



Supplier Compliance and Freight Routing Guide

Dear Supplier:

ATA Retail Services, Inc. is committed to provide its customers the highest possible customer service. This is only achievable with cooperation throughout the supply chain and efficiencies in operations. Therefore we have provided this Supplier Compliance and Freight Routing Guide which has been designed to provide you with a quick and easy reference for our shipping requirements. Please read this guide before shipping ATA Retail Services Purchase Orders to insure that you adhere to the guidelines and avoid any future possible charge back violations and/or financial penalties.

Please be advised that Compliance and Routing Instructions are deemed part of the terms and conditions of purchase. These requirements are structured to provide supply chain efficiencies that support our needs and those of our customers.

Thank you in advance for following these requirements. Should you have any questions related to these requirements, please contact Megan Huskey at (925) 621-4757 or meganhuskey@ataretail.com.

General Instructions

This guide supersedes all previous freight routing guides issued by ATA Retail Services, Inc. ("ATA")

This guide contains detailed instructions for routing, scheduling, documentation, and packaging of merchandise for shipment to ATA Retail Service Distribution Centers. The instructions apply to all purchase orders issued by ATA and are incorporated by reference into the terms and conditions of all ATA purchase orders.

Noncompliance with the ATA Supplier Compliance and Freight Routing Guide may result in chargeback of all excess expenses incurred plus an administrative fee. Each vendor/supplier is responsible to forward this Guide to its Logistics Department and other individuals responsible for the delivery of product to ATA Distribution Centers.

SHIP TO LOCATION & CONTACT INFORMATION

Hayward, California

Delivery Address: 30773 Wiegman Road
Hayward, CA 94544
Telephone Number: (510) 401-5300 x213
Contact: Carlos Moz
Email: CarlosMoz@ataretail.com

Appointment Information: Containers – 72 hour notice
Domestic delivery for more than 20 pallets- call for appointment
LTL – No appointment necessary if under 20 pallets

Receiving Hours: 6:00 a.m. to 2:00 p.m. (PST) - Monday thru Friday

Portland, Tennessee

Delivery Address: 214 Kirby Drive
Portland, Tennessee
37148-2005
Telephone Number: (925) 621-4700 x758
Contact: Jimmy Stewart
Email: JimmyStewart@ataretail.com

Appointment Information: Containers – 72 hour notice
Domestic delivery for more than 20 pallets- call for appointment
LTL – No appointment necessary if under 20 pallets

Receiving Hours: 8:30 a.m. to 3:00 p.m. (CST) - Monday thru Friday

Please direct all transportation and commercial invoices along with any additional correspondences to our corporate office at:

Attn: Accounts Payable - ATA Retail Services
7133 Koll Center Drive, Suite 100
Pleasanton, CA 94566

PREPAID SHIPMENTS

“Prepaid” Purchase Orders are deemed to be FOB Destination, Freight Prepaid terms unless otherwise agreed upon in advance of shipment. The Supplier will be bound by these terms unless otherwise authorized by ATA in advance of the shipment. Contact the Buying Office, Attn: Megan Elliott-Huskey (925) 621-4757 concerning issues arising out of purchase order terms relating to freight service.

PREPAID AND ADD FREIGHT TERMS

No “Prepaid and Add” freight terms are allowed unless authorized in writing by ATA’s buying department.

PALLET REQUIREMENTS

Vendor/suppliers must use 48” X 40” four-way hardwood pallets. ATA will not accept broken boards. There will be no overhang of product and said product must be secured with shrink wrap or tape. Merchandise must be sorted by SKU, style, color and if applicable, Expiration date. Pallets with multiple SKU’s must have those SKU’s grouped together on a pallet. Multi-SKU cases must be clearly marked.

SUPPLIER REQUIREMENTS

All Purchase Orders issued by ATA will serve as the binding agreement of sale. Upon acceptance of the Purchase Order by the Supplier, it is the Supplier’s responsibility and obligation to honor all the terms and conditions, which includes compliance with the “Supplier Compliance and Freight Routing Guide”. These terms and conditions are duly noted on all outbound Purchase Orders. All terms and conditions of sale will remain in force unless otherwise rescinded in writing by ATA. This statement of understanding will serve as the operating preface for all Purchase Order transactions and will be binding to all parties to the agreement of sale.

ATA Purchase Order Number(s) must be indicated on all Freight Bills and Packing Slips. UPS Parcel Shipments and Federal Express – Purchase Order Numbers must be entered in one of the Package Reference Fields on the UPS / Fed Ex shipping info/label.

All "Back Orders" must be approved by the purchase order's originator, or Buyer, in advance and clearly noted and identified on all packing slips.

Every effort must be made to minimize mixed skids and mixed layers of individual product SKU's. Purchase Orders should be loaded separately. This is particularly important when mixing purchase orders on the same pallet for inbound shipment to ATA. Packing slips must be clearly visible and applied to the first pallet unloaded from the delivery vehicle.

Prepaid Carriers are required to assist in the unload process and sort and segregation of inbound shipments to ATA. Suppliers are obligated to engage freight service arrangements to ensure this service requirement is met.

All freight should be received palletized on a standard 48" x 40" four-way wood pallet. All suppliers will assume responsibility for any accessorial charges for unloading and detention levied against ATA as a result of non-compliance requiring unnecessary re-handling of freight at delivery.

All cases should be clearly marked and identify the following: manufacturer, product, case and individual item UPC, size & quantity contained in each case and dating if applicable. These are the minimum requirements. Please refer to any special marking and ticketing instructions provided by purchaser at the time of sale.

Banded Cases: Cases banded together will be counted as 1 unit when checked in against the packing list. All shortages will be deducted from invoice. Proof of delivery is not accepted as confirmation of case count. **DO NOT SHIP CASES BANDED TOGETHER.**

Suppliers are expected to ship "On Time" to ensure proper and timely freight delivery service. Orders should be scheduled allowing sufficient time for transit to ATA by the "ATA warehouse due date" on the purchase order. The Purchase Order "ATA warehouse due date" is an expiration date for the purchase order. Shipments for PO's beyond this date will be subject to refusal. The Supplier is responsible for contacting the Buying Department at ATA for authorization prior to shipping past cancellation date. Orders arriving more than 7 days prior to the "Deliver By" date will be subject to refusal and may be subject to a \$150.00 "Non-Compliance Charge" to be accepted.

Non Compliance & Service Fees:

Non-Compliance fee: A flat rate of \$150.00 will be charged for incorrect product, wrong UPC, shipment to incorrect warehouse, incorrect packing list and/or invoice and early or late delivery. This fee will be deducted from payment of invoice.

Service Fee: A \$35.00 per hour will be charged when:

ATA has to repair product to make it saleable.

Replace incorrect UPC tags (vendor required to supply tags/stickers)

The Vendor has the option of picking up the entire shipment within 7 days or to send one of their employees to take care of the problem.

Recalls - Recalls due to defective packaging or consumer product safety issues will result in a 10% handling fee. Vendors are responsible for Freight charges.

Supplier Return Authorizations – When situations arise with warehouse receipts that require the goods to be returned to the Supplier (overages, substitutions, damage where applicable, etc.), the Supplier will have seven (7) business days “Free Time” from the date of notice to provide ATA with written return authorization or direction on disposition before storage fees will be invoked. Goods held beyond the “free time”, will incur an administrative fee of \$75 and possible storage fees of up to \$20.00 per day, per discrepant purchase order, to be deducted from any open and /or future Supplier Payable upon issuance of the non-compliance charge back. ATA will not hold any such goods in storage beyond thirty (30) days past the issuance of the request for “return authorization” or “disposition instructions”. This notice will be provided to the Supplier through its representatives via email communication within 48 hours of receipt of goods requiring Supplier intervention.

INSURANCE & RISK MANAGEMENT REQUIREMENTS

All Suppliers supplying Goods and/or Services to ATA are required to carry Commercial General Liability and/or Product Liability coverage and supply proof of coverage as a condition of conducting business with ATA. Such policy limits should be sufficient to support the scope and nature of business. The ATA requirements for such coverage are as follows:

- A.) Minimum General Aggregate Limit of \$2,000,000. Each Occurrence limit of \$1,000,000
- B.) We require ATA to be named as “Additional Insured” with this evidenced on the Certificate of Insurance and the appropriate endorsements attached to the certificates.
- C.) Suppliers supplying Goods and/or Services to ATA for the first time must ensure the required “Certificate of Insurance” including all required endorsements is issued to ATA in advance of the release of any shipments and/or start of any services. These Certificates of Insurance should be forwarded by mail to:

Buying Department / Liability Insurance
7133 Koll Center Drive, Suite 100
Pleasanton, CA 94566

It is the responsibility of the Supplier to update and keep insurance documentation current and provide ATA with a copy at time of renewal.

CERTIFICATION OF CONFORMITY, PRODUCT SAFETY TESTING

Vendor is required to provide upon request:

- Certification of Conformity (COC) for general products manufactured after November 12, 2008 or for children's products manufactured after December 21, 2008 stating the products have met all applicable product safety standards as per U.S. Consumer Products Safety Improvement Act (CPSIA) of 2008.
- Copies of product safety testing reports in compliance with Consumer Products Safety Improvement Act (CPSIA) of 2008.
- All merchandise purchased by ATA must be tested to meet all applicable Laws and Regulatory and Industry regulations as well as reviewed for overall general quality and safety.

CHILD LABOR

- No products from vendor/factory were mined, produced, manufactured, assembled, or packaged by the use of forced child labor or prison labor as defined by the laws of the U.S.
- Supplier guarantees and indemnifies ATA and its customers against any and all legal actions related to U.S. labor law violations.

Revision date: 10/01/2015

Signature page

Supplier hereby acknowledges receipt of the "Supplier Compliance and Freight routing Guide" ("Guide").

Supplier will use its best efforts to comply with the instructions and agrees to the Non Compliance & Service Fees listed in the Guide.

Supplier also agrees to the following:

Supplier hereby agrees to indemnify, defend and hold harmless ATA Retail Services, Inc., including its Officers and Employees (combined as "ATA") from any and all claims, damages and/or liabilities related to products sold to ATA by Supplier that ATA may sustain or incur resulting from any product failure, Trademark infringement, etc.

Supplier agrees not to use or disclose any confidential information. Confidential information means any and all information received from ATA which is not generally available to the public as well as any and all information regarding the Supplier's products, prices and terms offered to ATA which are not generally available to the public, including information acquired or exchanged during negotiations with ATA.

Supplier Company Name: _____

Address: _____

Signed:

By: _____
(Authorized Officer)

Name: _____

Date: _____