

IMPROVEMENTS®

...for your home, inside and out

Vendor Compliance Manual

UPDATE 8.1.2009

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INTRODUCTION:

Please read this guide carefully. We want to address requirements “up front” to minimize back-end operating disruptions. If a shipment is received that does not conform with our requirements, a chargeback to recoup the costs of special handling could result. It is our desire to eliminate chargebacks by educating our vendor partners of our requirements prior to receipt of the first shipment.

We look forward to a successful and long-term relationship.

Code of Conduct for Manufacturers

At Improvements, we are committed to:

- a high standard of excellence in every aspect of our business and in every corner of the world,
- ethical and responsible conduct in all of our business dealings and operations,
- respect for the rights of all individuals, and
- respect for the environment.

We expect the same commitments to be shared by all manufacturers of merchandise supplied to us. At a minimum, we require that all manufacturers of merchandise supplied to Improvements meet the following standards:

Child Labor

Manufacturers will not use child labor. The term “child” refers to a person younger than 15 (or 14 where local law allows) or, if higher, the local legal minimum age for employment or the age for completing compulsory education. Manufacturers employing young persons who do not fall within the definition of “children” will so comply with any laws and regulations applicable to such persons.

Involuntary Labor

Manufacturer’s will not use any forced or involuntary labor, whether prison, bonded, indentured or otherwise.

Coercion and Harassment

Manufacturers will treat each employee with dignity and respect, and will not use corporal punishment, threats of violence or other forms of physical, sexual, physiological or verbal harassment or abuse.

Non-Discrimination

Manufacturers will not discriminate in hiring or employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.

Association

Manufacturers will respect the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty or interference.

Health & Safety

Manufacturers will provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring, at a minimum, reasonable access to potable water and sanitary facilities, fire safety and adequate lighting and ventilation. Manufacturers will also ensure that the same standards of health and safety are applied in any housing they provide for employees.

Compensation

Wages are essential to meeting employees' basic needs. Manufacturers will, at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates and other elements of compensation, and provide legally mandated benefits. If local laws do not provide for overtime pay, manufacturers will pay at least regular wages for overtime work. Except in extraordinary business circumstances, manufacturers will not require employees to work more than the lesser of (a) 48 hours per week and 12 hours per week overtime, or (b) the limits on regular and overtime allowed by local law, where local law does not limit the hours of work, the regular work week in the country plus 12 hours overtime. In addition, except in extraordinary business circumstances, employees will be entitled to at least one day off in every seven-day period.

Protection of the Environment

Manufacturers will comply with all applicable environmental laws and regulations.

Other Laws

Manufacturers will comply with all other applicable laws and regulations, including those pertaining to the manufacture, pricing, sale and distribution of merchandise. All references to "applicable laws and regulations" in this Code of Conduct include local and national codes, rules and regulations as well as applicable treaties and voluntary industry standards.

Monitoring and Compliance

Manufacturers will authorize Improvements and its designated agents (including third parties) to engage in monitoring activities to verify compliance with this Code of Conduct, including unannounced on-site inspections of manufacturing facilities and employer provided housing; reviews of books and records relating to employment matters; and private interviews with employees. Manufacturers will maintain all documentation on site that may be needed to verify compliance with this Code of Conduct.

QUALITY REQUIREMENTS

INSURANCE

The vendor must provide a certificate of insurance coverage for product liability (a minimum of \$2 million per occurrence), with HSN Improvements LLC named on the policy, prior to the initial shipment of any product.

CATEGORIES:

ELECTRICAL ITEMS

All electrical items must be evaluated to UL standards, and have CURRENT UL, CUL, ETL, CSA or TUV LISTING. This listing will be verified. Telephones and devices that use radio frequencies must comply with FCC regulations.

FOOD

All food items must be sealed and must have the ingredients and nutritional information listed on the package. In addition, we require documentation stating that the packaging facility is FDA-approved.

FOOD-USE ITEMS

ALL food use items must be in compliance with the FDA standards. The test report MUST reflect if the item is in compliance or noncompliance with California Proposition 65 standards. If the item will come into contact with a person's mouth, we also require ASTM lip and rim test results. You must provide test reports stating whether the item is safe for use in an oven, microwave or dishwasher.

FURNITURE

For all stools/chairs/furniture, we will need documentation of a static or dynamic load performance test specifying the maximum weight capacity.

COMPOSITE WOOD PRODUCTS

Products manufactured using Hardwood Plywood (HWPW), Particle Board (PB), or Medium Density Fiberboard (MFB) regardless of surface finish must be produced using only materials certified to be compliant with CARB regulation 93120. Documentation of compliance must be provided for record retention to Improvements Sourcing Dept. See page 18 for labeling details.

CHEMICALS/LIQUIDS/POWDERS/HAZARDOUS MATERIALS

All vendors must provide both the Buying Office and Quality Assurance staff with the Material Safety Data Sheets (MSDS) that detail information on each chemical including appropriate safety measures. The Department of Transportation (DOT) shipping classification must also be provided if it is not included on the MSDS. The Quality Assurance department will forward this information to the receiving department in the distribution center. The Distribution Center MUST have this information prior to shipment, or the delivery may be refused, or the vendor may be issued a chargeback penalty.

Item Requirements: Each supplier must comply with all local, state, and federal laws and regulations that apply to the labeling, shipping, storage and handling of hazardous materials. NOTE: Pressurized cans are considered hazardous materials regardless of contents.

MATTRESS/MATTRESS PADS/TICKING

ALL mattresses, mattress pads and ticking MUST be in compliance with Federal Regulations 16 CFR 1632. Please fax a copy of the test report along with a copy of the sewn in fiber content and/or care label for review and approval. Mattresses must be registered for compliance with bedding and upholstery regulations.

RUGS (BATH / AREA / THROW)

ALL rugs MUST be in compliance with Federal Regulations 16 CFR 1630/1631. Test reports must be available and forwarded to the QA staff for review/approval along with the sewn-in fiber content and/or care label.

TEXTILE PRODUCTS

Textile products such as table linens, cushions, furniture covers, window covers, etc., MUST have a sewn-in label stating the fiber content, country of origin, and the care instructions.

PRODUCTS CONTAINING LEAD-BASED PAINTS

Products must comply with U.S. Consumer Product Safety Commission guidelines. Visit <http://www.cpsc.gov/BUSINFO/regsumleadpaint.pdf> online for more information.

COMPLIANCE LABELING

Several industries require labeling for various products. Please be sure that all mandatory labeling is on the product. We will inspect upon receipt of shipment. Following are a few of the labels we will be looking for:

- * Candle Warning Label * UL/CUL/ETL/CSA/TUV Label
- * Suffocation Warning Label * LHAMA Label * Small Parts Warning Label

CLAIMS

Any claims or warranties advertised in the instructions, sales materials, or on the package of the product must have prior substantiation by an independent third-party testing laboratory. Claims will be reviewed by our LEGAL DEPARTMENT, which will require copies of prior substantiation documents.

INSTRUCTIONS/COMPONENTS

If the product requires assembly or requires several steps for use/care of the product, you MUST include English-language instructions with the product. In addition, many products, such as candles and candle holders, toys, and handcrafted items, have MANDATORY warnings or literature that MUST be stated on the instruction sheet.

All instructions will be reviewed and followed for ease and clarity. All components must be stated on the instructions. If the item requires additional components, such as light bulbs, batteries, or hardware, then the size, type or description of these components must be included with the product.

CONSUMER PRODUCT SAFETY IMPROVEMENTS ACT OF 2008

In accordance with the CPSIA beginning November 12, 2008, all shipments must include a general conformity certificate (GCC) to attest product is in compliance with the required mandatory standard. The complete list of regulations can be found on <http://www.ccsinc.com/improvements.htm>, under CPSIA or go to <http://www.cpsc.gov/businfo/reg1.html>.

PURCHASE ORDER REQUIREMENTS

Prior to preparing merchandise for shipping, you must receive a valid purchase order (PO) issued by Improvements. Valid purchase orders are transmitted to the vendor via U.S. mail, electronic facsimile (fax), EDI transmission or Vendor Net. Additionally, all new vendors must ensure that we are in possession of the signed Terms & Conditions contract, any associated certificates of insurance, and that all Quality Assurance (QA) and vendor shipping standards requirements have been met.

General Guidelines

A. All POs are subject to the terms stated in our Terms and Conditions. Additional or variant terms proposed by the vendor are rejected unless expressly assented to in writing by Improvements.

B. Only valid, final approved purchase orders will be authorized for shipment to Improvements. Do not accept telephone orders, worksheets or verbal commitments - they are not binding on Improvements. Merchandise shipped to our fulfillment center without a valid purchase order will be returned to the vendor, freight collect.

C. Ship only the styles, colors, sizes and quantities on your purchase order. If purchase order changes are agreed upon after receipt of the valid PO from Improvements, you must receive an updated copy of the PO reflecting the agreed upon changes.

Over shipments, under shipments, partial shipments, unauthorized style, color and size substitutions, merchandise not ordered, merchandise picked in error, merchandise not shipped within the period specified on the PO and defective merchandise will be refused and returned solely at the vendor's expense and risk.

ADVANCE SHIP NOTICE (ASN)

All shipments require an Advance Shipment Notification (ASN) to be emailed the same day the shipment leaves. This must be sent electronically through EDI, Vendor Net (web application), or via e-mail with our ASN Creator.

No faxed ASNs will be accepted at CCSG.

Vendor Net (ASN)-(PREFERRED METHOD)

Vendor Net is a web-based system in which you, the vendor, will receive email notification that your PO has been uploaded to Vendor Net. The vendor is then able to confirm the PO, create the UCC-128 labels and ASN within the program. The Vendor Net checklist must be completed and emailed to lpurent@improvementscatalog.com. Once you have been set up in Vendor Net, you will be contacted to be trained on its use.

ASN Creator

There is no cost to the Vendor to use this program. Each time you want to create an ASN, you must visit our website at <http://www.ccsgetc.com/Improvements.htm> and fill out the form online.

Once the ASN is completed, save it to your computer as an Excel file and email it to im-asn@ccsgetc.com. Please reference this shipment's purchase order numbers in the subject line of the email, and request a reply back that the email was received.

EDI

If a vendor has EDI capabilities, then the ASN can be transmitted via Electronic Data Interchange (EDI) in accordance with ANSI X.AS standards. These standards define the EDI ASN 856 advanced shipping notice document.

Please contact the CCSG EDI coordinator at vtg@cornerstonebrands.com.

Please be aware that Vendors will have a 3-month window to pass EDI testing. If you do not pass within 3 months, you will be charged \$150 per test thereafter, with all other relevant VC charges that may apply to your shipment.

ASN Instructions - Shipment Identification

Steps: Find the row representing the mode of transportation to be used.

Find the column representing the method to be used to transmit the ASN to CCSG.

Follow the instructions listed where the the row and column intersect.

Shipment Type	ASN Method / Shipment Identifier Field		
	Excel-based ASN Carrier Pro Field	VendorNet Tracking Number Field	EDI REF02 Segment
Imports			
Multiple containers	Each container must have its own ASN that includes only the cases loaded onto that container. Place the container number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Each container must have its own ASN that includes only the cases loaded onto that container. Place the container number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Each container must have its own ASN that includes only the cases loaded onto that container. Place the container number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: CBHU3188692
Single container (any size)	Place the container number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Place the container number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: CBHU3188692	Place the container number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: CBHU3188692
LCL	Place the vendor-assigned Bill of Lading Number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the vendor-assigned Bill of Lading Number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the vendor-assigned Bill of Lading Number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Air shipment	Place the carrier-assigned Airway Bill Number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the carrier-assigned Airway Bill Number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place the carrier-assigned Airway Bill Number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Domestic			
Multiple trailers	Each trailer must have its own ASN that includes only the cases loaded onto that trailer. Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Each trailer must have its own ASN that includes only the cases loaded onto that trailer. Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Each trailer must have its own ASN that includes only the cases loaded onto that trailer. Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Full Truckload	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Less-than-truckload (LTL)	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Consolidation shipment	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: AB102033576	Place EITHER the (1) carrier-assigned Pro number OR (2) the vendor-assigned Bill of Lading number in the REF02 segment. Do not include any hyphens or spaces. Example of proper format: AB102033576
Small Parcel	Select ANY ONE of the carrier-assigned parcel tracking numbers and place in the "Carrier Pro" field. Do not include any hyphens or spaces. Example of proper format: 1ZX672X90346427350	Select ANY ONE of the carrier-assigned parcel tracking numbers and place in the "Tracking Number" field. Do not include any hyphens or spaces. Example of proper format: 1ZX672X90346427350	Select ANY ONE of the carrier-assigned parcel tracking numbers and place in the REF02 Segment. Do not include any hyphens or spaces. Example of proper format: 1ZX672X90346427350

ASN (ADVANCED SHIPMENT NOTIFICATION) SPECIFICS

We require a consolidated ASN with UCC-128 case-level information, as a minimum, for every shipment. You must transfer the full 20-digit UCC-128 case number on the ASN. Each 20-digit case number must be unique; do not use the same case number. Be sure to use the Improvements SKU number that matches the P.O. (including color suffix and size suffix, if applicable) and the case quantity in that one box.

Case quantity (units) is the way we sell the item. For example: if we sell a set of two chairs, and we receive 10 chairs, then the case quantity should be five, representing the number of sets.

CASE MUST CONTAIN ONLY ONE SKU.

If multiple P.O.s are to be shipped under one Bill of Lading, each P.O. should be listed on the BOL, with a breakdown of number of pallets, cases, units and Improvements' SKU numbers.

When more than one truckload is sent, a unique BOL and unique ASN is necessary for each truckload.

Your ASN must be 100% accurate. In order to maintain accuracy, the 'scan and pack' method of ship-notice creation is recommended.

EXTERNAL CASE LABELING

UCC-128 (Universal Code Council) standard case labels are required for each shipped case.

If you are producing your own UCC-128 labels or using another label provider, you will need to have a label approved first; fax a copy to our UCC-128 Department (216-831-4026) and label “Vendor Compliance Dept”.

Example case label:

SHIP FROM:	SHIP TO: Improvements Catalog 8877 Union Centre Blvd West Chester, OH 45069
Ship to Postal Code: (420) 45069 	Carrier Info: Pro #: B/L #:
Purchase Order #: Improvements Item #: Vendor Item #: Size: Color: Qty/Case: Desc: Case # of	
(00) 0 7800032 000001930 7  (00) 0 7800032 000001930 7	

UCC-128 Shipping Case Label Data Requirements:	General Information:
a. Vendor Shipping Information (address)	Shipping Case Label must appear on every case
b. “Ship-To” Information (from PO)	Recommended label dimensions:
c. Bill of Lading (BOL) #	English: 6” (H) x 4” (W)
d. Purchase Order (PO) #	Metric: 15 cm (H) x 10 cm (W)
e. Improvements Item #	Type must be at least 3/16” (or 10 pt)
f. Vendor Item #	Attach shipping label to lower left corner of case
g. Item Description (Size, Qty, and Color)	PRO #'s may be requested in advance from issuing Shipping Company
h. Quantity per Case	Low-reflective tape, if tape is used on the label
i. UCC 128 Symbology (Case Identification Bar Code)	
j. Case Count (i.e. “01 of 05”)	
k. Lot #	

External Case Labeling: Specific Characteristics

UCC 128 Symbology Explanation:



The UCC-128 20-digit barcode is a sequential, serialized bar code that represents a case from a manufacturer or vendor. It consists of five parts:

- A. (00) lets the system know that the bar code is a UCC-128 bar code.
- B. 0 represents a case. All UCC-128 bar codes shipped to Improvements should have a 0 in this position.
- C. 123456 is the manufacturer identification number assigned to Compliant Company (123456 is used as an example only). The identification number is the first 6 digits of a product's UPC, preceded by at least one zero.
- D. 000000001 is the first sequential number for the first case shipped to Improvements by Compliant Company. The next case would have 000000002 and so on.
- E. 8 is the check digit calculated by the software application used to create the bar code. It is a calculation of the previous 16 digits.

A 20-digit case number may only be used once. Never duplicate case numbers!

The bar code should adhere to the following:

- UCC Code 128 subset “C”
- Encoded Digits: twenty (20) numeric
- Minimum Narrow Element: .02”
- Wide Element: .08”
- Minimum Bar Height: 1.0”
- Maximum Pattern Length: 3.12”
- Overall Pattern Length: 3.52” (including quiet zones)

IMPROVEMENTS UCC-128 RECOMMENDATION

ADI

This company (ADI) is not affiliated with Improvements Catalogs but is an inexpensive source to purchase UCC-128 compliant labels if you do not print them yourself. Just tell them you are an Improvements Vendor and they will know the exact format we require.

Vendors without the ability to create compliant UCC-128 barcode case labels may contact the following suppliers to purchase labels:

- Adaptative Data Interchange-ADI (Domestic or International Vendors).

Website: <http://www.adi-barcode.com/>

Phone: 937-436-2343, or Fax 937-436-2344

Email: jgribler@adi-barcode.com

or

- Elmicron Printing Services (European Vendors).

Website: <http://www.elmicron.de/>

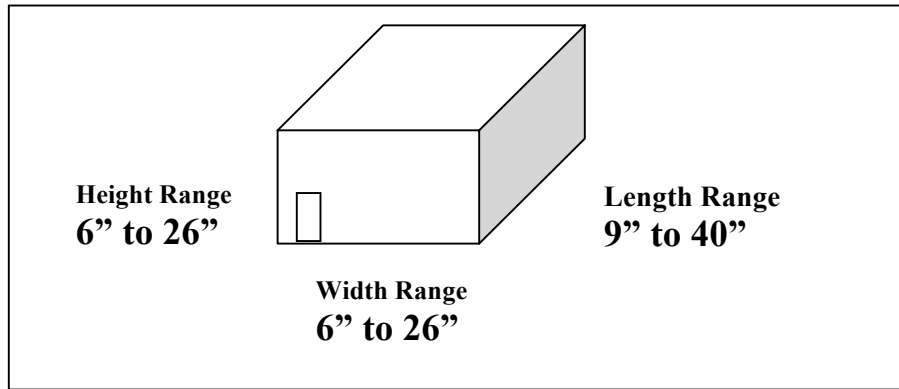
Phone: +49 (0) 34 45-78 11 20, or Fax +49(0) 34 35-77 01 42.

UCC Labeling Software Resources

Vendors who wish to create their own labels may purchase label-creation software. Improvements recommends the Bar Tender program by Seagull Scientific. You may purchase and download the full installation by visiting the Seagull Scientific website at: <http://www.seagullscientific.com/>. For information regarding pricing please contact Seagull Scientific Sales Department at 800-758-2001 or 425-641-1408, or email: sales@seagullscientific.com.

CASE REQUIREMENTS

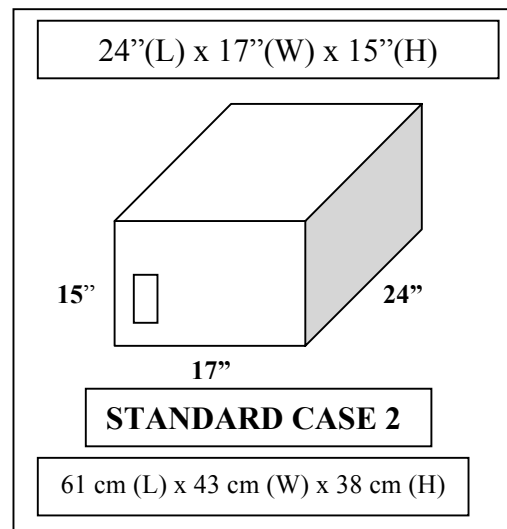
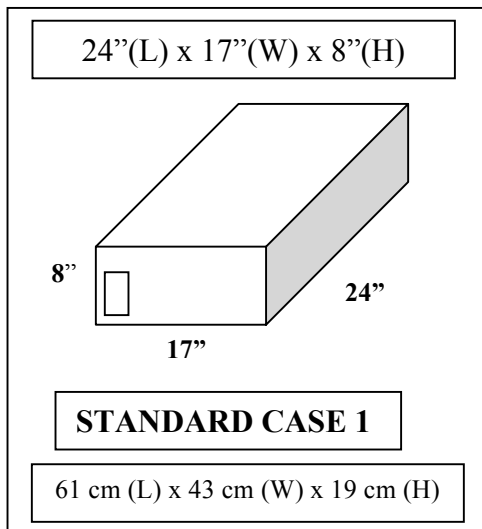
Master packing must be incorporated whenever possible. Master Case sizes must conform to the conveyable dimensions shown here so they can be put on the inbound conveyor and be stored in our reserve and active picking locations.



There are no minimums for the units of a master pack, as long as the carton is within the size range above and kept within the **maximum weight of 50 lbs.** If the case capacity is less than 2 units because of the large size of the product or weight, make the item a *Separate Ship Item* (1 unit per case) and keep in a conveyable box size in the ranges above. If any one item's size is larger than the above conveyable range, then it would be considered a non-conveyable item and can go outside the conveyable range. (Pages 13 and 14.)

Please remember that each product inside a master case will need a **Product Label**. (Pages 17-18.)

With smaller products, please try to use the Standard Case box sizes below.

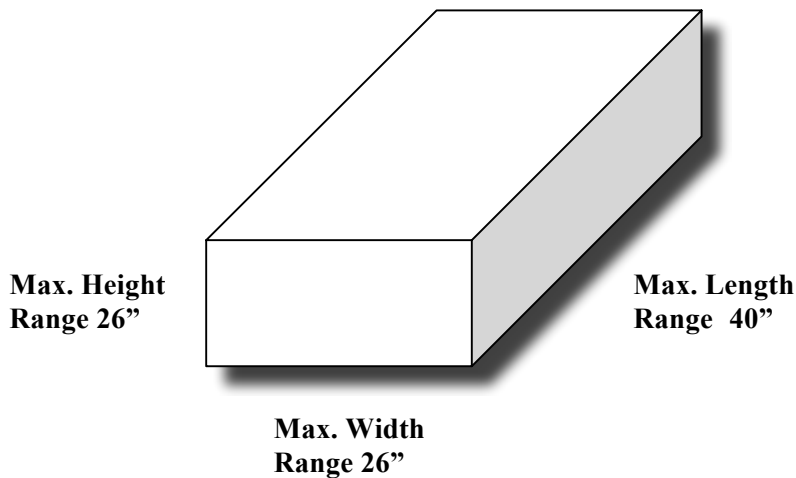


To prevent damage to our material-handling equipment, **do not secure conveyable case with straps, bands or strings. Do not use Styrofoam peanuts in packaging.** All of these are charge-back issues.

Case must contain only 1 SKU. Purchase orders cannot be mixed in cartons.

CASE LABEL PLACEMENT FOR CONVEYABLES AND NON-CONVEYABLES

How to Determine Conveyable vs. Non-Conveyable Products



Conveyable Cases - This diagram shows the maximum dimensions for a conveyable case. This is the largest case that can be transported by our conveyors. "Arrow" placement or "This Side Up" directions on box does not effect UCC-128 label placement.

Non-Conveyable Cases - If any case dimension is larger than one of these, the case is non-conveyable and must be labeled for non-conveyable receiving. "Arrow" placement or "This Side Up" directions on box does effect UCC-128 label placement.

Conveyables Labeling Guidelines

Challenges - Case must receive a usable scan, and ride the conveyor securely. The scanner is pointed at the lower left-hand area of the approaching case. To ride securely, the center of gravity of the case must be as low and evenly balanced as possible.

Requirements - The UCC-128 case label must be placed on the smallest side of the case. To do this, disregard what you may normally think is the height of the box. Find the two smallest measurements of the box. The smallest measurement will become your height and the next-to-the-smallest measurement will be your width. Turn the box with this side facing you. Place the label upright, in the lower left-hand corner, 1 inch from the bottom and left edges of the case. If your height is smaller than 6 inches, you can wrap the top portion of the label over the top of the box. Case flaps should not effect label placement. However, do not cross a flap with a UCC barcode.



**UCC-128
Label--
Regular
Box**

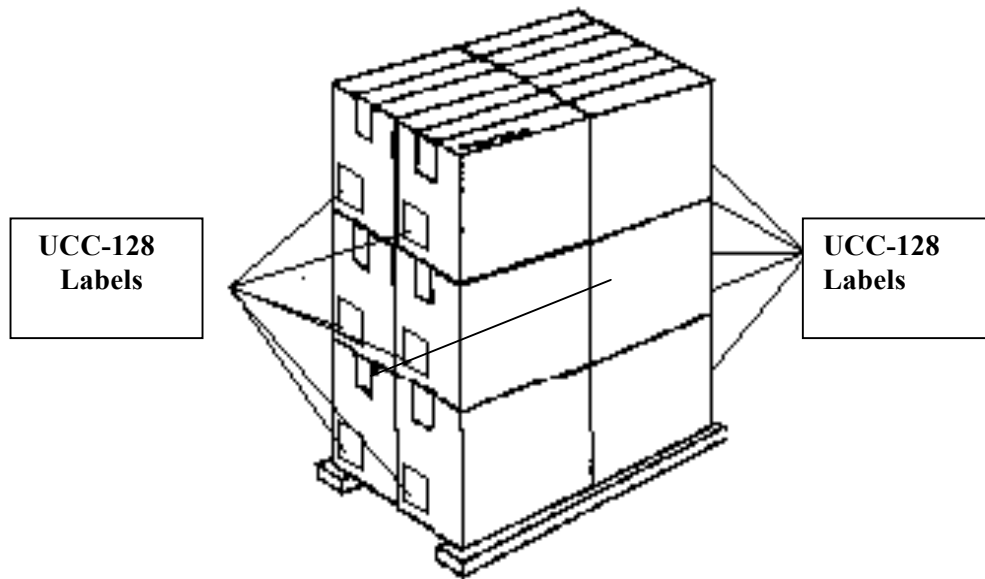
**UCC-128
Label--
Box shorter
than 6"**



Non-Conveyable Labeling Guidelines

The label placement must support the requirement for access by hand-scanning in the non-conveyable-items area. All UCC-128 labels must be positioned on non-conveyable items so they can be read from the outside of the pallet.

Place the UCC-128 label on the lower left-hand side of each box. The following illustration shows two sides where labels could be placed.



Arrow Directions for Non-Conveyables Only

The warehouse follows safe handling practices regarding transportation and storage of product. Consequently “arrow” instructions printed on incoming non-conveyable packages are considered critical. Vendors should only use these indications when the “arrow” instructions impact the security and protection of the product.

For example, if an arrow indicates that a product should be transported and stored in a vertical orientation, the product must arrive at the DC in this orientation, and the placement of the item or UCC 128 labels must coincide with this requirement, as shown here:



For questions regarding case labeling, please call our Vendor Compliance Specialist at 216-831-6191 Ext. 222.

GENERAL PACKAGING REQUIREMENTS

Vendors are expected to deliver merchandise in prepackaged units exactly as they are to be sold to the customer. (Absolutely no inserts, advertisements, romance cards, etc. [except instruction sheets] are to be included in the packaging without Improvements express prior approval.) All items require packaging that will protect them during distribution, storage, handling and shipping. There are four package formats that are acceptable to Improvements:

- * Polybags
- * Boxed, Non-Fragile Item
- * Protective Packaging, Fragile Item
- * Ship-Alone Packaging (Separate Ship)

POLYBAGGED ITEMS: Non-fragile items can be packaged in individual polybags with the Improvements style number on the product label (Pages 17-18). Multiple items of the same style number, size, color and pattern are then packed into a master carton. All items must be protected from dust, dirt, scratching, scuffing, etc. No item should be open to the environment. Items in a polybag must be packed into a master carton and palletized/unitized for shipment to the distribution center. The polyethylene bag must be a minimum of 1.5 mils thick and must be closed securely. Note: if the circumference of the polybag opening is larger than 14 inches then a warning label must be attached, as follows:

THIS BAG IS NOT A TOY.
WARNING: TO AVOID DANGER OF SUFFOCATION KEEP THIS BAG AWAY
FROM BABIES AND CHILDREN. DO NOT USE IN CRIBS, BEDS, CARRIAGES,
OR PLAY PENS. TEAR UP BAG BEFORE THROWING AWAY.

BOXED, NON-FRAGILE ITEMS: Many items are packaged in a retail box made from kraft board or corrugate boxes with burst strength less than 200 lbs. per sq. inch. This type of box may be sufficient for non-fragile items, or where there is sufficient inner protection to prevent damage from shock or vibration. The box must be sealed to prevent tampering or loss of product. If the product is exposed, or the item may fall out of the package during conveyance, a polybag, shrink film or over-box must be used. These items must be delivered in a master carton with a product label on each (Pages 17-18).

PROTECTIVE PACKAGING FOR FRAGILE ITEMS: Items that can easily break must have inner and/or outer protection sufficient to withstand the normal distribution handling and shipping environment. Inner cushioning should be provided in proportion to the fragility of the item. Several materials are available to cushion the inner product from damage, including EPS foam and fill, corrugate pads, bubble wrap, tissue or newspaper wrap, or shredded paper. NO STYROFOAM PEANUTS. Other cushioning materials may be pre-approved by Quality Assurance. Only items packaged in corrugate boxes with Mullen burst strength of 200 lbs. per sq. inch (32 lbs. edge-crush test) or greater may be packaged without a master carton. Multiple units may be packaged in a master carton, one style per master carton, or unitized for shipment.

SHIP-ALONE PACKAGING (SEPARATE-SHIP): The Improvements style number may be pre-printed or labeled. The material construction of ship-alone cartons is based on the fragility and weight of the item.

- For smaller, lightweight items, use a single-wall corrugate with minimum burst strength of 200 lbs. per sq. inch (or edge crush values of 32 lbs.) and inner cushioning, as appropriate to pass the drop tests. If the item scratches easily, it should be wrapped in paper or plastic film.
- For overseas shipments and heavier or larger items, we require double-wall corrugate with minimum burst strength of 200 lbs. per sq. inch with vertical fluting. The cartons should be securely sealed with reinforced tape or staples on both ends of the box. Inner cushioning should be designed to protect corners and edges of the item, and other sensitive parts of the merchandise.
- Rugs and mats: refer to pages 27-31.

CHEMICALS: LIQUIDS & POWDERS: Liquids and powders must be packaged to prevent leakage.

1. **Aerosols:** Cans must have protective plastic cap covering the nozzle.
2. **Non-Hazardous Powders, Pastes and Creams:** Must be in containers that will not leak under normal mail-order handling and distribution. Kraft boxes without inner liners are not acceptable for powders.
3. **Non-Hazardous Liquids:** Must have a functional inner seal. Spray applicators cannot serve as closure when item is greater than four ounces. Applicator must be enclosed together with the product in a sealed polybag, or otherwise securely attached to the container. If item is four ounces or less, the applicator can serve as the closure if it has a protective plastic cap over the nozzle.
4. **All Hazardous Chemicals—Powders, Pastes, Creams, Liquids:** Item must have a functional inner seal AND be in a sealed polybag (minimum 40-gauge thickness). Hazardous is defined as a Health Hazard Rating of 3 = High (Serious) or 4 = Very High (Extreme) from the Material Data Safety Sheet.
5. **Glass:** When glass is the only acceptable packaging material for an item, the product must be reviewed by Improvements Quality Department for approval.

If liquids are received leaking as packaged from the vendor, and it is determined to be due to insufficient packaging or an inadequate container seal (not as a result of transport handling), then the portion of the shipment that is affected will be destroyed “in the field” to prevent incurring additional liability for personnel who may be harmed, or other products or equipment that may be damaged during a return shipment. Although this product is destroyed, normal documentation will be completed and submitted to the vendor for credit or reimbursement.

PRODUCT LABEL

All items, conveyable or non-conveyable, must have a **product label** even if the quantity is just one to a box. If an item is **master-packed**, then each individual box or poly bag inside must be individually labeled with a **product label**, as well as the outside of the **master pack**. This can be done with a label or printed on the box.

The following information must be included on the product label:

- Improvements Item # (from the PO)
- Product Description
- Color (if applicable)

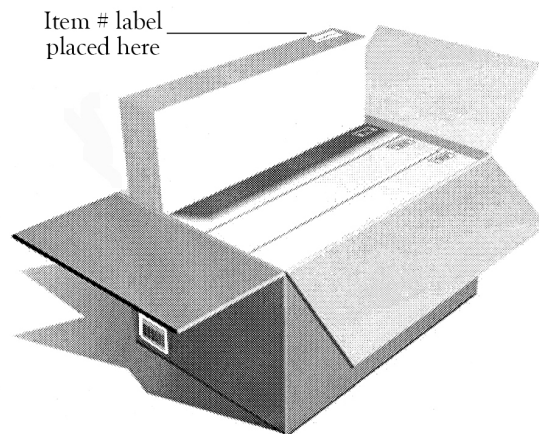
All label fonts must be either 10-pt. or 12-pt. tall. An address label (1"x2-5/8") will work well.

Position individual **polybag** product labels on the front lower right of each item inside a master case.

Position individual **box** product labels on the outside upper right of each item inside a master case.

The product label should also be placed on the outside of each Master Case on the same side as the UCC-128 label, but in the upper right corner. If you are printing the Improvements item # information directly on the box, then any location on the box is okay.

Example item label:



ORM-D Labeling

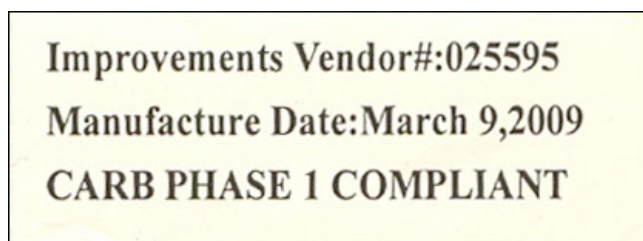
ORM-D (Other Regulated Materials- Domestic) is any item containing hazardous material in a limited quantity that presents hazard during transportation due to its form, quantity or packaging. Items classified as ORM-d must be labeled with the consumer commodity ORM-D label.



CARB 93120 for Composite Wood Products

Any item manufactured using HWPW, PW, or MDF must be labeled in accordance with 93120.7(d) to confirm compliance to the approved Airborne Toxic Control Measure (ATCM) enacted to reduce Formaldehyde emissions from composite wood products. Labels must include, at a minimum, the following information:

- Vendor number
- Date of production
- Denote compliance with Phase 1 or 2



Placement of the Carb label needs to be on the front of each master carton as well as on each individual item. The placement of the Carb label should be in a discreet location on the back or bottom of the item: it should not be seen when the item is in use.

PACKAGE TESTING REQUIREMENTS

All items must be package-tested before they are shipped, to insure that our customers receive undamaged merchandise. All packaging samples must be tested in-house at Improvements using the following guidelines. All previous test results stand unless otherwise notified. For instructions on sending your packing test sample, domestic goods contact your buyer, import goods contact the sourcing department. **Do not use Styrofoam peanuts in packaging.**

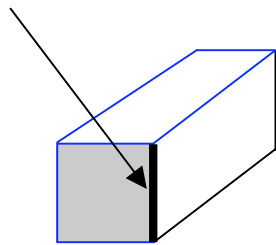
1. Determine the weight and girth of an item. Girth is calculated using the formula below:

$$\text{Longest side} + (2 \times (\text{next longest side} + \text{smallest side}))$$

2. All items that weigh less than 150 lbs., and whose girth is less than 165 inches, will be dropped from a height of 30 inches. The item will be dropped a total of 14 times using the drop techniques below:

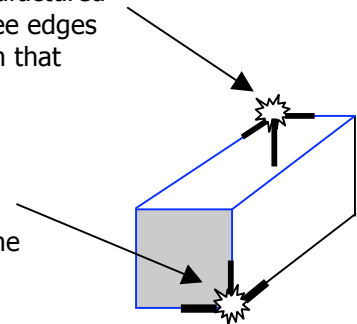
- Item is dropped on the manufactured corner bottom, the direct opposite top corner, and the three seams leading away from those corners.
- Item is dropped on the top, bottom and all four sides.

This is the manufactured edge where you see the manufactured seam.



Drop from 30 inches at the top corner of edge directly opposite the manufactured seam and the three edges leading away from that corner.

Drop from 30 inches at bottom corner of manufactured edge and the three edges leading away from corner.

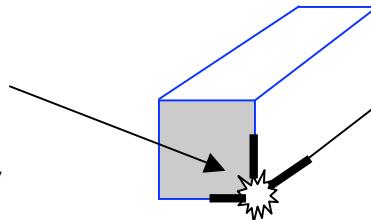


3. All items that weigh more than 150 lbs., and whose girth is more than 165 inches, will be dropped from a height of 24 inches.

The item will be dropped a total of 10 times using the drop techniques below.

- Item is dropped on the manufactured corner bottom and the three seams leading away from that corner.
- Item is dropped on the top, bottom and all four sides.
-

Drop from 24 inches at bottom corner from manufactured edge and three edges leading away from corner.



PACKING LIST

TRUCK LINE / CONTAINER - Packing slip may be attached to the Bill of Lading (BOL)

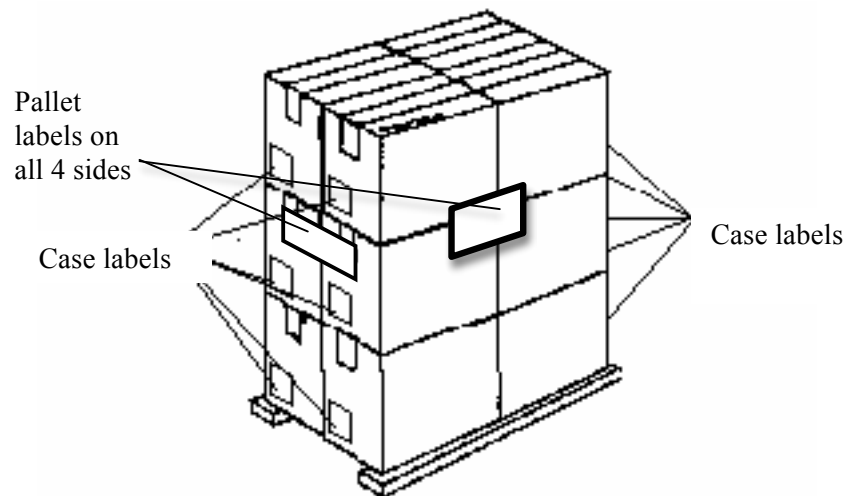
OR - externally attached on LEAD case for EACH PO.

UPS / ALL OTHERS - One packing slip externally attached on EACH case.

VENDOR NAME Street Address City, State Zip Code Phone Number Fax Number					
PACKING LIST					
BILL TO: Improvements Catalog CCSG—Accounts Payable P.O. Box 1098 West Chester, OH 45071 U.S.A.			SHIP TO: Improvements Catalog CCSG 8877 Union Centre Blvd. West Chester, OH 45069 U.S.A.		
CARRIER USED: <input type="text"/>		CARRIER PRO #: <input type="text"/>		SHIP DATE: <input type="text"/>	
PURCHASE ORDER #: <input type="text"/>					
Quantity Ordered	Quantity Backordered	Quantity Shipped	Improvements Item Number	Vendor Item Number	Description Size, Color, Style
TOTAL UNITS <input type="text"/>		TOTAL CARTONS <input type="text"/>		TOTAL PALLETS <input type="text"/>	
				TOTAL WEIGHT <input type="text"/>	

PALLETIZING

- a. The required pallet size is 48" long x 40" wide (1.22m long x 1m wide).
- b. Use 4-way pallets.
- c. A pallet label, including the following information, must be on all 4 sides of EACH pallet:
 - Vendor Name
 - Address
 - PO #
 - PRO #
- d. A separate sheet of brightly colored paper, approximately 8.5" x 11", should be placed on all 4 sides of each pallet. These sheets should read:
"PLEASE DO NOT BREAK DOWN SKIDS"
- e. Cartons on the pallet must not overhang pallet length or width.
- f. Maximum height of pallet is 65" (1.65 meters), including cases and pallet.
- g. When palletizing multiple Purchase Orders, cases of the same PO should be on the same level of the pallet or on the same pallet.
- h. Cases of the same PO should be numbered "xx of xx" starting with "1 of xx".
- i. Place cases on pallet so all of the case labels face forward (column-stacked) as shown:



BILL OF LADING

Vendor name, carton count AND **purchase-order numbers must be printed** on the Bill of Lading. If multiple POs are shipped on one BOL, then the total cartons across all ASNs must match the total cartons on the BOL. This is extremely important.

ROUTING GUIDE & TRANSPORTATION

All shipments must follow the Routing Guide. It is the Vendor's responsibility to have the most up-to-date Routing Guide available. The latest routing guide is available on <http://www.ccsinc.com/improvements.htm> for all shipments going to the CCSG Distribution Center.

Any of the following violations will result in a penalty:

1. **Freight shipments not shipped "collect" or "billing terms collect", or is billed to a third-party:**
 - If Improvements or its affiliates are paying any portion of the freight, shipments are to be made on a "freight collect" basis. Merchandise invoices with freight charges added will be paid net of freight charges.
2. **UPS shipments not shipped "collect":**
 - Please use our UPS account number from the Routing Guide.
3. **Unauthorized carriers:**
 - If Improvements or its affiliates are paying any portion of the freight, then the carrier specified in our current routing guide for the origin/destination/shipment size must be utilized. All merchandise lost or damaged will be the responsibility of the vendor if wrong carrier is used.
4. **Overweight shipments:**
 - Shipments matching the overweight/oversized shipment characteristics in our current routing guide must be routed per the overweight/oversized shipment-routing instructions. Each shipment will be assigned a unique authorization number regardless of the specific carrier selected by CCSG Transportation or their agent. The authorization number must appear on your bill of lading or air bill.
 - Multiple-trailer shipments require one Bill of Lading per trailer.
5. **Shipment did not match authorized weight, cube, cartons:**
 - Shipments being routed via our overweight/oversized routing guidelines must match the weight, cube, and carton count authorized.
6. **Unauthorized air shipment.**
7. **Failure to consolidate same day / destination shipments:**
 - All merchandise to be shipped from a single shipping address to a single destination address on the same day must be combined onto a single Bill of Lading. Routing guidelines should then be applied to the entire shipment.
8. **Merchandise consigned to wrong location:**
 - Merchandise must be consigned to the proper location as specified on your purchase order. Failing to ship to the address specified on the purchase order will result in the following:
 - a) All freight charges will be the responsibility of the vendor.
 - b) Any detention fees and/or transfer freight will be the responsibility of the vendor.
 - c) An expense offset will be assessed.

DIRECT IMPORT REQUIREMENTS

As a Improvements Vendor, you MUST comply with all U.S. Import requirements, as per the Department of the Treasury, U.S. Customs Service. Vendors will be held accountable for any and all violations of these U.S. Import Requirements that result in delays or additional costs to Improvements. For more details regarding U.S. Import Requirements and U.S. Customs, please reference <http://www.customs.treas.gov>.

Documentation

All entries are required by Customs Service to accommodate the paying of duties and taxes that are due and payable to the U.S. government at the time of importation. Duties are assessed when the importing carrier arrives at the U.S. port of entry. To facilitate the entry of goods into the United States, U.S. customs officials require that proper documentation must be provided within 5 working days from the date the carrier arrives, to secure their release.

To successfully meet these requirements, Improvements Catalogs request the following documentation/Customs paperwork written in English: **Please note that "Customs Paperwork" includes but is not limited to : Commercial Invoices, Packing list and original bill of lading (if applicable) plus any other customs required paperwork for the specific commodities.*

- **ISF 10+2 requirements as outlined by US customs** (See page 25)
- **CPSIA- Consumer Product Safety Import Act** (See page 25)
- **General Certificate of Conformity (GCC)** (available on <http://www.ccsinc.com/improvements.htm>)
- **Lacey Act- Plant and Plant Product Form** (See page 26)
- Commercial Invoice (indicate phase of compliance to Carb 93120 for all composite wood products)
- Packing List.
- Quantity and net weight of each item.
- Marks and numbers on each box, case, per container.
- Textile declarations and Quota Charge Statements.
- NAFTA forms.
- Certificate of origin of the item (Form A).
- Shipping documents.
- Other Documents (if applicable)

OTHER AGENCY REQUIREMENTS

- FDA Permits
- ATF Labels or permits
- USDA regulations satisfied
- DOT, EPA, or other agency requests
- TSCA Statements

Country of Origin Markings

In addition to the labeling requirements already specified in this manual, Improvements and U.S. Customs require the following of imported products.

All imported articles are required to be marked individually with "Made in _____" or "Product of _____" and put in a conspicuous place as indelibly and permanently as the nature of the item permits (except if marking an item would cause damage.)

Improvements requires the Country of Origin to be marked on the individual item, AND on the item packaging.

If paper sticker or pressure-sensitive labels are used, they must be affixed in a conspicuous place and so securely that unless deliberately removed they will remain on the article while it is in storage or on display, and until it is delivered to the ultimate purchaser. When tags are used, they must be attached in a conspicuous place and in a manner, which ensures that unless deliberately removed they will remain on the item until it reaches the ultimate purchaser. **Marking that will not remain on the article during handling or for any other reason except deliberate removal is not a proper marking.**

Vendors will be held accountable for any and all violations of these U.S. Import Requirements that result in delays or additional costs to Improvements.

Specifications for Import Vendors

- a. Packing slips must be ON and IN the lead case for each purchase order (Example: cases of the same PO should be numbered “xx of xx” starting with “1 of xx”, 1=lead case).
- b. Bill of Lading (BOL) and PRO# are supplied by the import vendor’s freight forwarder.
- c. The carrier for an import vendor is their freight forwarder.
- d. The UCC-128 label bar code must meet the following specifications:
 - Minimum narrow element: .02” (.05cm)
 - Wide element: 1.0” (2.5cm)
 - Minimum Bar Height: 1.0” (2.5cm)
 - Maximum Pattern Length: 3.12” (7.9cm)
 - Overall Pattern Length: 3.52” (8.93cm)
- e. Cases must meet the following dimensions:
 - Minimum case weight is 2 lbs. (0.9kg)
 - Maximum case weight is 50 lbs. (22.7kg)

IMPORTER SECURITY FILING (ISF 10+2)

Effective January 25th, 2009, Customs published Importer Security Filing Rule known as 10+2 and refers to the 10 additional data elements that will be required from importers and the 2 additional data elements that will be required from carriers.

The rule requires importers to transmit an Importer Security Filing to Customs for cargo other than foreign cargo remaining on board (FROB), no later than 24 hours before cargo is laden aboard a vessel destined to the United States.

As a Improvements Vendor you are required to provide the data elements shown below as part of your import packet provided to the freight forwarder.

REQUIRED DATA ELEMENTS:

- **Manufacturer (or seller) name & address (Factory)**
- **Seller name and address (Vendor/Agent)**
- **Buyer name and address**
- **Container Stuffing Location**
- **Consolidator (stuffer) name & address**
- **Importer of record identification #**
- **Consignee #**
- **Country of Origin**
- **HTSUS #**

CONSUMER PRODUCT SAFETY IMPORT ACT (CPSIA)

In accordance with the CPSIA beginning November 12, 2008 all shipments to Improvements Catalog must include a General Conformity Certificate (GCC) to attest product is in compliance with the required mandatory standard. This certificate is required to be included with the import documentation provided to the freight forwarder and to Improvements Sourcing Dept. in electronic form for record retention.

The General Certificate of Conformity must at a minimum include:

- Identification of the product covered.
- Citation to each CPSC product safety regulation to which the product is being certified.
- Identification of the manufacturer certifying compliance of the product.
- Contact Information for the individual maintaining records of the testing results.
- Date and location where the product was manufactured.
- Date and location where the product was tested for compliance with cited regulations
- Identification of any third-party laboratory on whose testing the certificate depends.

An example of the acceptable GCC form can be found on <http://www.ccsinc.com/improvements.htm>.

LACEY ACT

The purpose of the Lacey Act is to prevent the trade in illegally harvested lumber and wood products made from illegally harvested lumber. The Lacey Act makes it unlawful to trade in any plant that is taken, possessed, transported, or sold in violation of the laws of the United States or any foreign law that protects plants.

On April 1, 2009 the Lacey Act requires an import declaration for all plants and plant products, except plant based packaging used exclusively to import other products. Improvements vendors must file a declaration to be included with the import packet that contains the scientific name of the plant, the value of the importation, quantity and the name of the country from which the plant was taken.

Declaration form can be downloaded directly by going to:
http://www.aphis.usda.gov/plant_healthy/lacey_act/index.shtml.

More information concerning the "new" import regulations can also be found on the Improvements website: <http://www.ccsinc.com/improvements.htm>.

Contact information for any questions regarding the Import Regulations -

Elizabeth Arenas- email to: earenas@improvementscatalog.com

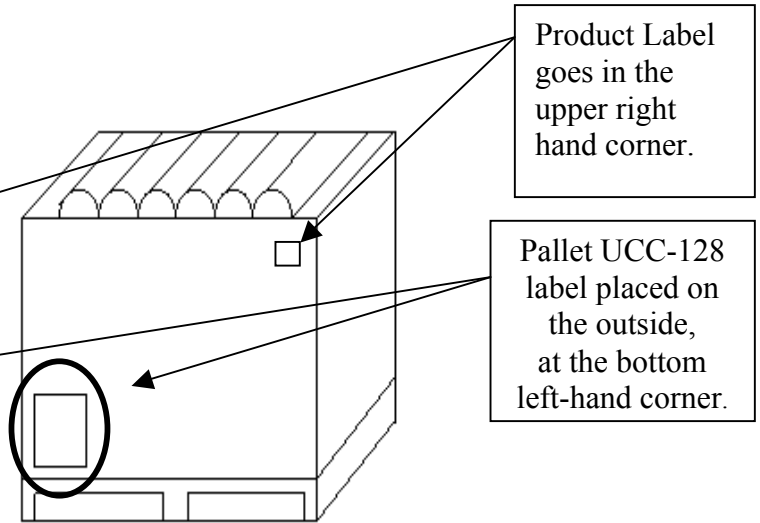
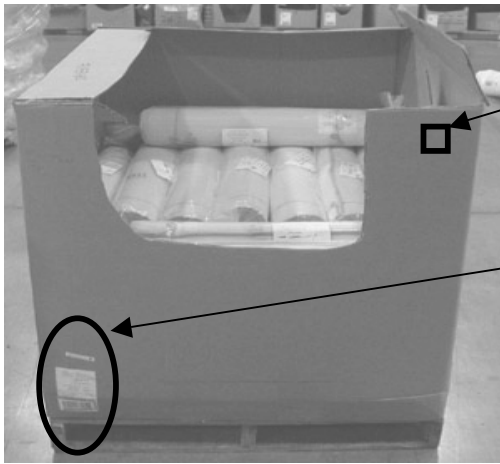
Jessica Wilhelm- email to : jwilhelm@improvementscatalog.com

RUGS, FABRICS AND DOORMATS 1.0

All rugs, fabrics and doormats shipped to the warehouse must meet the following qualifications.

Small Rugs 4' x 6' or under:

- a. Preferably, small rugs should be placed in a Gaylord box. Each pallet must have a UCC-128 pallet label in clear view placed on the outside of the Gaylord. This label should list the Improvements sku and the quantity for the pallet and PO.




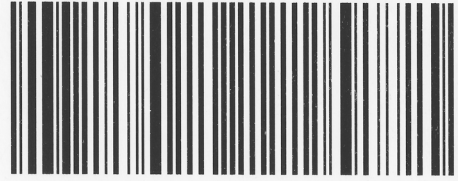
- b. A Product Label should also be positioned on the same side as the UCC-128 label, but in the upper right-hand corner of the Gaylord box.
- c. One sku per pallet and Gaylord box.

UCC-128 Pallet Labels and Gaylord Labels

Pallet and Gaylord labels are used for small rugs under 4' x 6' and doormats that are not in a conveyable master-case box. Each pallet of rugs must be accompanied by a UCC-128 pallet label. The label must be affixed to the outside of the Gaylord box. The label must be the VICS Universal Code Council 128 (UCC-128) standard case label. Each label must include the following information:

- a. Vendor Shipping Address
- b. "Ship-To Address"
(from PO)
- c. PRO # (Carrier Tracking #)
- d. Purchase Order # (PO)
- e. Improvements Item #
(SKU)
- f. Vendor Item #
- g. Item Description
(Size, Color, Style)
- h. Carton Count (ie. 1 of 5)
Case Count (quantity on
pallet)

E
X
A
M
P
L
E

SHIP FROM:	SHIP TO: Improvements Catalog 8877 Union Centre Blvd West Chester, OH 45069
Ship to Postal Code: (420) 45069 	Carrier Info: Pro #: B/L #:
Purchase Order #: Improvements Item #: Vendor Item #: Size: Color: Desc: Case # of	
(00) 0 7800032 000001930 7  (00) 0 7800032 000001930 7	

Please don't forget to put a Product Label on each rug, and on the pallet's packaging on the same side as the UCC-128 label.

Small Rugs 4' x 6' or Under - Another Option:

1. If Vendors do not ship in a Gaylord box, they must place these rugs in a conveyable master case box (page 13). A conveyable master case box also works well for small quantities of rugs of the same sku which will not fill a Gaylord box.
2. One sku per master case.
3. Please remember not to go over 50 lbs. per master case box.
4. A Product Label must be placed on each rug's poly bag with the Improvements sku.
5. A UCC-128 label must be placed in the correct position on this master case box (page 13). A Product Label also goes on the same side as the UCC-128 label, but in the upper right-hand corner (pages 17-18).

Rugs 4' x 6' or larger, & Fabric Bolts:

1. One sku per pallet.
2. Pallet should be accommodating to the length of the rugs, to avoid dragging. Use longer pallets for longer rugs to avoid damage caused by dragging rugs. Rugs and fabrics should be stretch-wrapped or banded to a pallet to prevent shifting during transit.

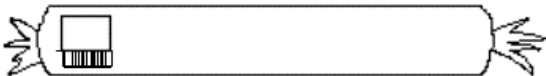


This photo illustrates a pallet that suspends the rug above the ground, free from dragging.



This rug suffered significant damage and is no longer saleable.

UCC-128 Labels for Rugs over 4' x 6' or larger, & Fabric Bolts



Large rugs and fabric bolts will need a UCC-128 label on each item. Label the poly-bag with a UCC-128 case label (include size of rug, or yardage, if fabric), Purchase Order #, and Quantity.

Example: Rugs: Quantity: 1. Fabric: Quantity in whole yards.

See above illustration for the correct UCC-128 placement of this label on rugs and bolts of fabrics.

Also place a Product Label on each rug or fabric bolt at the end of the bolt.

Product Label

Each rug must be individually labeled with the Improvements item number. This label contains the rug's SKU number accompanied by any size, color, or style definitions that follow.

123456
Coral Border Rug 6' x 9'
Vendor Item # 30-1249-04
PO# 100064144

Packaging

Each rug or bolt of fabric should arrive in its own plastic or mesh bag, and individually labeled with Improvements Product Label. Rugs or fabric bolts are not to be bagged in multiple quantities or banded together.



Rugs or fabric bolts combined in one bag or banded together is not acceptable.

3. Rugs and fabric bolts should be placed in durable polyethylene bag that is at least 2-3 mils thick, or Ty-Vek material.
4. Securely seal the bag with PVC tape, but interlocking plastic ties are acceptable as long as the tail is taped down.
5. Please double-bag rugs 4' x 6' or larger.

Doormats

There are two options for shipping doormats.

1. Individually place each doormat into a polyethylene bag that is at least 2-3 mils thick, or a bag made of Ty-vek material. Securely seal the bag with PVC tape and apply to the bag a Product Label that includes the Improvements sku. Multi-pack the item into a conveyable master-pack cardboard box (page 13). Place the UCC-128 label (page 13) and the Product Label in the correct positions on the master pack carton (pages 17-18).

2. Doormats can also be sent by pallet. Do not poly-bag the item. Product label must still be attached securely to each rug by hangtag. Please see the following specifications:
- Pallet shall be built to closely match the size of the doormats; that is, sized to avoid overhang (pallet too small) or wasted space (pallet too large).
 - Doormats shall be placed one on top of the other on the pallet, to maximum height.
 - Breathable pallet bag shall be placed over the entire stack of doormats.
 - Stack cross-banded to the pallet (one band in each direction).
 - Only doormats of the same style and color may be placed on the same pallet.
 - UCC-128 pallet labeling must be present, identifying each skid.
 - Skids shall be stacked in container to utilize container space efficiently.



Charge Backs for Non-Compliance

As a supplier to Improvements Catalog, it is important that you comply with our entire product and packaging policies and standards. Non-compliance with any of the procedures or standards will result in a charge back, issued to you for the extra operational expense incurred by our Distribution Center. Each PO is considered a separate shipment.

CHARGES ARE \$150 PER VIOLATION.

		Charge	Per	Description
101	No Appointment	\$150	shipment	Shipment arrives with no appointment
102	ASN not on time	\$150	shipment	ASN must be to Pre-Receiving no later than 24hrs before shipment arrives
103	ASN not Complete & Accurate	\$150	shipment	Missing Data or Incorrect Data
104	ASN & Shipment Don't Agree	\$150	shipment	Carton Count or Product varies between paperwork and actual report or BOL
105	UCC-128 not Present	\$150	shipment	UCC not present on any case of the shipment
106	Case Label not in Proper Loc.	\$150	shipment	UCC not on lower left or smallest side of carton -conveyable
107	Min. Case Markings Not Present	\$150	shipment	Missing or inaccurate detail on the UCC-128 label
108	Poor Case Packing	\$150	shipment	Outside carton does not meet min 32 ect, 200 lbs or exceeds 50lbsmax(CV) weight
109	Case label no Per Code-UCC	\$150	shipment	Algorithm or barcode dimensions outside UCC compliance
110	No Case Level ASN	\$150	shipment	Used when shipment does not have case level data
111	UCC-128 label not scannable	\$150	shipment	Bar Code does not scan
112	STD carton Used Per Compliance	\$150	shipment	Carton Limits outside limits in Manual- conveyable
113	Conveyable Cartons w/Binding	\$150	shipment	Banding in place on any conveyable carton- banding can not be used to create master carton.
114	SKU Label Missing	\$150	shipment	Brand sku number&/or description missing or inaccurate on each item in carton
114MP	Warehouse Prep-Sku labeling	\$0.47	per item	Merch Prep charges to sku label individual items missing sku label
115	Multi-Sku Cases	\$5	case	Each multi-sku case in shipment is billed at \$5 per case
117	Problem Resolution	Prevailing Rate	hour	Hours Associated spend resolving a vendor issue in receiving
118	Problem Resolution Pulls in HB	Prevailing Rate	hour	Hours Associated with crane operations when putting cases from a vendor caused issue
119	Photography of Compliance Problem	\$5	per photo	Cost of any photos requested for VC issues
121	Rug Compliance	\$150	shipment	Shipment of mats or rugs does not meet sku segregation requirements
122	ASN Incorrect Format	\$150	shipment	ASN not in electronic format, includes old Excel versions
123	Bad Invalid EDI DATA	\$150	transaction	Indicates vendor has passed testing previously & shipment noted had incorrect info.
125	Asn Overage above 10% on PO	\$150	shipment	Used by Pre-receiving for tracking purposes

You will be notified of any infraction and are expected to correct the situation with future shipments. The Improvements Accounting Department will be notified of the incident and a debit will be issued to your account. The debit will be deducted from a future payment.

Our Distribution Center charges Improvements for any compliance violations that occur. Improvements Catalog passes these charges to our vendors.

All future purchase orders will be subject to a discount schedule based on the number of days late an order ships vs. the vendor confirmed ship date at the time of the order confirmation. Direct international suppliers will be evaluated on the date a container is requested from Improvements freight forwarder in conjunction with the days required to receive equipment. Additionally, orders beyond the cancel date on the purchase order will remain subject to cancellation.

The intention of this initiative is not to increase the amount of vendor chargebacks, but rather decrease the number of late shipments. If problems arise that will cause a delay in shipments, it is in the best interest of all parties that those delays be brought to our attention as soon as known.

The discount schedule is as follows:

# of Days Late	Discount %
1 - 7 Days	0%
8 - 14 Days	3%
15 - 30 Days	5%
31 - 60 Days	15%
61 - 90 Days	30%
>90 Days	50%

RETURNS TO VENDOR

Quality Returns

Prior to the initial shipment of a product, the vendor must establish a written agreement with the Improvements buyer on the disposition of goods that fail quality expectations. Merchandise will be returned to you for any of the following reasons, as set forth in the purchase order agreement: quality defects in workmanship or material, damages due to insufficient packaging, missing parts, product is not as ordered, overshipment, or cancelled purchase order. Damage resulting from transport handling will be claimed against the freight carrier.

If liquids are received leaking as packaged from the vendor, and it is determined to be due to insufficient packaging or an inadequately sealed container (not as a result of transport handling), the portion of each shipment that is affected will be destroyed “in the field” to prevent incurring additional liability for personnel who may be harmed, or other products or equipment that may be damaged during a return shipment. Although this product is destroyed, normal documentation will be completed and submitted to the vendor for credit or reimbursement.

When a shipment is received at the Distribution Center, it will be inspected for quality. Any deviations from the buyer’s sample will be considered a vendor violation and chargebacks may be incurred. The Buyers, Quality Assurance, or the Returns Department will contact the vendor by telephone, fax, e-mail or other means for disposition of the merchandise. **If no response is received within 15 days, the merchandise will be returned to the vendor without an authorization. If the return shipment is refused, it will then be liquidated at the vendor’s expense.**

Customer Returns

The vendor acknowledges that Improvements does not inspect each item upon receipt, and unacceptable products may be returned to our Distribution Center by the ultimate customer. Prior to the initial shipment of a product, the vendor must establish a written agreement with the Buyer on the disposition of these goods. The Returns Department will contact the vendor by telephone, fax, e-mail or other means to request a Return Authorization number from the vendor. **If no response is received within 15 days, the merchandise will be returned to the vendor without an authorization. If the return shipment is refused, it will then be liquidated at the vendor’s expense.** If a vendor prefers to “destroy merchandise in the field”, procedures for documentation and receiving credit must be approved by the Improvements Finance Department and the Returns Department.

CLAIMS AND LEGAL ISSUES

A. The vendor shall indemnify, hold harmless, protect, and defend HSN Improvements LLC and its affiliates from any and all cost/loss (including reasonable attorney's fees) in the event of a suit or a claim for:

- 1) Any violation or alleged violation of U.S. Federal Regulations.
- 2) Any patent, copyright, or trademark infringement unless the goods are made in accordance with special specifications developed by HSN Improvements LLC.
- 3) Personal injury and/or property damage resulting from defective manufacturing or design of a vendor's product. The vendor must provide a certificate of insurance coverage for product liability (a minimum of \$2 million per occurrence), with HSN Improvements LLC named on the policy, prior to the initial shipment of any product.

B. In the event any article purchased becomes a banned hazardous substance under the Federal Hazardous Substances Labeling Act, or be the subject of a recall as deemed advisable by HSN Improvements LLC to be necessary under the FDA, the Federal Hazardous Substances Labeling Act, or the Consumer Product Safety Act, or any other Federal or State law now in effect or hereinafter enacted, the Vendor agrees that it will take back all existing stock in HSN Improvements LLC or Improvements customers' possession, and will promptly reimburse for such returned articles at the price originally paid, plus costs for return shipment to the Vendor, including all reasonable costs incurred by HSN Improvements LLC in returning such articles from its customers. The determination as to when a recall shall be instituted, as well as the extent and administration of such recall, shall be within HSN Improvements LLC sole discretion, provided that HSN Improvements LLC shall comply with all relevant laws. In the event that HSN Improvements LLC acquires information that requires notification under Sec. 15 of the Consumer Product Safety Act, it is understood that HSN Improvements LLC will promptly notify the Consumer Product Safety Commission and the Vendor, without incurring any liability to the Vendor as a result of such notification.

C. Purchase Order Terms & Conditions. Acceptance of all orders from HSN Improvements LLC, whether by mail, fax, e-mail or other electronic means, is subject to the terms and conditions stated on the face and reverse of the purchase order and PO supplement forms. Failure to comply with the conditions will be considered a breach of contract and subject to charge backs.

CONTACT INFORMATION

To assist you in directing your questions to the proper person or department, listed below is contact information.

Vendor Compliance Specialist

Lynne Parent

Ph: (216) 831-6191 X.222

lparent@improvementscatalog.com

Vendor Net/ EDI questions/help

Ph: (513) 603-1271

vtg@cornerstonebrands.com

Accounts Payable

im-ap@cornerstonebrands.com

Toll Free: 1-877-333-1049

Domestic & International Routing Guides

<http://www.ccsinc.com/improvements.htm>

Planners-Domestic PO's

Ruth Hill

Ph: 216-831-6191 X 223

rhill@improvementscatalog.com

George Steffey

Ph: 216-831-6191 X 218

gsteffey@improvementscatalog.com

Planners-Import PO's

Chuck Hohmann- Director of Inventory Control

Ph: 216-831-6191 X 224

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Angela Grilli

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Sourcing Department

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