Chapter 3

General Requirements – Apparel/Footwear/Vendor Net

Carton Quality

All cartons shipped to DXL Group must be compliant to the following quality standards to withstand handling and time in transit and to maintain DXL Group required weight and dimensional standard metrics. Vendor adherence is mandatory to ensure consistency and efficient handling and processing through the DXL Group Distribution Center.

- All ‘each’ cases must be packed as stated on the DXL Group EDI or hard copy PO.
  
  Case quantity packing designator on EDI PO is **PO4** and **Buy U/M** on hard copy (see examples of POs on page 2)
- All cartons must be labeled with a DXL Group approved UCC128 label
- All cartons must be of a high quality corrugated
- Cartons must not exceed 40 lbs. in weight
- All cartons must have a bursting strength of 200 lbs (90.72 kg) per square inch or ECT (edge crush test) of 32.
- All cartons must have top opening flaps
- Bands or straps are strictly prohibited from being used on cartons
- All cartons must be securely taped in an “I” or “H” pattern with a high quality clear tape
- Standard dimensions for solid size cartons 21 ½”L x 15 ½”W x 12 ½”H
- Maximum dimensions for solid size cartons 30”L x 17”W x 14”H
- Maximum dimensions for pre pack cartons 36”L x 25”W x 30”H
- Minimum carton dimensions (excluding ties and other small accessory items) 12”L x 12”W x 4”H
- GOH (hanger packs) and outerwear cartons are exempt from the aforementioned carton dimensions. However the longest side should not exceed 59” nor should the length plus girth exceed a combined 164”. Contact the DXL Group Vendor Compliance Department at Vendcompliance_PLM@DXLG.com if you have any questions regarding carton dimensions.

Non-compliance with any of the aforementioned carton standards will result in a rework charge; refer to the charge assessment chart for applicable charges.
JDA PO Example

EDI PO Example
Carton Packing Policy

- It is acceptable to ship 5.0% over per SKU per purchase order for all DXL Group ‘each’ orders shipping into the Canton DC; 9990. *Oversales are not accepted on the following order types: Pre-packs, Rochester, Direct to Store and E3 Replenishment.*
- PO’s in pre-pack quantities for carton packing must maintain 100% fulfillment and accuracy.
- DXL Group does **NOT** accept overages or shortages on pre-pack orders.
- Replenishment purchase orders must maintain 100%; global sourcing partners must be notified of any deviations to expectation.
- Only an “each” PO can be submitted for approval of shortage in carton packing
- Units must be subsequently produced and air freighted at vendor/factory expense to meet original in DC date(s)
- Exceptions must be provided to Global Sourcing and supplier must have written approval for proceeding with shipping prior to 80% packing being completed.
- The criterion for communicating shortages is:
  - No greater than 5.0% shortage can be proposed per “each” PO for shipping
  - Vendors shipping 10% shortage/overage at the SKU level must contact Merchant or GS partner for approval before shipping.

Packing Odd Units and Acceptable Overage for EACH Orders Only

- Overage and odd units may be mixed in cases with approval from VendorCompliance_PLM@DXLG.com
- EDI units and case quantities must be verified before producing labels as the ASN and UCC128 labels must match actual case quantities and cases must match the EDI ASN.
- Crossing out the quantity on the UCC128 label **does not** change the information within the barcode. **EDI ASN or packing slip** matches the case contents.
- DXL Group expectation is 100% compliance of the order packed by one size, one color per carton. Email questions on packing to VendorCompliance_PLM@DXLG.com.
- Small quantity orders by SKU may be mixed in cases with approval from VendorCompliance_PLM@DXLG.com. Orders not approved will be subjected to a rework charge.
- Global Sourcing Vendor is approved to increase a SKU count to 10pcs on any DXL Group Canton, MA (9990) order that has been placed with less than 10 pcs per SKU. This **does not** apply to E3 Replenishment, Direct to Store or Rochester shipments.

Carton Labeling Information

- **Carton Markings**
  - Markings can be permanently printed into the cardboard or printed on paper and applied to the cardboard with glue. Carton Markings must include:
    - DXL Group name and address
    - Vendor Name
    - Country of Origin
    - Purchase Order number
• **UCC128 Carton Labels**
  o DXL Group requires that all cartons be labeled with a UCC128 Carton Label. The UCC128 label illustration follows with specifications and requirements must be strictly adhered to according to the information shown.
  o For UCC128 case labels to be approved your samples must accurately scan in the PKMS system and “read” properly.
  o PPK UCC128 labels must state PPK master SKU and Quantity is always 1, do not list the actual amount of units in the case.

• **PIDS (Product Identification Stickers)**
  o With the exception of pre pack cases, DXL Group requires that all non EDI cartons are affixed with a PID sticker beside the UCC128 label. See illustration below.

• **Standard Operation Procedure**
  o Initiate approval process to print your own labels. Email a jpeg of your UCC128 carton labels to VendorCompliance_PLM@DXLG.com
  o To be approved your samples must
    ▪ Be scanned in the PKMS system and “read” properly
    ▪ Conform to all specifications for EDI Technology, information contained in the attached illustration, and be human readable.
    ▪ Written approval will be provided or a recommendation to correct will be provided

*Upon receipt of DXL Group approval for the UCC128 carton label, supplier must maintain the integrity of the approved format for all UCC128 labels on all future purchase.*

• **Standardized Placement**
  Garment, Footwear and Accessories determined by carton dimensions:
  o Place the UCC128 label on the of narrowest side of carton
  o Cartons under 4” in height dimension, fold label over to adhere to top of carton. Bottom portion MUST clearly indicate the UCC128 bar code if utilizing UCC128 carton label.
  o For GOH cases place UCC128 label on top right hand corner of case
UCC128 Case Label Placement Location

Correct Location:

Place UCC128 Label on the shortest side of carton

Place PID beside the UCC128 label on all 'each' non edi cases

Incorrect Location
UCC128 Bar Code must be a 20 digit numeric Bar Code*. The breakdown of the Bar Code is as follows:

- Bytes 1 thru 4…all zeros
- Bytes 5 thru 10…Your UCC Vendor prefix. A unique company identifier obtained from the UCC Council.
- Bytes 11 thru 19…Unique sequential number for each carton (value 000000001 thru 999999999) label. Even with subsequent orders, the sequence number should not recycle back to “000000001” until all numbers have been utilized for the given Vendor prefix.
- Bytes 20…Check digit

*Bar Code is the human readable representation of what is in the Bar Code. There are no spaces within the Bar Code.

Contact [http://www.gs1us.org/](http://www.gs1us.org/) for your vendor prefix number.
Vendor To Store Order Process

- A monthly store address file will be emailed to all vendors participating in the Vendor to Store program. This file includes new store addresses, store closings and stores that will remain open but have moved to a new address.

- Individual store update alert will be sent throughout the month.

- It is the vendor’s responsibility to maintain the current address file on a consistent basis to avoid product shipping to the incorrect address. An acknowledgment email must be sent to the DXLGROUP sender.

- Unlike DC orders, we ask that you pack as many units in one box as possible to avoid excess trash at the stores.

- Vendor to store product does not need to be poly bagged or have PIDs applied as this process is strictly for the Distribution Center.

- It is not necessary to use a UCC128 label for VTS orders; you may use a UPS shipping label. Please follow the UPS weight guidelines.

- Invoices to Finance must be invoiced by store; we cannot accept one invoice that encompasses all stores. Non EDI invoices can be emailed to Smckinney@dxlg.com.

- All orders are shipped under our UPS 3rd party account #, see instructions from Chapter 4 of the vendor guide below:

  Question/concerns please email vendorcompliance_PLM@dxlg.com.

- **Vendor To Store P.O. Routing**
  P.O.’s written for vendor drop ship direct to DXL GROUP stores (U.S.A.) are to be shipped via UPS Ground Commercial service; freight charges are to be third (3rd) party billed to DXL GROUP UPS account # 2RV702. Note the store # in each P.O. to determine the correct ship to store.
Vendor Net Information

Vendor Net Guide

Overview: Vendor Net processing thru DXL Group is a combined effort between the customer service team, the buyer and the vendor to ship items to our customer in an efficient manner. In order to be successful, information should be obtained prior to offering drop ship items on our websites/catalog. Here is some information that we will need from the vendor in order to process drop ship orders.

The buyer should coordinate a meeting with the drop ship team to discuss the vendor information and information provided in the check list.

- DXL Group Order Processing:
  - All communication with DXL Group and the Vendor Net vendor will be via e-mail using Dropship@dxlg.com
  - Here is an example of our .txt file that you will receive:

```
<table>
<thead>
<tr>
<th>Purchase #</th>
<th>Customer Name/ID</th>
<th>Ship Method</th>
<th>Vendor Item Description</th>
<th>Qty</th>
<th>Cost per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>D000367243</td>
<td>P1597922</td>
<td>UPS Ground</td>
<td>5560-2 BLAC 62 L</td>
<td>1</td>
<td>99.00</td>
</tr>
<tr>
<td>D000367244</td>
<td>P1598104</td>
<td>UPS Ground</td>
<td>9560-7 TAM 46 R</td>
<td>1</td>
<td>99.00</td>
</tr>
<tr>
<td>D000367245</td>
<td>W0097617</td>
<td>UPS Ground</td>
<td>9560-9 DLX 46 L</td>
<td>1</td>
<td>99.00</td>
</tr>
<tr>
<td>D000367246</td>
<td>W0097607</td>
<td>UPS Ground</td>
<td>9560-9 DLX 46 L</td>
<td>1</td>
<td>99.00</td>
</tr>
<tr>
<td>D000367247</td>
<td>W0097608</td>
<td>UPS Ground</td>
<td>9560-9 DLX 46 L</td>
<td>1</td>
<td>99.00</td>
</tr>
<tr>
<td>D000367248</td>
<td>W0097609</td>
<td>UPS Ground</td>
<td>9560-9 DLX 46 L</td>
<td>1</td>
<td>99.00</td>
</tr>
</tbody>
</table>
```
**Buyer Requirements:**
Here is the information the Drop Ship team will need from the Buyer before processing orders for the Drop Ship Vendor.

- **Product/Vendor information:**
  - Buyer should provide the drop ship team with the Vendor name, Vendor #, Ecometry Item #, Vendor Model #, and UPC
  - Buyer should submit the above information to Merchandise Support for set up in Ecometry

**Shipment Requirements:**
- All catalog/web orders are shipped using DXLG’s UPS account # 0RA161, 3rd party bill to. Provide expected ship time beyond 3-7 business days.
  - Provide information on International Shipments including:
    - Restrictions if any (i.e. leather shoes)
    - Vendor Limitations to ship internationally
  - Provide any Shipping Restrictions if any
    - HI, AK, US Territories
  - Provide ability to ship expedited (next day, 2nd day, & Saturday delivery)

- For direct to store orders, please refer to Chapter 4 - Logistics and Routing Requirements.

**Returns/Warranties:**
- Buyer should ensure that vendor is responsible for Damaged Products during shipment process.
- All returns are shipped to Canton, MA and are processed with the 90 day return/exchange policy. Buyer should notify drop ship team if there are any special conditions (i.e. bikes) that would vary from the return policy and location.
- Is there a Warranty Period provided by the vendor beyond DXL Group’s 90 day policy.
- Buyer should provide information on repair policy and vendor responsibility for item after 90 days. Buyer should provide part replacement policy.

**Other requirements:**
- Need any other product requirements such as the ability to set up the item at the customer’s home (i.e. Pride Mobility Chair)
- Is item shipped fully assembled or partially? Buyer should provide assembly instructions if needed.

**Vendor Requirements:**
Here is the information the Vendor Net team will need from the Vendor Net Vendor.

- **Contact information:**
  - Provide an E-mail address to email orders
  - Provide contact person(s) & telephone number and back-up contact.
  - Fill our vendors check list and sent to dropship@dxlg.com
  - For all direct to store drop ship orders please contact traffic@dxlg.com and request routing, she will then supply the UPS account #’s as they are different from the catalog numbers.
• **Order confirmation:**
  o Vendor is required to notify DXL Group when an item is not available within 1 business day.
  o Vendor is required to notify DXL Group when an item is on back order and include expected ship date within 1 business day.

• **Shipment notification:**
  o Shipment Notifications should be emailed to Dropship@dxlg.com within 1 business days via:
  o File format (UPS Quantum View) or via vendor website access. The DXL Group Order # or PO # must be included

*Example of Quantum View:*

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This message was sent to you at the request of Specialties to notify you that the electronic shipment information below has been transmitted to UPS. The physical package(s) may or may not have actually been tendered to UPS for shipment. To verify the actual transit status of your shipment, click on the tracking link below or contact Specialties directly.

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**Important Delivery Information**

Message from
PO# 400181206,

Specialties:
Order # 1009926

Scheduled Delivery: 01-April-2010

**Shipment Detail**

Ship To:
PATRICIA
99 MORELAND GREEN DR
WORCESTER
MA 01609
US.

Number of Packages: 1
UPS Service: GROUND
Weight: 2.1 LBS

Tracking Number: 1Z2172200359193388
Reference Number 1: 1009926
Reference Number 2: 400181206

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*Next page is Vendor Checklist please fill it out*

**Drop Ship New Vendor Checklist**
Vendor information:
Vendor Name: __________________________
Vendor Email Address: __________________________
Vendor Contact Person: __________________________
Vendor telephone number: __________________________
Vendor Contact back up: __________________________

Vendor communication:
____ Vendor communicated order confirmation process (NLA/BO) within 1 business day.
____ Vendor communicated shipment confirmation requirement (UPS Quantum View or website via 1 business day.)
____ Vendor has been provided with DXL Group’s Email address Dropship@dxlg.com
____ Vendor has been provided with DXL Group sample .TXT file and frequency

Product/Vendor Information:
____ Buyer has coordinated a meeting with the Vendor Net team to review vendor info
____ Vendor Name, Vendor #, Ecometry Item #, Vendor Model#, UPC provided to Vendor Net team.
____ Merchandise Support has completed set up in Ecometry

Shipment Requirements:
____ Vendor has confirmed method of shipment
____ Vendor has been provided with DXL Group UPS account number if needed
____ Vendor has provided expected ship time if it is beyond 3-7 business days
____ Vendor has provided International shipment information
____ Vendor has provided shipping restrictions
____ Vendor has provided expedited shipping information.

Returns/Warranties:
____ If not using DXL Group UPS account, has provided return shipment process
____ Vendor is responsible for Damaged products during shipment
____ Vendor returns are shipped to Canton, MA with 90-day return policy. Special return conditions identified and communicated.
____ Warranty information provided
____ Repair policy/parts after 90 days identified and communicated

Other:
____ Any product requirements identified and communicated (i.e. setup)
____ Item shipped partial/assembled identified and communicated with instructions.

Contact information:
Vendor Net Coordinator:

Danielle Curnane
555 Turnpike Street
Canton, MA 02021
781-828-9300 ext 2964
dcurnane@dxlg.com

Any questions on Drop Ship please email Dropship@dxlg.com
GOH Container Loading

1. All suit jackets, prepacks and eaches, need to be loaded in the rope loops with the rope hanging in front of the suit jackets. See illustration 1 below.

2. As illustrated, for eaches load one suit jacket per loop. See illustration 2 below.
3. When loading prepack bundles, two loops on a rope should be used. One bundle should be loaded into the top loop, the second bundle should be loaded into a bottom loop to avoid rubbing. In illustration 3 below, we used the 7th loop. The following rope needs to be on loops that will ensure that the hangers will not rub. We used the 2nd loop down and then the 8th loop. This should continue through the container. There were approximately 19 loops on these ropes, please be sure not to let the suit jackets touch the floor.

4. To avoid hangers rubbing and potentially causing fabric wear, we are suggesting that a divider is placed between each rope. The divider material option is your choice (options we thought of - cardboard, kraft paper, polybags, muslin). In illustration 4 and 5 below, we stapled a piece of bulk fabric to the top of the highest polybag and the bottom of the lowest polybag on the back bag, where you would staple the UCC128 label for a prepack bundle. This process should be done on both eaches and prepacks. Once a divider is chosen, please send a jpeg for our file.
IMPORTANT

Trailer/Container and Pallet Loading

These requirements must be read and fully understood by the personnel responsible for trailer/container and pallet loading. Ensure that any questions are presented to DXL Group Vendor Compliance VendorCompliance_PLM@DXLG.com prior to any loading.

- **NO EXCEPTIONS**

- **PO and SKU**
  - Cases must always be loaded facing towards the tail of the container or trailer
  - Must always be packed together by PO and also by SKU in consecutive order when loading a trailer or a pallet
  - Whether floor loaded into a trailer / container or stacked on pallets; there are absolutely no exceptions to loading together by PO and SKU #
  - Ensures an efficient unloading process at DXL Group’s distribution center

- **Cartons are loaded on a pallet by PO and SKU**
  - The cartons must be uniformly stacked in a block configuration with the carton label clearly visible.
  - When pallet loading it is important to ship as few pallets as possible to reduce freight charges
  - We permit and encourage multiple PO’s and SKU’s on a pallet as long as they are stacked together by each PO and SKU in consecutive order

Traffic Department Email: traffic@dxl.com / Fax: (781) 828 – 5035
Telephone: (781) 828 – 9300 Ext. 2528 or 2223

Standard Shipping Terms

**LDP Shipments for both Domestic Vendors and Direct Sourcing Suppliers**

Supplier’s confirmation of purchase orders is acceptance of shipping terms.

Suppliers must plan properly to have goods at FOB USA point location in time to call for routing within the shipping window which is set forth on the purchase order. Product must be called for routing within the ship window on the purchase orders in the section containing “Do Not Ship Before” and the “Do Not Ship After” in order to achieve the expected delivery date. Supplier must contact the DXL Group Traffic Department for routing and documentation instructions. Designated in each purchase order there are eight (8) days in the shipping window allowed by Logistics Department requirements.

If you have any questions, please contact the DXLG Logistics Dept. Email traffic@dxl.com or Telephone # (781)-828-9300, Ext. 2528.
Definitions of associated terms:

“Do Not Ship Before”: first date supplier must call for routing
“Do Not Ship After”: last date supplier must call for routing no later than this date
“Cancel Date”: this is the date following the “Do Not Ship After” date, purchase order is considered cancelled if the supplier has not called for routing
‘Early or “Late”: the status of purchase order that does not comply with the authorized shipping terms and is considered Unauthorized shipment unless written approval is obtained from merchandising buyer or executive level of management.

FOB Vessel Country of Origin Suppliers

Suppliers’ confirmation of purchase orders is acceptance of shipping terms.

Purchase orders must be shipped within the ship window established by the “Do Not Ship Before” and the “Do Not Ship After” vessel dates as written and contracted in the purchase order to achieve the expected delivery date. All suppliers should contact the appropriate Century origin office for booking, routing and documentation instructions at least thirty (30) days prior to the Do Not Ship Before date designated in each purchase order.

Definitions of associated terms:

“Do Not Ship Before”: first vessel sailing date available
“Do Not Ship After”: last vessel sailing date available
“Cancel Date”: this is the date following the “Do Not Ship After” date, purchase order is considered cancelled if it has not sailed on a vessel within the ship window
‘Early or “Late”: the status of purchase order that does not comply with the authorized shipping terms and is considered Unauthorized shipment unless written approval is obtained from merchandising buyer or executive level of management.

Authorization for Late Shipment

Merchant team may elect on exception basis only to choose one of the following for disposition of late shipments:

LDP Shipments for both Domestic Vendors and Direct Sourcing Suppliers
- Cancel all or part of the purchase order
- Impose financial penalty and allow the purchase order to ship

FOB Vessel Country of Origin Suppliers
- Cancel all or part of the purchase order
- Impose financial penalty and allow the purchase order to ship
- Purchase order shipped via air freight at the supplier’s expense
In the event of DXL Group concedes to early or late shipment, supplier must have obtained authorized approval in writing from the merchandising buyer or executive management team and must include the details of the negotiated disposition of the purchase order(s) such as but not limited to; discount for reduced cost, reduced quantity, charges for expedited shipping and/or distribution center handling or participation in markdown exposure.

**Unauthorized Shipment**

Purchase order(s) shipped prior to the Do Not Ship Before date or after the Do Not Ship After date *without prior written approval* are deemed unauthorized shipments. Unauthorized shipments will not be received by the Distribution Center and are subject to supplier non compliance chargeback policy and procedures on average but not limited to assessment fee of 5.0%

**Chargeback Policy**

*Please refer to the chargeback assessment chart for non-compliance with any of the aforementioned merchandise preparation and/or packaging requirements*