallet of product.
- Pallets must be stacked with one SKU only. If it is necessary to stack with multiple SKUs, the pallet must be clearly marked with the SKUs and the quantities that are on the pallet.
- For all less than truckload (LTL) shipments, ensure that the driver is able to accurately count all pieces on all pallets before stretch-wrapping the merchandise to the pallets. If the driver is unable to count the pieces, the Vendor will be held responsible for any shortages to the bill of lading.

### **Import Container Weight Limits**

Listed below are the weight limits for import containers. This is the gross weight of the goods (merchandise and all packaging) in the containers. If a container is close to these weight limits, merchandise must be loaded evenly across both axles and braced to prevent slippage en route. If we receive charges to transload an overweight container or a traffic ticket to our trucker for moving an overweight container, any charges will be the responsibility of the Vendor.

Container Size	Weight limit
20' Container	19,000 kgs
40' Container	19,000 kgs
40' High Cube Container	19,000 kgs
45' Container	19,000 kgs

We must have your cooperation in making the necessary document changes so that the contents of our containers exactly match the documents. Review your internal company procedures and make improvements if necessary.

The foundation of our supply chain lies first with the shipper and their ability to start the shipping process accurately. In summary, here is what you must do:

- Review your internal loading and document procedures.
- Make any necessary changes to your procedures to ensure that the SKUs and quantities loaded exactly match the SKUs and quantities on your documents. Everything in the container must be declared.
- If we advise you of a carton count discrepancy, revise your documents promptly in order for us to facilitate a manifest change.

We consider our relationship with you to be a partnership; therefore we are here to help in whatever way we can. Please direct your comments or questions to the Global Transportation Department.

### **Import Shipping Requirements**

1. **Book Freight** - Freight must be booked at least 2 weeks in advance of the intended sail date, in order to make a Purchase Order ship date.
2. **Book Freight as Sea Waybills** - Always book the Company's freight as Sea Waybills, Telex Release or Express Released in order to allow our freight to be surrendered directly to us once cleared by U.S. Customs. If you need to book freight as an Original Bill of Lading, let the Company know prior to booking. We will need to advise our Customs broker and track the document with our freight forwarder or steamship lines.
3. **Import Container Weight Mandate** - Vendor is responsible for SOLAS (Safety at Life of Sea convention) container weight requirements.

**Infor Nexus PO's** - Book on the Infor Nexus platform through our Logistics Service Provider (LSP). For PO's originating in Asia, contact our LSP, Allport Cargo Services (ACS). For PO's originating in India, contact our LSP, DHL International Supply Chain (DHL ISC). For contact information or anything else regarding our LSP's, reach out to the Company at the following emails:

- Asia PO's: [global-logistics-asia@crateandbarrel.com](mailto:global-logistics-asia@crateandbarrel.com)
- India PO's: [global-logistics-india@crateandbarrel.com](mailto:global-logistics-india@crateandbarrel.com)
- Europe PO's: [global-logistics-europe@crateandbarrel.com](mailto:global-logistics-europe@crateandbarrel.com)

### Import Bill of Lading Requirements

- Obtain one bill of lading number for all goods shipping on the same vessel, regardless of container number(s).
- List all Euromarket Designs, Inc. Purchase Order Numbers. E.g. 491-1234567
- Delivery address of the appropriate Company warehouse that you are shipping to
- Consignee on all ocean or air Bills of Lading for the Company, regardless of destination warehouse must be:  
Euromarket Designs, Inc.  
1250 Techny Road  
Northbrook, IL 60062
  
- The notify parties on all Bills of Lading from Mexico for Euromarket Designs, Inc are:  
J.O. Alvarez, Inc., **And** Euromarket Designs, Inc  
#1 Andy Ramos Road 1250 Techny Road  
P.O. Box 1434 Northbrook, IL 60062  
Laredo, Texas 78042 phone: 847-272-2888  
phone: 956-721-5906 fax: 847-272-7397

Place of Delivery on Bills of Lading will vary depending on the country of origin of goods, which of the Company's warehouse the order is shipping to, and our preferred routing for specific purchase orders. Contact the Global Transportation Department if you are unsure of the appropriate point of destination for your purchase order(s).

### Submission of Import Shipping Documents

In an effort to improve our import processes, you must submit your shipping documents and payment requests using the following guidelines. Any late, incomplete or inaccurate shipping documents may be subject to \$100 minimum chargeback.

### Shipping Documents

European shippers must turn over all invoices and packing lists at the time of ex-factory date to the respective freight forwarders.

For all other origins, a FULL set of shipping documents must be sent by email no later than 2 days AFTER the sail date.

For air shipments, documents must be sent within 1 day of the shipment/AWB date. Send a complete set of shipping documents combined as **one single** PDF in the order that is shown below:

1. Bill of Lading (B/L) Or Air Waybill (AWB)
2. Invoice(s)
3. Packing list(s)
4. All Other Documents (Examples: Fumigation Certificates, Lacey Form, Certificates of Origins, GSP Form A, etc.)

Contacts:

- Air Shipments: [airdocuments@crateandbarrel.com](mailto:airdocuments@crateandbarrel.com)
- Other Shipments: [importdocuments@crateandbarrel.com](mailto:importdocuments@crateandbarrel.com)

**Important: A separate copy of the invoice must be emailed separately to the import payments team at [importdocuments@crateandbarrel.com](mailto:importdocuments@crateandbarrel.com)**

Airfreight shipments also include any parcel shipments routed directly to one of our Distribution Centers.

#### Original Documents Required

In addition to the e-mailed documents, there are additional shipping documents that must be sent via courier to our U.S. Customs broker.

- CITES Certificates (The Convention on International Trade in Endangered Species of Wild Fauna and Flora) are required for certain animal products such as shells.
- Original Bills of Lading (OBL's) – if used

### **North America Shipping Requirements**

#### Routing Information

All shipments must be routed by contacting [domestictransportation@crateandbarrel.com](mailto:domestictransportation@crateandbarrel.com) and [crateandbarrel@t-insight.com](mailto:crateandbarrel@t-insight.com).

Below is our routing information for all freight shipments to a Company warehouse. Our goal is to minimize shipping expenses wherever possible. We have negotiated competitive rates with specific carriers and you must follow our routing instructions carefully. It is not our desire to penalize our Vendors. Deviations from our route guide have a negative financial impact on the Company, which results in a full freight chargeback and processing fee.

- Consolidate same day shipments to the same warehouse on one bill of lading.

- Unless authorized by the Company’s Merchandising team or the Company’s Domestic Transportation Department, do not ship more than one less than truckload (LTL) shipment to the same warehouse per week.
- Any deviations from the routing guide will result in full freight chargeback plus processing fee.

Use the table below to determine the appropriate shipping method. Shipment size pertains to a single shipment destined to one Company warehouse.

Shipment Size Per Destination	Shipping Method
Maximum of 4,000 lbs and less than 10 linear feet of trailer space	<u>Less than Truckload (LTL)</u> - Contact the Company’s Domestic Transportation Department at: <a href="mailto:domestictransportation@crateandbarrel.com">domestictransportation@crateandbarrel.com</a> and <a href="mailto:crateandbarrel@t-insight.com">crateandbarrel@t-insight.com</a>
Over 4,000 lbs or greater than 10 linear feet of trailer space	<u>Trailer Load (TL)</u> - Contact the Company’s Domestic Transportation Department at: <a href="mailto:domestictransportation@crateandbarrel.com">domestictransportation@crateandbarrel.com</a> and <a href="mailto:crateandbarrel@t-insight.com">crateandbarrel@t-insight.com</a>
Any temperature controlled and/or perishable shipment	Contact the Company’s Domestic Transportation Department at: <a href="mailto:domestictransportation@crateandbarrel.com">domestictransportation@crateandbarrel.com</a> and <a href="mailto:crateandbarrel@t-insight.com">crateandbarrel@t-insight.com</a>
Any finished Furniture Collection case goods or upholstery items	Contact the Company’s Domestic Transportation Department at: <a href="mailto:domestictransportation@crateandbarrel.com">domestictransportation@crateandbarrel.com</a> and <a href="mailto:crateandbarrel@t-insight.com">crateandbarrel@t-insight.com</a>

Less than Truckload (LTL) Instructions

- Unless authorized by the Company’s Transportation Department, do not ship more than one LTL shipment to the same warehouse, per week.
- **Contact both Domestic Transportation and Transportation Insight at least 24 hours in advance of shipment for pick up.**
- Make sure the driver is able to accurately count all pieces on all pallets before stretch wrapping the merchandise to the pallets. If the driver is unable to count the pieces, the Vendor will be held responsible for any shortages to the bill of lading.
- CBH will set up the Carrier pickup and send the LTL BOL to use. We can send a TL BOL by request if you do not have one. **Please email [domestictransportation@crateandbarrel.com](mailto:domestictransportation@crateandbarrel.com) AND [crateandbarrel@t-insight.com](mailto:crateandbarrel@t-insight.com) the following info in its entirety and CBH will route all shipments for you:**

- Ship To 3 digit location # & Address
- Ready Date and Time
- Physical pickup address and pickup hours
- Contact at pickup: Name, Phone #, Email address
- Unique pickup requirements
- Total pallet count, Dimensions, Total Weight
- LTL Freight Class if applicable
- Notate if anything is floor loaded separate from pallets and provide piece count and weight
- Brief description of the goods

### Truck Load (TL) Instructions

Use the following guidelines for shipments over 4,000 lbs or over 10 linear feet of trailer space.

- **Contact both the Company and Transportation Insight at least 48 hours in advance of shipment for pick up and then follow up with written pick up instructions to the carrier.**
  - Provide the total number of cartons, pallets, weight, and linear feet of shipment.
- Confirm the dimensions if available, physical pickup address, pickup hours, ready date, brief description of the goods, and any special pickup requirements needed.
- Carriers will provide one-hour free time to load trailer after which detention begins.
- Detention charges incurred during loading will be charged back to the Vendor.
- Vendor is responsible for loading and counting all TL shipments.
- Vendor is responsible for creating a bill of lading with a unique, Vendor-assigned bill of lading number (not the P.O. number) for each shipment.
- Vendor is responsible for properly blocking and bracing shipments and for the expense of the materials to do so.
- Vendor is responsible for sealing all TL shipments and recording seal number on the bill of lading. Use ISO 17712:2013 compliant seals.

### **Freight Terms**

Our preferred Company carriers have waived any notification and/or drop trailer charges. If the Vendor chooses to use a carrier other than a preferred Company carrier, the Vendor must ship prepaid and the FOB destination and will be responsible for any notification and/or drop trailer charges.

### **Bill of Lading (B/L) Instructions**

The B/L is a legal document and primary source of information for our supply chain, which includes our Vendors, carriers and the receiving locations. Therefore this



document must contain complete and accurate information required to process your shipment. Use the following guidelines when preparing the B/L.

- Create a separate B/L with a unique B/L number for each shipment (truckload). Do not use a purchase order number or the carrier's pro numbers.
- Enter the complete ship to address and phone number.
- Include exact carton count and pallet count on B/L. Do not use the phrase "said to contain." Be specific and accurate. For LTL freight, Vendor must have carrier sign for the exact carton count.
- Include accurate shipment weight. The Vendor is responsible for any additional carrier charges due to inaccurate weight on B/L.
- Include the purchase order number(s) and SKU(s) on the B/L.
- Include your vendor number on the B/L. This number can be found on your purchase order. If you do not know your vendor number, email your Merchandising team before shipping.
- Where applicable, declare full freight value. Do not ship at released value.
- For truckload (TL) shipments, specify on B/L that the carrier must call the receiving warehouse at least 48 hours in advance to schedule a delivery appointment.
- Note on the B/L:  
Send freight bill to:  
Crate and Barrel  
PO Box 23000  
Hickory, NC 28603

**For questions, please contact the Company's Domestic Transportation department at: [domestictransportation@crateandbarrel.com](mailto:domestictransportation@crateandbarrel.com) AND [crateandbarrel@t-insight.com](mailto:crateandbarrel@t-insight.com).**

\*Shipments from Ontario to Ontario must also contact the above for routing instructions.

## Inventory Issues

### Quality

The quality of the product received by the Company must be identical to that of the final sample approved by the Merchandising team. You must always have a signed/dated approval sample at the factory where the product is produced. If you do not have an approved sample prior to production, contact the agent or Merchandising team you are working with to obtain an approval sample. If the product deviates in performance or appearance from the approved sample, the Company may not be able to sell the item and the expense of this inventory will be charged back to the Vendor. In

addition, major advertising dollars may have already been spent to advertise the item in our catalogues, ads, billboards or postcards. When a quality issue arises, the resolution of the issue can be time consuming and during that time period the product is unavailable for sale.

Depending on the specific situation, a chargeback for a quality issue may include but is not limited to: cost of non-saleable inventory, cost of advertising, cost to communicate product variance at the Customer Care Center, cost to change product signage at retail stores, customer appeasement expense, cost of a Correction Project to correct the product either off-site or in-house, cost of backordered and/or canceled sales incurred due to product unavailability, and margin loss on lost sales.

We calculate gross margin loss as:  $Gross\ Margin\ Loss = (Planned\ Sales - Actual\ Sales) \times Gross\ Margin\ \%$ . Note that Gross margin % is based on our landed cost.

### **Master and Inner Carton**

The Master and Inner carton quantity received by the Company must be identical to the PO that is entered. Quantities shipped to the Company in a different Master or Inner quantity from the confirmed PO will result in a chargeback of \$500 per DC where the carton was received. Or the total cost of the project, whichever is greater.

### **Backorders/Canceled Sales**

Backorders can occur for several reasons. If backorders occur because the product is unavailable for sale at the appropriate time due to late delivery of inventory, quality problems or packaging problems, you will be subject to chargeback if the customer cancels.

The Company incurs an expense of \$8.50 per item to cover the expense of shipping an additional package to the customer and additional communication to the customer regarding backorder status. In the event that a backorder or canceled sale is the result of Vendor error, your Merchandising team may chargeback the Vendor as appropriate to the specific situation and costs incurred.

### **Automatic Deduction Policy For Furniture**

If a customer discovers a manufacturing defect when the item is in their home, the Company will either replace the item or arrange for an in-home inspection by an independent service technician. The Company's Automatic Deduction Policy allows a Store Manager to deduct, without prior authorization from the Vendor, the current cost of a one-way delivery or one hour of in-home service. The one-way delivery rate is \$99 and can change based on market conditions. Store Managers will continue to contact the Vendor regarding any deductions greater than \$99 or in cases where the customer's return is not a clear result of a manufacturer's defect.

**Supplier Performance Database**

The Company uses a Supplier Performance Database to provide better visibility and comprehensive reporting on Vendor performance and chargebacks related to product quality and distribution center receiving issues. Charges are calculated based on time, labor, materials, and transportation required for our distribution centers or outside third-party providers to correct issues discovered upon receipt. As with our early/late shipment reporting, our buying teams will communicate any issues before a chargeback is issued and the amount will appear as a deduction against a future invoice for domestic shipments, or for import Vendors a credit note or credit line on an invoice must be noted on the next payment request. If you receive a chargeback and are unsure of the details, please contact your Merchandising team.

**Furniture Shop Expense**

If an item needs repair due to packaging damage or production defects, our system allows us to report and charge back. The chargeback amount will be based on an average time required to perform the repair, not including normal inspection and detailing time that we would incur to prepare the item for delivery. A report will be issued to the Vendor detailing the amount of time spent on its product by SKU, distribution center, and quality issue(s).

***Below for illustration purposes only is a summary of the average time for each repair:***

<b>REPAIR REASON</b>	<b>MINUTES TO REPAIR</b>
<b>Finish Issues - Wood and Metal Surfaces</b>	
<b>Particles Under Finish</b>	<b>30</b>
<b>Crazing / Blushing / Orange Peels / Fisheyes</b>	<b>32</b>
<b>Excessive Fill / Noticeable Repair</b>	<b>31</b>
<b>Uneven Finish / Unfinished/Peeling</b>	<b>28</b>
<b>Glue / Material Under Finish</b>	<b>31</b>
<b>Damage / Chips / Nicks / Dents</b>	<b>33</b>
<b>Surface Abrasion/Scratches/Packaging Marks</b>	<b>30</b>
<b>Construction Repairs - Wood and Metal Components</b>	

<b>Loose, Open or Mis-fitted Moldings / Joints</b>	<b>34</b>
<b>Out of Square / Not Level</b>	<b>29</b>
<b>Misaligned Borings for Fasteners</b>	<b>32</b>
<b>Doors or Drawers Rubbing / Mis-set</b>	<b>32</b>
<b>Pitted / Rusted Metal</b>	<b>28</b>
<b>Upholstery Issues – Surface and Components</b>	
<b>Damage – Rips / Tears</b>	<b>30</b>
<b>Incorrect Frame / Leg Finish</b>	<b>28</b>
<b>Open, Loose or Cracked Frame</b>	<b>34</b>
<b>Construction – Seams / Welting / Stitches</b>	<b>37</b>

## Return to Vendor

When appropriate, the Company negotiates Return to Vendor agreements with a Vendor. These agreements are customized to the specific product and unique characteristics of each Vendor and the buying arrangement. Most return to Vendor agreements involve the return of products that are received by the Company and found to be defective by our staff and/or returned by the customer.

To manage the program consistently across our store and distribution locations, we have implemented the following procedures for returning products to Vendors.

- The Company will email the Vendor that Return to Vendor Product is being held at one of our facilities/locations.
- The Vendor will have 7 business days to choose a disposition option:
  - Authorize return and arrange to have the merchandise picked up from our facility/location by the carrier of your choice, at the Vendor's expense. The Company's preferred carrier is FedEx; if you wish to use your own UPS account, send UPS Call Tags.
  - Authorize return and arrange to have the merchandise sent back to your facility by the carrier of our choice, at the Vendor's expense.
  - Authorize payment of the Return to Vendor product, but request that the Company disposes of the merchandise in lieu of returning it to your facility. In this event, the Company will include a charge equal to the greater of the

- actual cost of a 40-yard trash container (prorated for the actual volume involved) or the actual cost of another appropriate disposal method chosen by the Company.
- If we do not hear back from you in 7 business days or if the carrier of your choice does not pick up the merchandise from our facility within that time period, we will return the product to the Vendor using the carrier of our choice, at the Vendor's expense.

If you have any questions or concerns regarding your specific Return to Vendor agreement, please contact your Merchandising team.