



THE TERRITORY AHEAD

ACCESSORY
VENDOR
MANUAL



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This manual must be reviewed and the acknowledgment must be signed and returned within 10 days of receipt.



THE TERRITORY AHEAD

INTRODUCTION

The Territory Ahead creates uniquely designed, well-made garments of good value, where attention to quality supports our ability to provide an unconditional guarantee to our customers. By partnering with suppliers who pride themselves in a similar manner, we achieve the same goal of producing mens and womens apparel of superior craftsmanship, on time, at a fair price.

This vendor manual provides the necessary information to ensure your understanding of our design and development process which includes the sample process, order placement and eventual receipt of finished garments.

We appreciate your participation in this collaborative goal and look forward to working with you.

Cathy Fultineer, President

COMPANY MISSION

We are a product-driven company committed to profitability, customer satisfaction, and conducting our business with integrity and mutual respect.

COMPANY VISION

To delight our customers with unique and spirited apparel designed from the threads up with a distinct Santa Barbara sensibility.

1. ACKNOWLEDGMENT

This manual replaces all previous vendor, quality, and CCSG shipping manuals. **This acknowledgment must be signed and returned within 10 days of receipt.** Failure to sign & return this form may result in a termination of outstanding orders.

Acknowledgments can be emailed to: lynnda.christensen@ttahead.com.

The Territory Ahead
419 State Street
Santa Barbara, California 93101
United States of America
Email: lynnda.christensen@ttahead.com
Fax # (888) 494-5158
Attn: Production/Sourcing Department

Company Name: _____

Address: _____

Telephone: _____ Fax: _____

E-mail: _____

I have reviewed & understand the contents of The Territory Ahead Accessory Vendor Manual (updated 10/18/11). As a representative of my company and a vendor of The Territory Ahead, I agree to comply with all procedures outlined in this manual.

Signature of Company Officer

Date

Title/ Printed Name

Insert copy of business card here.



2. PRODUCT DEVELOPMENT

NEW VENDOR APPROVAL

When a new vendor is being considered, the following information is required for the Sourcing Department approval:

1. Completed Vendor Profile
2. Credit References, including one bank reference
3. Financial Statements (when available)
4. Completed Vendor Set Up Form
5. Signed Territory Ahead Vendor Expectations
6. Completed Customs Trade Partnership Against Terrorism (to be completed, signed, and returned for any FOB factory imported garments).
 - Only approved TTA factories may be used for production unless a formal approval is made from the Sourcing department. Any order that is in violation of this is subject to cancellation.
 - The transferring of production from one factory to another after garment approvals have been made is forbidden and the PO is subject to cancellation.
7. Vendor Manual Acknowledgment sheet must be signed and returned.

The use of subcontractors requires prior approval by The Territory Ahead. All requests for use of subcontractors must be submitted to the Sourcing Department along with a completed subcontractor profile, before the order is placed for production.

COSTING, PRICE QUOTES AND PRODUCT MINIMUMS

- All price quotes for new styles should be sent directly to The Territory Ahead Product Manager that generates the original communication.
- **Prices, product minimums and raw material minimums are confirmed for a 6-month period (the entire Fall or Spring season).**
- All pricing should be calculated as agreed upon by TTA and vendor as LDP/DDP/FOBQ containing all raw materials, cut, make & trim and quota if appropriate, and production minimums with costing tiers.

PLEASE MAKE SURE TO INCLUDE ALL APPROPRIATE LEAD TIMES FOR THE STYLES YOU ARE PRODUCING FOR THE TERRITORY AHEAD.

Price Quotes should include:

1. All LDP/DDP/FOBQ package price components, to include any/all testing costs
2. Cost of labeling, packaging, and shipping materials (including TTA logo labels)
3. F.O.B. point
4. Country of Origin
5. Minimum order requirements (per style and color)

DEVELOPMENT COSTS

- The Territory Ahead does not pay for development samples on those styles resulting in a purchase order.
- As a vendor for the Territory Ahead, you will be required to incur normal product development costs.
- Fabric, garment and CA Proposition 65 testing can be conducted at approved third-party testing laboratories.
- Copies of the test results should be sent to TTA product development.
- These costs may include fabric, garment and CA Proposition 65 testing and sample costs.

EXCESS RAW MATERIALS

- Excess materials resulting from the production of FOB programs are the sole responsibility of the vendor, unless otherwise agreed by the Director of Sourcing.
- Such agreements must be in writing.
- The vendor is responsible for providing accurate information on any excess inventory to both Sourcing and Inventory Management.

UNACCEPTABLE SECOND QUALITY GOODS

- The Territory Ahead will only accept first quality goods in our Distribution Center.
- Goods must be delivered free of defects in design, material, and workmanship.

PROPRIETARY DESIGNS

- All product design, specifications and finishing treatments are exclusive to The Territory Ahead.
- While we understand that as a vendor for The Territory Ahead your client list may include our competitors, we expect that during the design process all fabrications, design details and distinguishing characteristics remain proprietary property of The Territory Ahead.
- In order to successfully grow our business we must partner together in our efforts to differentiate The Territory Ahead product offering from that of our U.S. competitors.
- Your understanding, discretion, and adherence to this design exclusivity is paramount to our success together.

TRADEMARKS

The Territory Ahead owns the trademark and service mark “The Territory Ahead” and numerous related marks, many of which are registered with the United States Patent and Trademark Office. Our widespread and continuous use of these marks has enabled us to develop substantial goodwill in those marks. Vendors are required to assist us in the protection of these marks as follows:

1. Completely remove or obliterate any of The Territory Ahead indicia, including private labels, trademarks, service marks, trade names, logo designs, hang tags or packaging before selling or otherwise transferring any goods to third parties.
2. Notify us in writing of any known infringements of The Territory Ahead’s trademark rights or copyrights or imitations of The Territory Ahead Goods.

BRANDED VENDORS

- If The Territory Ahead is purchasing your branded product or product from your lines and private labeling, you are still required to comply with all packaging and shipping requirements. Please contact either Lynnda Christensen, our import traffic manager or the Production/Sourcing Department if you have questions.
- If TTA is purchasing your branded and labeled product, please confirm with our merchandise manager if your logo hang tags or price tags should be placed or not on the garment/item.
- Please email the merchandiser a size chart for any branded garments that The Territory Ahead purchases from your line. It is necessary for our customer service department to be informed of the construction dimensions of your finished garments.
- It is imperative that you complete and forward a vendor set up form and signed acknowledgement of our vendor manual. No purchase order will be placed until TTA’s Production department receives these documents.

PHOTO SAMPLES

Photo samples MUST be visually representative of production (trims, details, etc.) and must be submitted in all production colors.

- An email and/or spreadsheet will be submitted outlining the requested colors and quantity.
- ALL photo samples should be labeled clearly and indicate the following:
 1. TTA style number
 2. Season
 3. Color of sample
 4. Size of sample
 5. Date the sample was submitted
- Photo sample sizing will be confirmed by the TTA Product Manager.
 - Photo samples are to be sent to the Product Manager.

3. QUALITY & TESTING

QUALITY PLANNING

The Territory Ahead is committed to providing superior quality merchandise and service to its customers. We recognize that merchandise quality is achieved through unrelenting attention to detail, from product conception, to customer purchase, and beyond. This philosophy mandates the development of close relationships with our vendors, systematic monitoring of incoming products, and the evaluation of customer response to product quality.

We believe that the burden of producing quality products rests with the vendor. We also believe that it is our responsibility to support our vendors by clearly defining our expectations, requirements, and standards. We build vendor partnerships on a foundation of openness and trust.

The Territory Ahead requires its vendors to have an effective quality system in place to monitor and assure quality performance. This includes:

1. Testing and inspection of materials used
2. Inspection of work-in-progress
3. Final quality audit of finished products

The audit of finished products should be conducted independently of production management, incorporating statistical sample methods. This final quality audit will verify that products meet all The Territory Ahead specifications, including those for:

1. Construction details
2. Choice of materials
3. Color
4. Sizing

Shipped lots must be free of defects, dirt, or damage. Merchandise is to be packaged according to The Territory Ahead requirements, with all labeling applied as specified.

The Territory Ahead inspects all incoming bulk shipments using a statistical sampling plan. Our inspection guidelines support our efforts to provide customers with the best products available by ensuring that we receive goods as specified from our vendors. Our critical inspection is based on high quality expectations. Products are measured to ensure conformance to the approved sizing specifications within established tolerances, and then checked for defects and conformity to all specifications. Below are guidelines we expect our vendors to perform to insure that the fabrics used in the construction of our garments meet basic quality standards.

- Fabric, garment and CA Proposition 65 tests should be provided to Product Development for all PO's.
- If fabric or yarn fails to meet our minimum standards from the lab tests, the vendor is to notify the appropriate TTA product manager immediately, including a copy of the lab test and a sample of the material or yarn.

TESTING REQUIREMENTS FOR SCARVES

The following tests are required for **SCARF** styles only:

1. Consumer Product Safety 16 CFR (Code of Federal Regulations) Part 1610 Standard for the Flammability of Clothing Textiles
2. Colorfastness to Crocking Test Method AATCC 8/116 (not applicable to white color)
 - Lt Color:
Dry 4.0 min. Wet 3.0 min.
 - Med Color:
Dry 3.5 min. Wet 2.5 min.
 - Dk Color/Raised/Pigment/Silk
Dry 3.0 min. Wet 1.5 min.

CALIFORNIA'S PROPOSITION 65 & METAL-CONTAINING JEWELRY LAW TESTING REQUIREMENTS

In our continued efforts to comply with measures found in California's Proposition 65 ("Prop 65") and Metal-Containing Jewelry Law for lead content in various products, we wanted to take a moment and educate you, our partners, and help bring you into compliance with the latest requirements that may impact your business.

As a Territory Ahead vendor supplying goods that are covered under these requirements, it is imperative that each of your covered items (handbags, purses, clutches, totes, wallets, belts, footwear, luggage, briefcases, backpacks and jewelry), for catalog, retail and web sales, comply with the limits set forth in the below charts.

The Territory Ahead does not perform lead testing, and the cost of testing is the responsibility of the vendor. The costs involved with testing can vary widely based on the number of components in your style, so we suggest contacting a lab for an estimate prior to negotiating costs with our Product Development Department. The Territory Ahead strongly recommends submitting your materials for testing as individual components prior to beginning production. This will enable you to change materials or suppliers if one of the components fails to meet the required lead limits.

HANDBAGS, PURSES, CLUTCHES, TOTES, WALLETS, BELTS AND FOOTWEAR

Approved test results from one of CPSC's accredited third party testing laboratories must be emailed or faxed to **Lynnda Christensen** at lynnda.christensen@ttahead.com or fax (888) 494-5158 prior to shipping a purchase order and must indicate the following in English:

- TTA style number, PO number and description
- Photo of style and/or components
- PASS result showing compliance to the limits set forth in the below chart
- NOTE: TEST MUST BE COMPLETED USING THE ACID DIGEST METHOD

Component Type	Limit (ppm)	Handbags, Purses, and Wallets, et. al.	Handbags, Purses, and Wallets, et. al.	Belts and Footwear	Belts and Footwear
Activity		Manufacturing, Supplying, Importing	Selling	Manufacturing, Supplying, Importing	Selling
Paints and Surface Coatings	90	1-Dec-10	1-Dec-11	1-Dec-11	1-Dec-12
Polyvinyl Chloride (PVC)	300	1-Dec-10	1-Dec-11	1-Dec-11	1-Dec-12
	Reduced to 200	1-Dec-11	1-Dec-12	1-Dec-12	1-Dec-13
Leather	600	1-Dec-10	1-Dec-11	1-Dec-11	1-Dec-12
	Reduced to 300	1-Dec-11	1-Dec-12	1-Dec-12	1-Dec-13
All Other Components	300	1-Dec-10	1-Dec-11	1-Dec-11	1-Dec-12
Exemptions	Cubic zirconia, crystal, glass, and rhinestones. All Non-Suspect Materials, except for leather, as defined by the Consumer Products Safety Commission in 16 CFR § 1500.91 (d) and (e): Certain precious gemstones, semiprecious gemstones, CMYK printing inks, pearls, wood, paper, textiles, surgical steel and precious metals.				

LUGGAGE, BRIEFCASES AND BACKPACKS

Approved test results from one of CPSC's accredited third party testing laboratories must be emailed or faxed to **Lynnda Christensen** at lynnda.christensen@ttahead.com or fax (888) 494-5158 prior to shipping a purchase order and must indicate the following in English:

- TTA style number, PO number and description
- Photo of style and/or components
- PASS result showing compliance to the limits set forth in the above chart
- NOTE: TEST MUST BE COMPLETED USING THE ACID DIGEST METHOD

If a test report is unavailable for luggage, briefcase and backpack styles only, you have the option to affix a Prop 65 warning label to all units in the purchase order stating the following:

“WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.”

The warning statement must be prominently displayed on the product or the packaging with such conspicuousness, as compared with other words, statements or designs, as to render it likely to be read and understood by an ordinary individual.

JEWELRY

Approved test results from one of CPSC’s accredited third party testing laboratories or a signed Certificate of Compliance (see page 12) must be emailed or faxed to **Lynnda Christensen at lynnda.christensen@ttahead.com** or fax (888) 494-5158 prior to shipping a purchase order and must indicate the following in English:

TEST REPORT

- TTA style number, PO number and description
- Photo of style and/or components
- PASS result showing compliance to the limits set forth in the below chart
- NOTE: TEST MUST BE COMPLETED USING THE ACID DIGEST METHOD

OR

CERTIFICATE OF COMPLIANCE

- Vendor name
- TTA style number and description
- Company name, address, signature and date
- NOTE: A Certificate of Compliance is required for all jewelry styles, despite the materials used. Download the Certificate of Compliance at <http://www.ccsinc.com>.

California’s Metal-Containing Jewelry Law regulates the amount of lead and cadmium in jewelry by specifying: the materials that can be used; and the levels of lead and cadmium that are allowed in certain of these materials.	
Definitions of Jewelry	The law defines jewelry as any of the following ornaments worn by a person: anklet, arm cuff, bracelet, brooch, chain, crown, earring, necklace, pin, ring, hair accessory, body piercing jewelry, jewelry placed in the mouth for display or ornament, any bead, chain, link, pendant, or other component (part) of an ornament specified above, any removable charm, bead, chain, link, pendant or other attachment to shoes or clothing, a watch in which the timepiece is part of an ornament specified above, excluding the timepiece itself if the timepiece can be removed from the ornament.
Class 1	The following materials can be used in jewelry intended for adults, and have no lead restrictions: Stainless or surgical steel; karat gold; sterling silver; platinum, palladium, iridium, ruthenium, rhodium, or osmium; natural or cultured pearls; glass, ceramic, or crystal decorative components, including cat’s eye, cubic zirconia, cubic zirconium (CZ), rhinestones, and cloisonné; gemstones cut and polished for ornamental purposes (excluding aragonite, bayldonite, boleite, cerussite, crocoite, ekanite, linarite, mimetite, phosgenite, samarskite, vanadinite, and wulfenite); elastic, fabric, ribbon, rope, or string (unless it contains intentionally added lead and is listed as a class 2 material); and all natural decorative material, including amber, bone, coral, feathers, fur, horn leather, shell, wood, that is in its natural state and is not treated in a way that adds lead.
Class 2	Electroplated metal alloys: less than 6 percent lead by weight. Unplated metals (other than Class 1): less than 1.5 percent by weight. Plastic or rubber, including acrylic, polystyrene, plastic beads and stones, and polyvinyl chloride (PVC): less than 0.02 percent (200 parts per million) lead by weight. A dye or surface coating: less than 0.06 percent (600 ppm) lead by weight.
Class 3	Any material not a class 1 or class 2 material: less than 0.06 percent (600 ppm) lead by weight.
NOTE	The manufacturer or supplier of jewelry must be able to provide certification that the jewelry (including each component) does not contain a level of lead or cadmium that would prohibit the jewelry from being sold or offered for sale in California, pursuant to California’s Lead-Containing Jewelry law, no matter what material is used to make the jewelry.

Any item tested and found non-compliant with California’s Prop 65 and/or Metal-Containing Jewelry Law standards will not be able to be sold in The Territory Ahead catalog, retail stores or on The Territory Ahead website. Vendors not meeting these lead requirements are subject to expense offset fees and/or returns, at The Territory Ahead’s discretion.

RECOMMENDED TESTING LABORATORIES

Bureau Veritas 716-505-3588 www.bureauveritas.com	STR 860-749-8371 x236 www.strlab.com
Intertek 630-481-3111 www.intertek.com	SGS US Testing Company 973-575-5252 www.us.sgs.com

PROPOSITION 65 FREQUENTLY ASKED QUESTIONS

What components must be tested?

Any material that may come into contact with the user is considered an “accessible component”. All accessible components must be tested for compliance with the lead limits of Prop 65.

Can testing of the component by my component supplier be used?

Yes, provided that the supplier has tested the products using a 3rd party and the accepted test methodology. The supplier’s testing report must include a photograph, description and part number for the component.

How do I submit samples for testing?

Complete a test request form and include the form with the samples going to the lab. Ensure that the lab knows you are supplying the product to The Territory Ahead and need the samples tested for lead level compliance with Prop 65. When submitting components for testing, ensure that all samples are packaged in their own clear plastic bags with the component ID/description written on the bag.

Should I submit my materials for testing as individual components or as a finished sample?

You may submit your materials for testing either as individual components or as a finished sample to the third party testing lab. However, The Territory Ahead strongly recommends submitting the materials as individual components prior to beginning production. This will enable you to change materials or suppliers if one of the components fails to meet the required lead limits.

If I am using the same material (e.g., same color leather, surface coatings, etc.) on several different styles of handbags, shoes, etc. can I submit that one report along with each of the different styles? Or, do I need to have a different test done for each style?

Yes, you can submit one report to certify compliance for the same material that is being used for different styles of handbags, footwear, belts, etc. in your collection or line. However, the goods must be made using the same lot of material and, if treated or colored, must evidence those same characteristics as well.

If I am using the same metal-type from the same lot of material on different elements of my product (e.g., same metal used for different sized grommets or feet of the bag, etc.), can I submit one report for the test results of those same components?

Yes, you can submit one report to certify compliance for the same material that is being used for styling elements on your handbags, footwear, belts, etc. Please note what styling elements on the product are certified by that report.

How long can I use the same testing report when the same material is used in future production or orders?

You may use the same report for as long as the same lot of material or batch exists. There is no expiration date. However, as soon as a new lot or batch of material is purchased or received, a new test must be submitted even if it is from the same source.

CERTIFICATE OF COMPLIANCE
California's Metal-Containing Jewelry Law

Vendor _____ (the "Vendor") hereby certifies and attests that the jewelry, known as _____ (the "Jewelry"), sold to The Territory Ahead, complies with the requirements of the California Health & Safety Code Section 25214.1 *et seq.* (the Lead-Containing Jewelry Law), and does not contain a level of lead or cadmium that would prohibit the Jewelry from being sold or offered for sale pursuant to the Lead-Containing Jewelry Law.

TTA STYLE # _____ TTA STYLE DESCRIPTION _____

Vendor agrees to maintain adequate technical documentation or other information showing that the Jewelry is in compliance with the requirements of the law. Vendor further agrees to provide such information to The Territory Ahead upon request.

COMPANY NAME: _____

COMPANY ADDRESS: _____

CERTIFIED BY:

NAME TITLE

SIGNATURE DATE

4. QUALITY ASSURANCE & INSPECTION

To maintain our high level of customer satisfaction, we have developed a thorough Quality Assurance Program. This program is designed to assure that our quality standards are met in all the merchandise we offer. The following is our customer guarantee:

Satisfaction Guaranteed

*"We take the risk out of catalog ordering by standing behind everything we sell.
The Territory Ahead products come with a 100% guarantee. If you're not satisfied, for any
reason, please return the item to us for an exchange or refund."*

QUALITY INSPECTION PROCESS

Material Defect Inspection

During Inspection of materials the following defects are **unacceptable**:

- Color inconsistent with order
- Dyeing/Printing inconsistency
- Mismatched plaid
- Misweaves, holes, tears, cuts
- Nap variation within a lot
- Slubs, unless inherent to the fiber or fabric
- Snags or blemishes in knits
- Stains or soils
- Variations in fabric appearance, such as shading
- Vendor seconds

Inspection of the Parts

The following parts of garments must pass these inspections:

- Belts must have the size stamped on the back
- Buttonholes must
 1. Be neat
 2. Be proper size for button operation
 3. Have proper thread coverage
 4. Buttons must be attached securely
- Ensemble garments (2 or more piece garments) will be checked for the uniformity of size within a set

Inspection of Workmanship

The QA Department will note defects that detract from the appearance of the garment. Merchandise will be inspected to ensure the following:

- Correct sewing and adequate seam strength
- Garments are free of tailor marks
- Garments must be properly pressed
- Hems are even
- Item has no noticeable needle holes
- Item is free from puckering and hanging threads
- Lining hangs properly
- Seams are flat
- Stitching is consistent and even, with no broken stitches
- Symmetry among features (i.e. buttons, plackets, collar)
- Top stitching is even and clean

INTERNAL MERCHANDISE INSPECTION PROGRAM CONDUCTED AT CBI WAREHOUSE

All incoming shipments are subject to an AQL 4.0 inspection procedure. Our goal is to eliminate defective items sent to our customers. For this reason, we use a random sampling plan designed to assure that products meet our customer's expectations.

1. We inspect and measure a specified number of items chose at random from each incoming shipment.
2. The following areas are evaluated in the inspection process:
 - The product specification package is used to verify measurements and design details.
 - Fabric Quality: fabric is checked for flaws, holes, soiling/spoilage.
 - Polybag labeling must be accurate and a proper bag must be used.
 - Country of origin, care, and content labels must be accurate.
 - Products are checked for scratches or finishing flaws (leather).
 - Products are checked for cracked, chipped or pitted metal (buttons, zippers, accessory items).
 - No wet/damp garment is to be boxed and shipped. All moisture must be eliminated to avoid mold.
3. Inspection of Accessory & Miscellaneous Items:
Accessories are considered wearable, non-apparel items. Miscellaneous products are non-wearable, non-apparel items.
 - Orders will require a visual inspection, using both a picture from the catalog and the last sample approved by the Product Manager.
 - Products will be inspected using the AQL 4.0 double sampling procedure.
 - Orders will be subject to the same evaluation criteria set forth above in section 2.
 - Packaging and product must be devoid of any sales or promotional material.
4. "On Hold" Policy
In the event that a shipment does not meet quality standards, the shipment will be rejected by the Quality Assurance Department and put "on hold". Vendors will be notified via fax or email when a shipment does not pass our inspection procedure. Once an order is "on hold" it becomes the financial responsibility of the vendor. The vendor will be charged the full cost of inspection, or the merchandise will be returned at the vendor's expense to be inspected (and repaired if possible) in their own facility. If possible, the product will be repaired/re-labeled/repackaged in our distribution center or at a contracted finishing service at the vendor's expense.

RETURN TO VENDOR

Orders failing The Territory Ahead's AQL 4.0 inspection procedure will be handled as follows:

1. Merchandise will be returned to the vendor for re-inspection/repair/repackaging and relabeling. The vendor will be charged back for 100% of the value of goods plus shipping. A Debit Memo will accompany the returned order detailing quantities, purchase amount, and reason for return.

When re-inspected/repairs merchandise is ready to be returned, it is the vendor's responsibility to contact the appropriate inventory manager and advise shipping method and expected delivery date to TTA's warehouse. The original Purchase Order is closed when the merchandise is initially received; therefore **returned merchandise cannot be shipped against the original Purchase Order**. If vendor elects to have merchandise inspected and repaired by TTA, vendor will be charged full value of inspection, repair, and the handling charge. Please contact the Production/Sourcing Department and/or the import traffic manager, Lynnda Christensen, for transport information and freight fees.

2. When timing does not allow for an order to be returned, The Territory Ahead may elect to perform a 100% inspection, and subsequent repair at the vendor's expense. The rates are as follows (9/2011):
 - a. 100% Quality Inspection:
 - A flat fee of \$100 per order inspected plus \$1.82 per unit for each apparel, accessory or miscellaneous item inspected
 - b. Re-labeling/packaging
 - \$0.47 per unit for re-labeling the poly bag and \$0.47 for re-bagging the garment
 - c. Changing garment labels or buttons:
 - \$1.50 per label to change main logo, size, or content labels
 - \$15/hour per button (excluding button cost)
 - d. Any other repair work will be charged at cost
 - e. Additional handling will be charged at \$30/hour. (The rates above were calculated using this handling cost.)

3. If a defective order cannot be repaired or corrected in a reasonable time to meet the marketing calendar:
 - a. The merchandise will be returned to the vendor at the vendor's expense.
 - b. A Debit Memo will be issued for the full value of the merchandise plus all freight charges incurred by The Territory Ahead. The memo will also detail the reason for the return.
 - This debit will appear on the next check or statement issued to the vendor and will be referenced by an RTV number.
 - c. If merchandise was originally paid by LC/CAD or Wire Transfer, The Territory Ahead will issue a Debit Memo with wiring instructions. The Territory Ahead must be reimbursed within two weeks of the date the merchandise is received by the vendor. If payment is not made within two weeks, a 10% interest charge will be assessed.

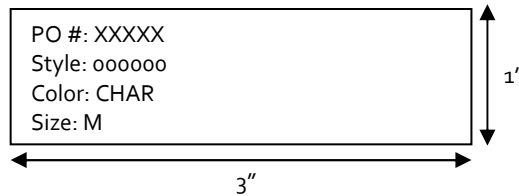
5. PACKAGING & LABELING

All Merchandise must be individually packaged and labeled. Exceptions to the below requirements must be pre-approved by the Product Manager. Unapproved packaging or labeling will result in chargeback's due to the additional handling involved to reach compliancy.

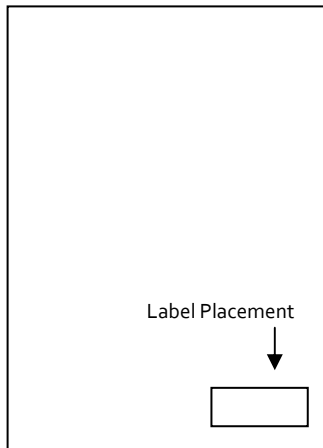
LABELING REQUIREMENTS

1. The dimension of the main polybag (SKU) label should be 1" High x 3" Wide.
2. Minimum font size is universal 12 point (or ¾).
3. The label must include PO#, TTA style #, TTA color code, and size exactly as listed on the Purchase Order.
4. For flat packed garments, the label should be placed in the right hand bottom corner of the polybag.

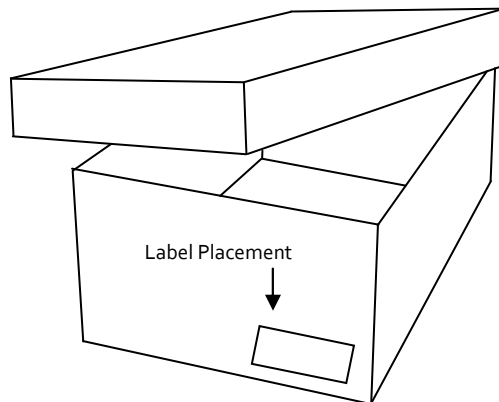
Example of Main "SKU" Label:



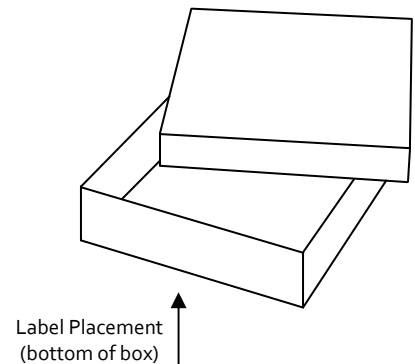
Polybag for scarves, belts & handbags with correct main label placements



Footwear box with correct main label placement



Jewelry box with correct main label placement



POLYBAG PACKAGING REQUIREMENTS

- All flat packed polybags must be pre-folded with the ends sealed.
- All underwear and swim wear must ship in a sealed polybag.
- **All leather accessories must ship in a perforated polybag.**
- Polybags may vary slightly, but the accessory must fit the size of the bag.
- All polybags must be clear in color.
- Minimum thickness gauge 1.00 mil. – We recommend .0015
- Polybags are required to be BHT-free. It is the vendor's responsibility to verify this with the supplier. Bags containing BHT (Butylated Hydroxyloluene) can cause yellowing of the products.
- The following warning must be printed on all polybags:

**WARNING: TO AVOID DANGER OF SUFFOCATION, KEEP AWAY FROM BABIES & CHILDREN. DO NOT USE IN CRIBS, BEDS, CARRIAGES OR PLAYPENS.
THIS BAG IS NOT A TOY**

The warning label must be printed on the plastic bag using smear-proof ink. The size and color of the print must be large and easy to read against either a light or dark background. Below are font size specifics in relation to the size of the plastic bag. You may use the same font size for all of your poly bags provided they meet the minimum font size requirements for your largest bag:

<u>Total of length and width of bag combined</u>	<u>Size of Type</u>
Less than 30 inches	10 points
30 inches or more, but less than 40 inches	14 points
40 inches or more, but less than 60 inches	18 points
60 inches or more	24 point

ACCESSORY AND MISCELLANEOUS ITEM PACKAGING REQUIREMENTS

The vendor is responsible for sending a pre-shipment sample of production packaging to the Product Manager for approval. This sample will be forwarded to the Quality Assurance Department for receiving and inspection purposes.

1. **JEWELRY** – Each piece of jewelry needs to be individually packaged in a plain white or brown box. It is required that each box has a printed SKU label on the bottom. The label must include the following information: TTA style #, TTA color code, size (even if OS) and PO# exactly as shown on the Purchase Order. The vendor is responsible for sending a pre-shipment sample, packaged as above, to the Product Manager for approval.
2. **SHOES** – Shoes should be shipped in individual boxes approved by the Product Manager. Each box needs a printed SKU label on the small end of the box. The vendor is responsible for sending a pre-shipment sample, packaged as above, to the Product Manager for approval.
3. **HATS** – The Product Manager will specify Hat packaging as appropriate for the individual item. Most often, Women’s hats will need to be boxed individually with the SKU label placed on the side of each box. Men’s sized hats will also be packaged individually, while more casual hats (baseball style) might only be polybagged & labeled. The vendor is responsible for sending a pre-shipment sample, packaged as above, to the Product Manager for approval.
4. **HANDBAGS/LUGGAGE** – Each bag needs to be individually wrapped in a polybag with a printed SKU label on the polybag. All leather handbags/luggage must ship in a perforated polybag. The vendor is responsible for sending a pre-shipment sample packaged as above to the Product Manager for approval.
5. **OTHER ITEMS** – Because the accessory & miscellaneous category is so broad, packaging for items not covered in the above categories will have to be addressed by the individual Product Manager.

PACKING SLIPS

The packing slip is a document used to identify the contents of a shipment by purchase order. It provides the detailed information of the shipment: carrier details, ship date, purchase order number, item number, color, size and quantity per case. Additionally, the total units, cartons, pallets and total weight of the purchase order shipment, carrier and pro # are required on the packing slip.

For all International Shipments, a packing slip is required (as are other documents, i.e. Commercial invoice, textile declaration, etc.) by U.S. Customs for entry (please see example below – note all fields shown are required to be provided on the packing slip). **A packing slip (sample below) must be inside and attached to the outside of the lead case for each purchase order.**

PACKING LIST									
Exporter/Consignor					Invoice No. & Date				
					LC No.				
					Buyer's PO No				
Consignee					Style				
					Style Description				HS CODE NO:
					Country of Origin of goods			Country of Final Destination	
Buyer/Ultimate Consignee									
CASE #	TTA ITEM NUMBER	ITEM DESCRIPTION	COLOR	SIZE	QTY IN CASE	GW KG / CTN	NW KG / CTN	DIMENSION	UCC-128 CASE NUMBER
SUB TOTAL									
TOTAL UNIT			TOTAL CASES		TOTAL GR.WT			TOTAL CBM	
ADDITIONAL COMMENTS									

6. SHIPPING

ADVANCE SHIPPING NOTICE (ASN)

The Territory Ahead requires use of the ASN to communicate shipment details to our distribution center. The ASN requires each case to be identified with a UCC-128 (or EAN) 20-digit case number. The UCC-128 is the 20-digit U.S. case label. EAN is the European equivalent of the UCC-128.

An ASN is required for all shipments.

The assigned (UCC-128 or EAN) case label number defines the case contents and must appear on the ASN. The UCC-128 will be associated with the shipping purchase order number, item number, color, size and quantity per case.

- The carton contents listed on the ASN must be 100% accurate.
- Every line must contain only one style/color/size per.
- You must include all 20 digits of the UCC-128 (or EAN) for each case shipped on the ASN.

If you feel you need include a mixed SKU carton, this must be pre-approved by the Traffic Manger. If approved create a separate line for each SKU within that same carton number and copy down the same UCC-128 number (Note: mixed SKU cartons is a vendor compliance chargeback unless pre-approved.)

- The ASN must indicate whether the purchase order AIR or SEA in the notes field.
- We ask that the ASN be transmitted as soon as the shipment leaves the factory but it must be received 24 hours BEFORE the shipment arrives at the distribution center in Ohio. The email address for and Excel formatted ASN is: ASN-TTA@CCSGINC.COM and copy lynda.christensen@ttahead.com

ACCEPTABLE FORMATS FOR ASN TRANSMISSION

We no longer accept ASN's by FAX.

1. Formatted Excel spreadsheet, emailed as an attachment as noted above. To access a copy of the already formatted Excel document with simple but detailed instructions for filling out the appropriate information:
 - Visit: <http://ccsginc.com> (*Excel 97 or better is required to access the spreadsheet*)
 - Click On: [Territory Ahead Vendor Partnership <tta.htm>](#)
 - The instructions can be printed out and used to follow along if you wish.
 - The information pertaining to the item number (TTA's), color, size, etc... should be taken directly from the purchase order and must be entered in the exact order requested.
 - ALL fields on the form must be completed (even if the information is duplicate). Email the completed document to: ASN-TTA@CCSGINC.COM and copy lynda.christensen@ttahead.com
 - **An example of a complete ASN is located below for your reference**
 - If you have trouble accessing the website you can request the spreadsheet by contacting the Traffic Manager, lynda.christensen@ttahead.com.
2. Electronic Data Interchange (EDI)
EDI allows the vendor to receive PO information from The Territory Ahead and provide ASN information in a standard electronic format. The initial setup and testing is fairly involved, and continuous maintenance is required. EDI can support the production of UCC-128 labels but only with additional software.

IF YOU ARE EDI CAPABLE and wish to begin using EDI with The Territory Ahead please proceed as follows:

- Notify Traffic Manger, lynda.christensen@ttahead.com
- Contact our EDI coordinator: VTG@CORNERSTONEBRANDS.COM
- Once your communication is received we will send you the appropriate information to begin the set up process.
- Advise if your EDI system requires the Territory Ahead to use your UPC codes when placing a PO for your products. *If this is necessary the Inventory Manager will contact the vendor to obtain the UPC codes for the appropriate sku's as needed.*
- Please note, from the time they begin testing vendors will have 3 months to pass EDI testing. After 3 months, vendors will be charged \$90 per test as well as all vendor compliance charges that apply to the shipment, until they pass. Until your company is set up for EDI communication, you must send ASN's using the Excel Format provided by CCSG.

- During testing, all other vendor compliance requirements will be enforced including, UCC-128 compliance, item labeling, packaging, etc...
- Vendors not completing the testing phase within 6 months will be removed from the EDI program and requested to communicate via other electronic modes.

3. Vendor Net

- Vendor Net is a web based application that enables a user to receive purchase orders, print out UCC-128 case labels, send an ASN against an order over the Internet. There is **no cost** to a vendor to take advantage of this easy to use program.
- Vendors using Vendor Net may continue to purchase UCC-128 case labels from an outside source but it is not necessary provided you have a printer and can acquire blank labels. In addition, Vendor Net can assist the vendor in printing polybags stickers provided the vendor has a printer at their facility.
- If you wish to be considered for Vendor Net set-up, please contact The Territory Ahead Traffic Manager, lynnda.christensen@ttahead.com.

If you have any questions concerning Traffic or Compliance please contact the Traffic Manager, Lynnda Christensen at: Lynnda.Christensen@ttahead.com or by phone (509-548-4769) fax (888-494-5158). Vendor compliance questions can be emailed directly to Vendorcomp@ttahead.com.

Example of an ASN completed using the Excel spreadsheet:

The screenshot displays two overlapping windows of the 'The Territory Ahead Advanced Shipment Notice' application. The top window shows the 'Header' and 'Cases' sections. The 'Header' section includes fields for Vendor Number (555), Vendor Name (TWIN APAREL), Address (1234 HUCK FINN LANE), City (SANTA BARBARA), State (CA), Zip (93101), PO Number (0044444), Shipped Date (10/3/2005), Delivery Date (10/6/2005), and Carrier (LPSN). The bottom window shows a similar interface with a table of cases. The table has columns for Add Del, Line #, Case Number, Item Number, Color, Size, 2nd Dim, Qty, and PO Number. The first four rows are populated with data, and the rest are empty.

Add Del	Line #	Case Number	Item Number	Color	Size	2nd Dim	Qty	PO Number
Green	1	00007655660000001013	555000	CARA	O5		25	0044444
Green	2	00007655660000001020	555000	CARA	O5		25	0044444
Green	3	00007655660000001037	555000	CARA	O5		25	0044444
Green	4	00007655660000001044	555000	CARA	O5		25	0044444
Green								
Green								
Green								
Green								
Green								

IMPORT DOCUMENT REQUIREMENTS

As required by Customs, duties and taxes must be paid on goods at the time of importation. These fees are payable to the U.S. government. Documentation must be provided within 5 working days from the date the carrier arrives. To successfully meet these requirements, The Territory Ahead requests the following documentation:

1. ASN to be sent to TTA traffic manager as well as CCSG Distribution Center, ASN-TTA@CCSGINC.COM and lynda.chirstensen@ttahead.com.
2. Carrier's Certificate, original Bill of Lading, or Airway Bill properly consigned
3. Signed Commercial Invoice and Packing List
4. Detailed description of item in English, identifying garment as men's or women's
5. Declare value of item stated in U.S. currency on purchase order and invoice.
6. Other cost of item (freight, insurance, etc.), if applicable.
7. Net quantity for each item
8. Gross weight in kilograms
9. The item's country of origin
10. Quota declaration
11. Single/ multiple country of declaration
12. **For textiles – fiber content must be given on invoice. Woven fabric must indicate whether solid or yarn dyed, and the number of colors per warp. Knit garments must include stitch count within 2 cm of fabric.**
13. As part of U.S. Customs compliance, any shell buttons applied to TTA garments must be invoiced separately from non-shell button garments. Additionally, the following information should be included on the commercial invoice for shell button garments:
 - The Territory Ahead's Federal Fish and Wildlife Permit Number LEO32214-0.
 - The total number of shell buttons on each garment, including spares.
 - The unit cost of the shell button.
 - The species of the shell button.

Please make sure this information is clearly placed on the commercial invoice and that our freight forwarders are notified of all shipments including shell buttons. Cincinnati doesn't have clearance for shell buttons so the freight forwarder will have to arrange the shipment to clear from another port location. If you have any questions regarding this procedure, please contact your Territory Ahead freight forwarder. If notification is not given to our freight forwarder at the time of booking any additional fees associated with transporting the goods to a clearance port will be the responsibility of the shipper.

Periodically our import traffic manager will ask for back up documentation that supports the country of origin a vendor supplies on shipping documents.

LABELING OF CASES

1. The Territory Ahead and U.S. Customs require the following case markings on imported products:
2. Case Labeling: The 'country of origin' must be marked on the outside of the case. This can be on a label or directly on the cardboard.
3. Case dimensions - as specified.
4. UCC-128 (EAN) label to be on outside of case as specified unless directed differently by the traffic manager.

The **UCC-128 case label** is a bar code that lists the shipping vendor and case identification information. The purpose of the UCC-128 case label is to enable our distribution center to electronically scan the label and record its contents upon arrival. Each case must have a unique UCC-128 label attached to the **lower left corner of the short side** (even if this is the side which opens).

The Uniform Code Council has approved a standardized format for the UCC-128 case label.

We recommend the following label dimensions: English = 6" (Tall) X 4" (wide), Metric=15 cm (tall) X 10 cm (wide). The type must be at least 3/4" in height (or 12 pt). Self-adhesive labels are preferred. Use low reflective tape if label is not self-adhesive.

UCC-128 Shipping Case Label Data Requirements

1. Vendor Shipping Information (address)
2. "Ship-to" Information (from PO)
3. Carrier Info: Name, Pro #, BOL #
4. Purchase Order (PO) #
5. The Territory Ahead Style #

6. TTA Color and Size (Write Style number and color code as it appears on the TTA purchase order)
7. TTA Item Description
8. Case #
9. Case Count (i.e. "01 of 05")

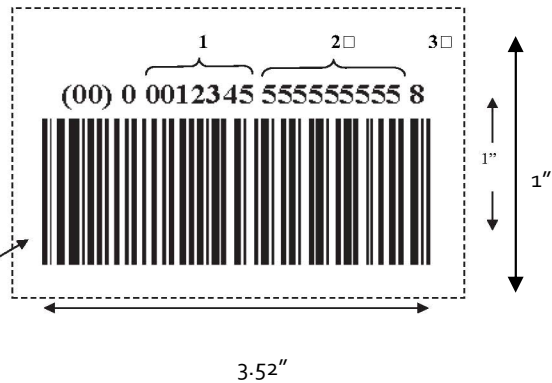
Ucc-128 (EAN) Case Label Specifics

1. Quantity per Case
2. UCC 128 Symbol (Case Identification Bar Code)
3. The Uniform Code Council has approved a standardized format for the UCC-128 Case Label. For more information in the United States call, (800) 543-8137, or visit www.uc-council.org.
4. Please provide the following information to your case label printer:
 - UCC Code 128 subset "C"
 - Encoded digits: Twenty (20) numeric
 - Minimum Narrow Element: .02" (0.5 cm)
 - Wide Element: 1.0" (2.5 cm)
 - Minimum Bar Height: 1.0" (2.5 cm)
 - Maximum Pattern Length: 3.12" (7.9 cm)
 - Overall Pattern Length: 3.52" (8.93 cm) (including white spaces/ "quiet zones")
5. You must have a UCC-128 (EAN) bar code quality program in place that ensures ANSI A or B print quality (ANSI X 3.182).
6. Be sure to use smudge-proof and waterproof labeling/ink.

Decoding the UCC-128 Case Label

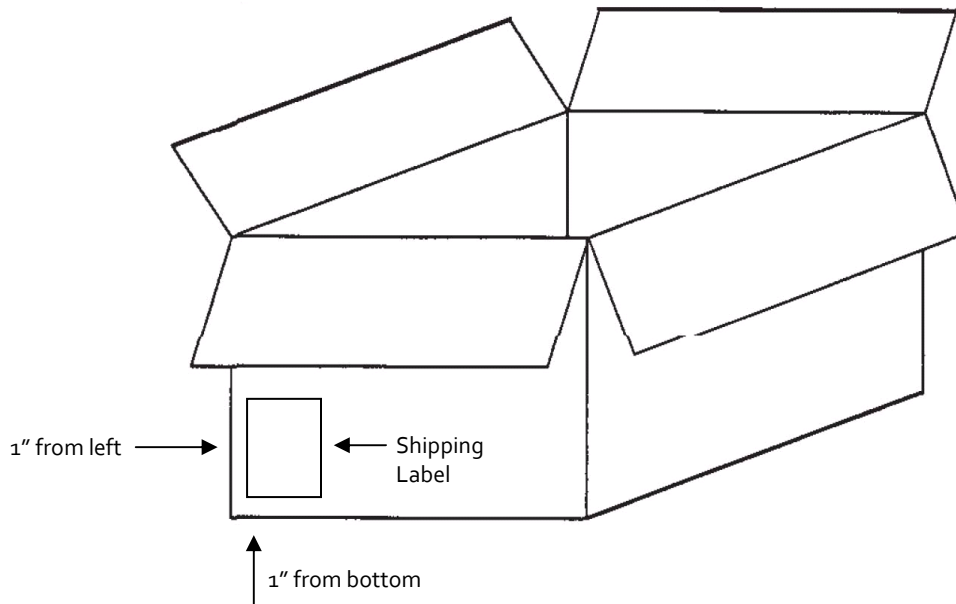
SHIP FROM:	SHIP TO: The Territory Ahead c/o Cornerstone Group 8877 Union Center Blvd West Chester OH 45069
Ship To Postal Code: (420) 45069	Carrier Info:
	
Purchase Order #:	
TTA Item #:	
Vendor Item #:	
Size:	Qty/Case:
Color:	
Desc:	
Case #	of
(00) 0 9999766 000010950 2  (00) 0 9999766 000010950 2	

1= Vendor's UCC Number (or UPC preceded by a zero).
 2= Unique Carton Identification Number
 3= Check Digit



UCC-128 (EAN) Case Label Placement

The UCC-128 case label must be placed on one of the short ends of the case. Placement is to be 1 inch from the bottom and 1 inch from the left edge of the case.



SOURCES FOR UCC-128 LABELS

Vendors can purchase software packages in order to produce their own UCC-128 labels or make arrangements to have the labels pre-printed for them. In these cases, you will need to have the label approved by faxing a copy to the Traffic Manager: 888-494-5158.

Below is contact information as well as an order form for a domestic label supplier already set up to produce pre-printed UCC-128 labels for The Territory Ahead.

Adaptive Data Interchange (ADI)

www.adi-barcode.com

93 W Franklin St.

Contact: Connie or Jerry Gribler

Centerville, OH 45459

Phone (937) 436-2343

Email: jgribler@adi-barcode.com / cgribler@adi-barcode.com

Please contact The Traffic Manager or ADI directly to obtain the most current label order form, (in Excel format) along with instructions for ordering.

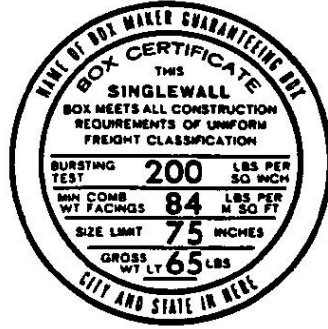
CASE REQUIREMENTS

The case that is used to ship product to our distribution center must meet the following requirements:

1. The case burst strength must be 200 pounds (91 kg) or greater. (*See below*)
2. The ECT (edge crush test) must be 32.5 pounds (15 kg) or greater.
3. The MINIMUM case weight is 2 pounds.
4. The MAXIMUM case weight is 50 pounds.
5. Case dimensions: MINIMUM= 6" (high) X 6" (wide) X 9"(long), MAXIMUM = 29"(high) X 26"(wide) X 40" (long).

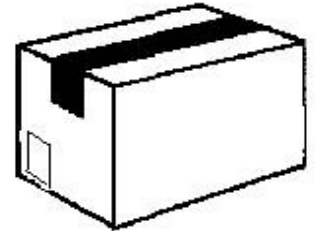
** Our warehouse does not have storage capacity to accommodate cases exceeding the maximum dimensions allowed. Please take care to ensure that your cartons meet the min/max dimensions.**

6. Taping of cases must not hide any required case markings or labels.
7. DO NOT secure individual cases with straps, bands, staples, string or fabric. These attachments can damage the distribution center's material handling equipment. Cartons arriving with bands will result in a charge back.



TAPING AND SEALING CASES

Standardized case sealing simplifies inventory and quality inspections. Apply a single strip of tape to seal case with a minimum of 3" overlap on each end. Please be aware the 3" overlap is a requirement from our insurance company. Taping must not hide required case markings or labels. Below is the recommended sealing technique for standard cases. For security purposes, The Territory Ahead requests that you use tamper evident tape.



CASE PACKING

1. The case contents MUST CONTAIN ONLY 1 SKU. A "SKU" is a stock-keeping unit, referring to one item/color/size. Mixed SKU cases are not allowed.
2. Individual cases must contain items from only one purchase order.
3. All items must be produced and shipped from a valid purchase order.

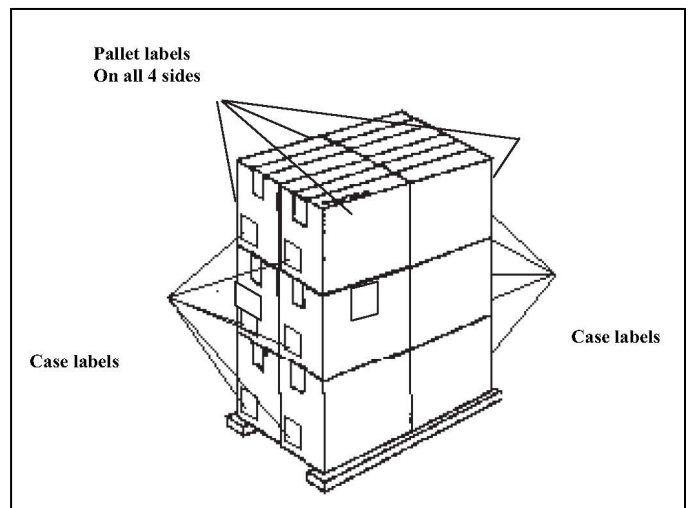
PALLETIZING SHIPMENT

Facts regarding palletizing a shipment:

1. The required pallet size is 48" long X 40" wide (1.22m long x 1m wide).
2. Maximum pallet height including stacked cases allowed in the distribution center is 65" (1.65 meters).
3. Cases on the pallet cannot extend past the length or width of the pallet.
4. Use 4-way pallets.
5. A pallet label including ship to and ship from names and addresses, Territory Ahead purchase order number and pro number must appear on all 4 sides of each pallet.
6. A separate sheet of bright, colored paper should be taped on all 4 sides of the pallet reading: "PLEASE DO NOT BREAK DOWN SKIDS".
7. Individual case labels must be visible. Place case labels facing outward.
8. Cases of the same purchase order must be marked with case number and total quantity of cases in shipment: example: "1 of 24".
9. When palletizing multiple purchase orders, combine cases of the same purchase order on the same pallet, or on the same level of a pallet if the number of cases partially fills a pallet.

Please Contact the Traffic Manager, Lynnda Christensen (Lynnda.Christensen@ttahead.com) regarding palletizing shipments.

The diagram at right represents acceptable stacking procedures:



The Territory Ahead
NORTH AMERICA VENDOR ROUTING GUIDE
Effective October 01, 2010

Please note that Kingsgate may route shipments via LTL carriers.
Please be sure to record the Routing Authorization Number on the Bill of Lading.

*NOTE: A username and password is required to use the Kingsgate booking portal. A username can be requested at:
<http://signup.kingsgateextranet.com>

Standard Shipments

If Shipping From: USA

<u>Shipment Weight</u>	<u>Carrier Name</u>	<u>Carrier Phone Number</u>	<u>Carrier Website/E-Mail</u>	<u>Other Information</u>
0 – 150 pounds	UPS	800-Pick-UPS	www.ups.com	Use UPS Collect Billing - Account # AoR553
Over 150 pounds	Kingsgate	800-336-3441 X1004	http://portal.kingsgateextranet.com	Kingsgate may route shipments w/ other LTL carriers.

If Shipping From: Canada

<u>Shipment Weight</u>	<u>Carrier Name</u>	<u>Carrier Phone Number</u>	<u>Carrier Website/E-Mail</u>	<u>Other Information</u>
0 – 150 pounds	UPS	800-Pick-UPS	www.ups.com	Use UPS Collect Billing - Account # AoR553
Over 150 pounds	Kingsgate	800-336-3441 X1004	http://portal.kingsgateextranet.com	Kingsgate may route shipments w/ other LTL carriers.

If Shipping From: Mexico

Email Cornerstone Brands Transportation: routing@cornerstonebrands.com

Kingsgate Requirements

Pickup requests should be submitted 48 working hours in advance of ready date. Daily cutoff is 2PM EST. Examples:

1. Booking placed on Monday, 10AM. Earliest available pickup would be Wednesday of the same week.
 2. Booking placed on Monday, 3PM. Earliest available pickup would be Thursday of the same week.
 3. Booking placed on Friday, 10AM. Earliest available pickup would be Tuesday of the following week.
- Kingsgate provides consolidation services for Cornerstone in Southern California and the NY/NJ area.
 - Shipments from these areas are allowed up to 5 days consolidation time from ready date.
 - All other points are allowed up to 3 days consolidation time from ready date.
 - As a result of the consolidation program, your shipment is not guaranteed to pickup on the ready date.
 - Kingsgate will communicate date of pickup at least 24hrs in advance.

Bill of Lading Requirements

1. Bill of Lading must have ALL Purchase Order Numbers on it.
2. Carton and Skid Count must be listed on Bill of Lading. Carton count must match ASN.
3. Routing Authorization Number (if applicable) must be on Bill of Lading.
4. All full truckload shipments must have a seal placed on them with the seal number listed on the BOL.

Please refer to the vendor compliance manual for ASN, packaging, labeling and all other requirements.

Routing guide is subject to change.

For the most up to date routing guide and vendor compliance manual please go to our web site at: <http://www.ccsinc.com>

Please ship all Territory Ahead PO's to:

CCSG DISTRIBUTION CENTER
c/o The Territory Ahead
8877 Union Center Blvd
West Chester, OH 45069

Failure to follow these routing instructions will result in a charge back penalty.
Please see the vendor compliance manual for details.

CHARGE BACKS FOR NON-COMPLIANCE

As a supplier to The Territory Ahead you are required to comply with our packing and shipping standards. Failure to follow these procedures will result in delayed receipt of product and increased operational expenses at our distribution center. On any shipment that does not meet the warehouse standards outlined below, a vendor compliance fee is incurred and charged back to the vendor. Where frequent offenders take no corrective action, higher punitive charges may be incurred.

A debit note will be submitted to the vendor for associated chargeback's and applied directly to your AP account for deduction from a future payment. If not open PO's exist at the time it will be the responsibility of the vendor to make arrangements with The Territory Ahead finance department to clear the debit.

ALL SHIPMENTS NOT MEETING THE TERRITORY AHEAD'S ROUTING, PACKING, LABELING, OR QUALITY ASSURANCE REQUIREMENTS WILL BE CHARGED BACK AT A RATE OF: \$250 PER OCCURRENCE.

EFFECTIVE JANUARY 1, 2006 ANY TIME EXCEEDING 15 MINUTES THAT IS DEDICATED TO PROBLEM RESOLUTION OF NON-COMPLIANT SHIPMENTS IS SUBJECT TO A CHARGE BACK OF \$15/HOUR. IN ADDITION TO THE BASIC CHARGES, ADDITIONAL FEES WILL BE INCURRED WHEN LABOR IS REQUIRED TO PREPARE GOODS FOR EFFICIENT PROCESSING:

CODE #:	NON-COMPLIANCE DESCRIPTION:	ADDITIONAL FEE (above \$250 per occurrence)
ASN:		
102	ASN not on time	
103	ASN not complete and accurate	
104	ASN and Actual shipment don't agree	
110	Case level ASN doesn't match contents and/or emailed ASN	
122	ASN not in correct format	
123	EDI information invalid or incorrect	
UCC-128 SHIPPING LABELS:		
105	UCC-128 label not present on carton	
106	Case label not in proper location on carton	
107	Information on UCC label missing or not per Territory Ahead PO	
108	Poor case packaging	
111	UCC-128 label (barcode) isn't scan able	
MISSING, INCORRECT OR INACCURATE CASE/CARTION INFORMATION:		
112	Carton not per Vendor Manual requirements	
113	Carton has banding around it	
114	Item labeling missing or not per Territory Ahead PO	Hourly merchandise preparation rate
115	Mixed Sku cases	\$20 per carton + hourly merchandise preparation rate
OTHER:		
119	Photo Charge	\$5.00
109	Case label doesn't match UCC-128 information or ASN details of carton	
	Failure to follow Routing Instructions	\$25.00 infraction

ADDITIONAL NON-COMPLIANCE INFRACTIONS

The below infractions will be charged back at a rate particular to the individual infraction:

1. **Un-Authorized Carriers**

If The Territory Ahead or its affiliates are paying any portion of the freight, then the carrier specified in the current Routing Guide for the origin / destination / shipment size must be used. Contact Lynnda Christensen, our Import Traffic Manager for details (Lynnda.Christensen@ttahead.com) . Failure to follow the Routing Guide instructions will result in the shipment being considered "FOB destination" and:

- All freight charges will be the responsibility of the vendor
- An additional fee will be assessed
- All merchandise loss or damage will be the responsibility of the vendor

2. **Freight charges on Merchandise Invoices**

If The Territory Ahead or its affiliates are paying any portion of the freight, then shipments are to be made on a freight collect basis. Merchandise invoices with freight charges added will be paid net of freight charges. Invoices submitted for freight charges only will be returned unpaid.

3. **Terms are prepaid and Vendor ships collect**

Any freight charged to The Territory Ahead or its affiliates by vendors whose standard agreement is to ship prepaid, will in turn be charged to the vendor with an additional fee.

4. **Overweight shipments**

Shipments matching the overweight / oversized shipment characteristics as noted in the 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 airway bill. Shipments exceeding the overweight / oversized shipment guidelines and which do not include a CCSG-issued authorization number will be assessed the full freight of the shipment plus an additional fee.

5. **Overweight / Oversized shipment does not match authorized weight, cube or carton amounts**

Shipments being routed via the overweight / oversized routing guidelines must match the weight, cube and carton count numbers that were authorized in order to obtain the authorization number. If the weight, cube or carton count amounts authorized prior to shipment do not match the incoming shipment's weight, cube or carton counts the vendor will be assessed the full freight for the shipment and an additional fee.

6. **Failed to consolidate same day / same 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. All merchandise from the same PO must be combined onto a single ASN. Routing guidelines should then be applied to the entire shipment. Failing to do so will result in the vendor being assessed full freight charges plus an additional fee.

All Merchandise to be shipped from a single shipping address on consecutive days to a single destination is encouraged to combine onto a single Bill or Lading. Routing guidelines should then be applied to all shipments.

7. **Incorrect or incomplete documents submitted to TTA and/or designated freight forwarder and/or U.S. Customs**

If a vendor fails to provide complete and accurate documentation for importation of product on TTA's behalf, the vendor will incur a non-refundable fine of \$200 per shipment. This charge back can include and is not limited to: incorrect duty or quota documents, incomplete or incorrect country of origin, and missing documents.

8. **ISF (Importer Security Filing-10+2) not on time or inaccurate**

All shipments being handed over to our designated freight forwarder must have an ISF completed. This filing should be at the time of booking cargo for transport but no later than 72 hours prior to the loading of the vessel. It is the shipper/vendors responsibility to provide accurate and timely data elements for ISF. Any filing not completed on time or inaccurately will result in the cargo not being accepted by the freight forwarder and could hold a penalty of \$5000 per infraction. This charge and any storage charges or other fees incurred will be the responsibility of the shipper/vendor. It is your responsibility to advise the Traffic Manager if you need assistance at the time of booking your cargo for transport.

- All freight charges will be the responsibility of the vendor
- An additional fee will be assessed
- All merchandise loss or damage will be the responsibility of the vendor

9. Storage charges incurred stemming from late presentation of original documents to get release of cargo from US Customs

As the shipper you are required to provide TTA with all of your original documents as soon as you have them available from the freight forwarder. Any storage or other fees associated with non-compliance of handing over original documents timely the shipper/vendor will be held accountable.

10. LATE SHIPMENTS

Please see Charge Backs for Non-Compliance above

SHIPPING SUMMARY

1. Facts regarding the Advance Shipment Notice (ASN):

- ALL shipments require an ASN at time of shipment. Completed ASN's can be emailed to ASN-TTA@CCSGINC.COM (If not EDI or Vendor Net) copy Traffic Manager
- ASN's include the information for a shipment as well as the case level details.
- The information on the ASN corresponds to the UCC-128 label details: case contents including P.O. #, item #, color, size, quantity per case.
- The ASN reports the transportation-related information.
- YOUR ASN MUST BE 100% ACCURATE.

2. Facts regarding the UCC-128 (EAN) Case Labels:

- The UCC-128 case label identifies both the vendor and contents of the specific case as well as the purchase order.
- Each UCC-128 case label is unique.
- The 20 digit UCC-128 case number must be written on the ASN along with the item description, color, size, quantity per case and purchase order number.
- Individual UCC-128 case labels must be affixed to each shipped case.
- The UCC-128 case label can replace all other labels on the package including address labels.
- The UCC-128 case label MUST be placed on the lower left corner of the short side of the case, 1" from the bottom and 1" from the left side.

3. Other Information

- All shipments must be accompanied by an ASN and/or packing slip.
- The packing slip and/or ASN must be inside and attached to the outside of the lead case for each purchase order.

ISF (10+2) NO.	INTERNATIONAL COMMERCIAL INVOICE REQUIREMENTS	
	All information on the commercial invoice MUST be in English	
	Data Element:	Comments:
1	Shipper Full Name and Address (if same as manufacturer list as such)	This should be the name and address of the foreign shipper, NOT a US company
	Seller Full Name and Address (if same as shipper list as such)	Name and address of company with whom the Buyer/Seller Relationship with TTA is.
2	Buyer Name and Address (Bill To:)	The Territory Ahead, 419 State Street, Santa Barbara, CA 93101
3	Ship To Full Name and Address:	The Territory Ahead Inc, c/o CCSG Distribution Center, 8877 Union Centre Blvd, West Chester, OH 45069
	Consignee name address for Bill of Lading	The Territory Ahead, 419 State Street, Santa Barbara, CA 93101
4	Actual Manufacturer's Full Name and Address	Full name, address specifically stating on invoice as "MANUFACTURER"
5	Consignee Number	#77-037867400
6	IMPORTER NO.	#77-037867400
	Invoice Number and Date	As you provide
	The Territory Ahead Purchase Order Number(s)	If the shipment is a sample, state "Sample" and the person at the brand who purchased the sample.
	The Territory Ahead Item Number (s)	Not applicable for sample shipments
	Complete Description of the Goods	This should include the name of the item, what the item is, what it is made out of and it's intended use. As specific as available. See below for Knit or Woven garments. If the item is packaged as a set, state that as well.
	**For Knit Garments	Stitches per 2cm
	**For Woven Garments	Number of colors in the warp/weft and or filling (solid or yarn dyed)
	Total Quantity Shipped and Unit of Measure	This should be the total number of pieces shipped listed in pieces, sets, etc.
	Unit Price	Must list unit price of each item on the invoice. This MUST be the true price of the item regardless of whether it's being supplied free of charge (normally seen on samples)
	Total Price	Total price calculated by multiplying units shipped by unit price
	Currency Used	State the currency used in alpha characters- USD, EUR, etc. Symbols for these currencies are not sufficient
7	Country of origin	State "Made in:" and include the country where the item was manufactured. Please note that "EU" is not acceptable, must state the actual country.
	Inco Terms	Also sometimes called payment terms, this should be the point where the buyer takes possession of the cargo (i.e. Ex-factory, FOB Hong Kong, etc.) For FOB points, must state the actual city where possession changes, FOB China or FOB port is incorrect but
	Total Invoice Amount and Currency	This should be the total of all items listed on the invoice. This MUST reflect the true cost of the items regardless of whether they are being supplied free of charge.
8	HTS (Harmonized Tariff Schedule) number at 6 digit level minimum	This should be verified by traffic manager 4-6 weeks prior to shipment being handed over

7. OPERATIONS & ACCOUNTING

PURCHASE ORDERS

The Territory Ahead uses purchase orders to formalize inventory purchasing commitments. Any merchandise shipped on behalf of The Territory Ahead without an accompanying purchase order is invalid.

The Inventory Management department is responsible for the accuracy, content and maintenance of purchase orders. If there are questions regarding the information on the purchase order, they should be directed to the undersigned Inventory Manager.

Upon receipt of a Purchase Order, vendors should immediately review style numbers, dates, quantities and terms on the order. If a vendor is unable or unwilling to adhere to the terms as set forth on the order, exceptions should be noted and communicated in writing to the undersigned Inventory Manager. The desired changes will be reviewed and if agreeable, incorporated into the order. If the desired changes are not agreeable, the vendor will be notified and terms will be negotiated.

DELIVERIES

Requested ship dates are determined according to the catalog(s) in which specific products will appear. For this reason, it is critical that all shipments be in complete adherence with the shipping dates specified.

Complete Shipments

Each purchase order should be shipped complete, as one delivery. In the event that a vendor is unable to ship an order complete within the specified ship dates, a request for a partial shipment can be made by contacting the undersigned Inventory Manager prior to shipment. Acceptance of partial shipments is at the discretion of the Inventory Manager. If partial shipments are approved, the Inventory Manager may require that certain sizes and colors be prioritized.

Overages

No overages over/under 5% are to be shipped without Inventory Manager approval. Quantities shipped over and above the 5% amount set forth in the purchase order will not be accepted and will be deducted from the invoice, and a return authorization will be requested. The returned merchandise will be shipped freight collect.

Early Deliveries- Merchandise may not be shipped prior to the requested ship date without prior consent of the Inventory Manager. In the event that merchandise is shipped without prior consent, the Inventory Manager has authority to return the merchandise at the vendor's expense or to receive the merchandise. If the Inventory Manager elects to receive the merchandise early without prior consent, payment will be made according to the original expected receipt date, not the actual receipt date.

Late Deliveries- If an order is running late, and will be shipped after the requested ship date, the Inventory Manager must be contacted immediately. A thorough explanation of the circumstances causing the delay should be communicated to the Inventory Manager in writing. **Merchandise shipped after the requested ship date is subject to complete or partial cancellation by the Inventory Department.** In addition, orders shipping late are subject to the following penalties:

- The vendor may be subject to paying the difference between air and sea freight charges when an order designated to ship by sea must be expedited to airfreight due to production delays.
- The vendor may be required to cover the entire freight charges when an order scheduled for transport by air is late due to production delays.
- Domestic deliveries that are late are subject to be shipped via UPS 2nd Day or Next Day at the expense of the vendor.

BILL OF LADING

The Bill of Lading must include the following information:

1. Vendor address as shown on the Purchase Order
2. Proper description in accordance with governing tariffs (Carriers cannot apply correct charges without a proper description of merchandise)
3. Carton count, number of cartons and weight for each separately described commodity
4. Purchase Order
5. Style number
6. Consigned to "The Territory Ahead."

INVOICE AND BILLING INFORMATION

Please adhere to the following guidelines when submitting invoices to The Territory Ahead:

1. Do not include payment invoices with your shipment. This often results in lost invoices and/or delayed payments.
2. Invoice only for the merchandise shipped, not for the entire Purchase Order unless the entire Purchase Order was filled with a single shipment.
3. Invoice each shipment separately. Do not wait until the entire Purchase Order is filled to mail your invoice.
4. International Vendors: When shipping charges are included on an invoice, also submit shipping documents that detail the freight charges.
5. Domestic Vendors: Shipping charges are NOT to be included on the merchandise invoice. Domestic freight is to be billed freight collect on an approved carrier.
6. Invoices should be mailed or emailed to the following address (both formats are not necessary):

The Territory Ahead

Email: tta-ap@cornerstonebrands.com
Phone 877-333-1049
Fax 513-603-1345
Mail PO Box 1037 West Chester, Ohio 45071-1037

7. Each invoice must include the following information:
 - Full address (see above)
 - One Invoice per PO
 - Invoice number
 - Actual name of shipper and shipping point, if different from address shown on the invoice
 - Freight carrier's name, number of cartons, and weight if required as shown on the Bill of Lading
 - The Territory Ahead Purchase Order number
 - The Territory Ahead Style number
 - The Territory Ahead merchandise color and size
 - Quantity by style, color, and size
 - Complete item description (woven-# of colors warp & weft, knit-stitch count)
 - Cost/unit and extended amount
 - Total invoice price and total units per invoice
 - Copy of Bill of Lading
 - Invoice date and due date

Payment of each invoice is subject to the deduction of any Credit Memo outstanding on the vendor's account. Such deductions will be noted on the check stub, and a copy of the Credit Memo detailing the circumstances of the deduction will be provided upon request.

Full compliance with all quality requirements, shipping instructions and invoicing will ensure prompt payment.

LETTERS OF CREDIT

Generating a Letter of Credit

- The Inventory Accountant will open an LC no more than 40 days prior to ship date.
- A "Pro-forma" invoice should be sent to the Product Manager for verification of purchasing information.
- Product Manager will submit information to the Inventory Accountant who will generate an LC application.
- LC application will be faxed or e-mailed to vendor for approval within 48 hours of receiving request from Product Manager
- Vendor must notify the Inventory Accountant directly with approval and/or necessary changes to the LC application.
- Vendor's bank should receive confirmation via "bank to bank communication" (i.e., swift, telex) within approximately 24 hours of the LC being opened. Some receiving banks may take a little longer.
- Copies of approved LC applications will be provided if requests are received in writing; request should be addressed to the Inventory Accountant.

Amendments & Discrepancies

- Amendments made to approved LC applications will result in charges to vendor at a flat rate of \$100 per change.
- If documents are presented to The Territory Ahead's bank containing discrepancies, the vendor will be charged an amount determined by the bank for each occurrence. The bank (not The Territory Ahead) will assess this penalty.

WIRE TRANSFERS

Requesting payment via wire transfer

- An invoice including the packing slip, a copy of the Bill of Lading, and the vendor's banking information should be emailed or mailed to the below address:

The Territory Ahead

Email: tta-ap@cornerstonebrands.com

Phone: 877-333-1049

Fax: 513-603-1345

Mail: PO Box 1037 West Chester, Ohio 45071-1037

- The Inventory Accountant will generate a wire payment request.
- Wire transfer payments are issued once per week.

8. VENDOR SECURITY EXPECTATIONS

All Territory Ahead Vendors are expected to comply with basic safety guidelines as outlined below in order to ensure safe and secure production, shipping and distribution of goods internationally. The Territory Ahead is C-TPAT validated by the United States Customs and Border Patrol. It is important that our overseas factories perform due diligence to insure that imported product is secured and tamper proof. Vendors should have security procedures in place to address the following as applicable to their facility:

Physical Security

All buildings should be constructed of materials that resist unlawful entry and protect against outside intrusion. Physical security should include:

- Adequate locking devices for external & internal doors, windows, gates and fences.
- Segregation and marking of international, domestic, high-value and dangerous goods cargo within the facility by a safe, caged or otherwise fenced-in area or room.
- Adequate lighting provided inside and outside the facility to include parking areas.
- Private vehicle parking area that is separate from the shipping/loading dock and cargo areas.

Access Controls

Unauthorized access to the shipping, loading dock and cargo areas should be prohibited. Controls should include:

- The positive identification, recording and tracking of all employees, visitors and vendors.
- Procedures for challenging and if necessary, removing, unauthorized/unidentified persons.

Procedural Security

Measures for handling of incoming and outgoing goods should include protection against the introduction, exchange, or loss of any legal or illegal material. Security controls should include:

- Having a designated security officer to supervise the introduction/removal of cargo.
- Properly marked, weighed, counted and documented goods.
- Procedures for affixing, replacing, recording, tracking and verifying seals on containers, trailers and railcars.
- Procedures for detecting and reporting shortages and overages.
- Procedures for tracking the timely movement of incoming and outgoing goods.
- Proper storage of empty and full containers/trailers/railcars to prevent unauthorized access.
- Procedures to notify Customs and Border Protection or appropriate foreign authorities in cases where anomalies or illegal activities are detected or suspected by the company.
- We recommend using US Customs "Seven-Point Inspection" method to verify the physical integrity of the container and the reliability of the locking mechanisms on the door, prior to loading. The following seven areas should be inspected: Front Wall, Left Side, Right Side, Floor, Ceiling/Roof, Inside/Outside Doors, Outside/Undercarriage.

Personnel Security

Companies should conduct employment screening and interviewing of prospective employees to include background checks and application verifications in accordance with applicable statutes and regulations. Current employees in security-sensitive positions or with cause for review should be periodically screened.

Education and Training Awareness

A security awareness program should be provided to employees and include instruction on how to recognize internal conspiracies, maintain product integrity, and determine & address unauthorized access. A record of employees having completed the training should be maintained. These programs should offer incentives for active employee participation in security concerns.

Threat Awareness

A threat awareness program should be established and maintained by security personnel to recognize and foster an awareness of the threat posed by terrorists and contraband smugglers at each point in the foreign-based supply chain. This program should include routine briefings and up-to-date notices illustrating new smuggling trends, seizures and information on terrorist threats along transit routes, and/or other areas along the supply chain.

9. TERMS

CONDITIONS

SELLER WARRENTS THAT:

1. All goods delivered hereunder are free from defects in design, material, and workmanship.
2. All goods delivered hereunder do not infringe on the proprietary rights (or other rights) of any third party and are fit for the particular purpose stated in this contract. If no purpose is stated, the goods are fit for the purpose for which such goods are ordinarily used.
3. No violation of any federal, state or local law, statute, rule, regulation, ordinance, or order will result from the processing, manufacture, labeling, sale, invoicing, or shipment of the goods covered by this order.
4. The content of any textile or material (including outer, inner or filling material), made from any fiber or combination of fibers, is designated accurately on tags, labels, invoices and other documents to conform to definitions and percentages of:
 - Federal Trade Commission guidelines;
 - Wool Products Labeling Act; or
 - Textile Fiber Products Identification Act
5. Tests using procedures in the Flammable Fabrics Act show that wearing apparel fabrics (or other products subject to the act) covered by this order are not so flammable as to be dangerous when worn or used by people.

The Territory Ahead, relying on these representations, warranties, and guaranties, will offer these goods for sale to its customers. Seller assumes responsibility of, and agrees to protect, indemnify and hold The Territory Ahead harmless for any liability, loss, claim, suit, judgment, or cause of action for injuries to persons (including death) and damage to property, and also from any cost or expense, including merchandise recall expenses and attorneys' fees, that arise from the sale, delivery, storage, use or other handling of goods under this order.

QUALITY CONTROL

Seller will maintain adequate quality control programs to assure that its goods meet The Territory Ahead's quality specifications for appearance, performance, durability and reliability. Seller shall from time to time furnish the results of these programs at the request of The Territory Ahead.

DEFECTIVE OR NON-CONFORMING GOODS

All goods that do not conform to Seller's representations and warranties in this order, or implied by law, or which do not meet quality standards set forth in The Territory Ahead Product Specifications or Vendor Manual, may at the option of The Territory Ahead, be returned to Seller by The Territory Ahead. Seller will refund purchase price, replace or repair the returned goods.

A shipment, or portion of a shipment, found by sampling to have defects in workmanship or material is subject to return at Seller's expense. Seller will re-inspect the returned goods and repair or replace them, or refund the purchase price, at the sole discretion of The Territory Ahead.

Seller will indemnify and reimburse The Territory Ahead for all added costs incurred as a result of defective products. This includes, but is not limited to, transportation, inspection, handling and recall expenses incurred on goods affected. Failure by The Territory Ahead to inspect any goods before resale does not relieve Seller of this responsibility.

PACKAGING AND SHIPPING

All goods covered by this order will be packaged, shipped and routed under instructions in this order. If no instructions are specified, all goods are to be packaged, shipped and routed in accordance with The Territory Ahead Packaging, Shipping and Freight Routing instructions.

Please note, this guide is routinely updated, at the date of the current guide's expiration a new guide should be furnished by the Territory Ahead's Traffic Manager. The most current version is also available online at: <http://ccsginc.com> - *Territory Ahead Partnership -> Routing Guide*.

TRADEMARKS

Seller and/or its agent(s) shall not, under any circumstances, sell or otherwise transfer any goods which bear The Territory Ahead private labels, trademarks, service marks, trade names, logos, designs, hang tags, or packaging to third parties unless all such The Territory Ahead indicia have been completely removed or obliterated from each and every article. Seller further agrees that it will assist The Territory Ahead to the extent necessary to protect The Territory Ahead trademark rights and copyrights. Seller shall notify The Territory Ahead in writing of any infringements of The Territory Ahead's rights or imitations of The Territory Ahead's goods if and when such becomes known to Seller.