

Do it Best Corp.

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Do it Best Corp.

Overview

Overview

Founded in 1945, Do it Best Corp. (formerly Hardware Wholesalers Inc, or HWI) is a member-owned hardware and building materials buying cooperative serving more than 4,000 member-retailers throughout the world. Do it Best Corp. membership is comprised of independent hardware, home center, lumberyard, rental, and commercial/industrial distributors with both single and multiple store locations.

Do it Best Corp. provides members with weekly deliveries from eight Retail Service Centers located throughout the United States. Members may also order product from approved vendors on a drop shipment basis (billing to Do it Best Corp. with shipment direct to the member's store).

Do it Best Corp. provides members not only high rebates and competitive up-front pricing, but also retail support programs to help them grow their businesses, including advanced retail design programs, such as Do it center[®] and Do it Best[®] store designs. Members can also implement programs like a Do it Best Paint Solutions[™], Do it Best Rental Center[™], E-Commerce Program, and InCom Distributor Supply which provide a complete package for increasing traffic in specific product areas. In addition, Do it Best Corp. is the only co-op in the industry to offer members a complete credit marketing program for consumers, contractors and industrial/commercial customers.

Goal

“To help our members grow”

Mission Statement

“Making the best even better”

Philosophy

“Serving others as we would like to be served”

The Do it Best Corp. mission statement, philosophy and goal are very simply stated, but their fundamental impact can be observed throughout all aspects of operations. The mission of “making the best even better” can be seen in the ongoing attention to improvement in systems and operations. These efforts continue to maintain Do it Best Corp. with the lowest operation costs in the hardware co-op industry. This high efficiency is extremely important because profits are returned to the members in the form of year-end rebates. The philosophy of “serving others as we would like to be served” is the principle that guides every staff member. The goal of “helping our members grow” is truly the focus from which all decisions are made and Do it Best Corp. continues to reach it's goals while having no long-term debt. The growth of Do it Best Corp. is dependent on the success and growth of our members.

Business Ethics Policy

Do it Best Corp. is committed to conducting business in accordance with the highest business principles. This commitment applies to our current and potential suppliers, as well manufacturer representatives and competitors. In addition, the company philosophy of “serving others as we would like to be served” is the principle that guides every staff member. Please review the following summary relating to vendors.

Gifts and Entertainment – Do it Best Corp. employees may not receive gifts of more than nominal value. Offers of entertainment are not accepted, other than that which may be associated with conventional business meetings and other industry events.

Exceptions to the above policy are as follows (Merchandise Manager must receive prior approval from the Division Merchandise Manager and/or Vice President):

Product Samples: Product samples that are needed for testing become property of Do it Best Corp.

Business Travel: Complimentary transportation to and from vendor meetings.

Business Meals: Meals are acceptable only when in conjunction with industry events or other business meetings.

Employee Purchases: Do it Best Corp. employees may purchase product from suppliers. Any product and any cost must be equally available to the general Do it Best membership.

Do it Best Corp.

Vendor Program Guidelines

Vendor Program Guidelines

Presenting Your Program to Do it Best Corp.

Do it Best Corp. Merchandise Managers are committed to providing the products and programs that will insure the success and growth of our members. Your help to in providing the needed program information is critical to our ability to make timely purchasing decisions. Here are the key elements in making an effective presentation of your program:

1. Know our members and their competition. Understand the needs of independents.
2. Determine how your product/program will help our members grow the sales and profits within your product category.
3. An important goal of our Merchandise Managers is to develop the optimum product mix within each of the categories they manage. Consider how your products complement other items within a product category.
4. A program for transitioning from the currently stocked product to your product is a very important factor in any decision to switch product lines. Be sure to include allowances within your program that will help facilitate a program change.
5. Present a complete program. **By completing all details** you will be assured of presenting the most well thought-out program possible.
6. Prior to Do it Best Corp. placing orders or accepting invoices, we must have a signed indemnity form from your company.
7. You must present your **BEST** program. With Do it Best Corp's financial strength and solid growth, we accept only the best programs.

Quoting Costs

We require that you provide the following price quotations when submitting your program:

- Cost with Prepaid Freight
- Cost with Collect Freight
- Backhaul Allowance (Because Do it Best Corp. delivers to our members via our own truck fleet, it is a high priority that our vendors allow backhaul opportunities.)

A complete drop shipment pricing program should also be quoted. Be sure to indicate the full range of drop ship purchase levels since we have members capable of a wide range of purchasing volumes (i.e.: from minimum order sizes to full truckload quantities).

Retail Price Analysis – A retail market price survey for your product must be presented with all proposals and/or price changes. The price survey must include pricing for big box stores, regional chains and other independents. The price survey must also indicate which items are price sensitive and which items are blind.

Price Changes

Do it Best Corp. requires a 90-day notice of any price increases. You must provide documentation indicating the 1.) labor and material cost increases, and 2.) increases must be consistent with general market conditions.

Product Testing

The Do it Best Merchandise Manager may require testing of your product(s) for quality assurance and product performance measurement. The vendor is responsible for reimbursing Do it Best for any and all costs associated with testing of your product(s).

Private Label Packaging

Do it Best Corp. maintains high graphical standards for private label packaging. Color standards, and design standards including font usage, text placement, logo size and placement, product verbiage, etc must be within the standards outlined in the Do it Best Corp. Standards Manual. Vendors must notify their Merchandise Manager or the Graphics Supervisor prior to reprinting any package to insure the package design is current and complies with our standards. After approval is given and printing has occurred, 10 printed samples of the package must be sent to the Graphics Department at Do it Best Corp. We reserve the right to reject shipments not conforming to these standards.

Payment Terms

Do it Best Corp's high credit rating and tradition of no long term debt provides vendors the confidence to extend the following payment terms.

- Retail Service Center (RSC) Purchases – Standard Do it Best RSC payment terms are 2% 90 Days.
- Drop Ship (D/S) Purchases – Standard Do it Best D/S payment terms are as follows: 2% 10th of the month for invoices dated 1st through 15th of the prior month, and 2% 25th for invoices dated 16th through 31st of the prior month.

Discuss any variances from the above terms with your Merchandise Manager

Anticipation Discounts – Do it Best Corp. may take advantage of anticipation discounts to pay invoices early. Please discuss this option with your Merchandise Manager or the Do it Best Corp. Accounts Payable Department.

Rebates

The standard method of receiving rebates is to allow the rebate payment as an invoice payment deduction. This deduction percentage would be in addition to the normal payment terms discount percentage.

Co-op Advertising Programs

Do it Best Corp. promotes products through a variety of advertising components throughout the year. Please provide the specific details about the advertising funds available for this use. It is expected that these funds be “off invoice”. *Explain your program using the “Vendor Information Form”.*

- Corporate Advertising Co-op Funds – These are the funds used to create the direct mail circular program and other corporate produced promotional materials.

- Member Co-op Advertising Funds – These are the funds you provide specifically for Do it Best members to use in their advertising efforts.

Digital Image Requirements (12.15.17)

Do it Best requires at least one **Main Product Image** and one **Straight-On Front View Package Image** for all items.

Please notify your Do it Best Merchandise Manager if you are unable to provide images following these standards.

- **Image Standards**

- The **Main Product Image** shot is a glamour shot (3/4 view, taken at angle & out of packaging), required to show depth or additional details on a product.
- A **Straight-On Front View Package Image** shot (straight-on & in the packaging) is required to show how the product will be displayed in a retail store setting (planogram).
- **Additional views are encouraged.** These include lifestyle, propped, product detail (line art), straight-on side view, straight-on top view, and in-use or enhanced views to show specific details on a product.

- **File Format and Image Size**

- Preferred formats (in this order): Photoshop (.psd), TIFF (.tif), EPS (.eps), JPEG (.jpg), and Portable Networks Graphics (.png).
- Minimum image size required: 1200 x 1200 pixels
- Preferred image size: 2400 x 2400 pixels
- White or transparent background, preferably with a clipping path (silhouetted)
- CMYK or RGB Color Mode (no gray-scale or black & white)

Please send us your best quality images. Do not enlarge a smaller image to meet these requirements because it will lower your image quality.

Naming Convention

The naming convention for digital images is the product's SKU (for stocking items) or UPC (for non-stocking items).

Main product image

- Stocking item: SKU number.psd (example: xxxxxx.psd)
- Non-stock item: GTIN number.psd

Straight-On Front View Package Image:

- Stocking item: GTIN_SKU.psd (example: xxxxxxxxxxxxxx.1_xxxxxx.psd) for front view, xxxxxxxxxxxxxx.2_xxxxxx.psd for side view, xxxxxxxxxxxxxx.3_xxxxxx.psd for top view.

All other images

- Stocking items: xxxxxx.b.psd, xxxxxx.c.psd, xxxxxx.d.psd, etc.

Image Submittal Options

- Do it Best vendor portal
- Email
- CD/flash drive for large number of images

(Due to potential security concerns, other submission methods may not be acceptable, i.e. Dropbox, Hightail, etc.)

Retail Package Dimensions

- Package HEIGHT measured from (top to bottom) as merchandised on retail store fixture
- Package WIDTH measured from (left to right) as merchandised on retail store fixture
- Package DEPTH measured from (front to back) as merchandised on retail store fixture
- Display Type: Box or Hole
 - “Box” for shelf merchandise
 - “Hole” for pegged merchandise
 - Number of Holes

Unlimited Right of Return

Do it Best Corp. encourages you to recommend product assortments and line extensions. In doing so, we also require that you share in the risk associated with product(s) or inventory levels that may not perform adequately. Therefore, any agreement to stock product will also carry the unlimited right of return should circumstances require that we reduce inventory levels, or no longer stock your product. We require the ability to return merchandise at full credit.

Merchandising Programs

Do it Best Catalogs – Do it Best produces a number of catalogs, both for the members’ internal store use, as well as consumer catalogs. The primary member catalogs are:

- mydoitbest.com Online Member Catalog
- Do it Best iPad Member Catalog App
- Do it Best Department and Custom Catalogs

To help offset the costs to produce these catalogs, an annual fee (based on product space) is charged to vendors. These fees are calculated and billed near the end of each calendar year.

Merchandising Essentials – Do it Best members rely on this program to provide new and updated planograms for their stores. Through the combined effort of our Merchandise Managers, Category Management Planners and vendors, we provide members with unique planograms based on store size and category focus.

Your support of the Merchandising Essentials program conversion allowance provides the incentives to for members update product assortments and to place your product on their shelves throughout the year.

RetailSTART!® Program – This innovative program helps members grow their businesses by opening new, ground-up stores or purchasing and converting existing ones. RetailSTART!® provides members with optimum product assortments, plus a range of planning, merchandising and implementation services to insure new store success. RetailSTART!® is a program for members that have at least two locations.

Do it Best Online Planogram Library – Do it Best provides members with an online library of planograms. This continually updated library allows members to remerchandise product categories at any time of the year. Members also may receive email updates about changes (add/drops) to planograms in the library. There is a \$750/year charge to vendors who are part of the library.

New Program Launches

One of the most important factors in the review of any new program is the evaluation of how the proposal addresses “launching” new items and/or a new program to our members. It is critical that you address this important issue. Do it Best Corp. is committed to the quick placement of new products onto the retail shelf. Placing the first order of new product into the Do it Best RSC does not ensure that the product will reach the retail shelf, and ultimately be sold to consumers.

There are several programs we have designed to specifically “launch” new programs to our members. **All proposals must include a plan that insures placement of product into our member stores.**

New SKUs Book – All new stocking items are introduced to our members through the monthly New SKUs Book. This is a high quality, full color promotional tool that encourages members to quickly add the latest new products to stock. It is distributed to all Do it Best members. To help offset the cost of this publication, vendors are charged \$50/item. If a New RSC Program is featured, the Vendor is charged a flat fee of \$350.

Free New Item Program – This is a monthly program that automatically ships new products to members. Members register to participate in this program. Examples of product range from samples of new items, to entire assortments of new product. This is the single fastest way to achieve placement of new products into our member stores.

Program Details:

1. Eligible items are new items recently added to stock by your Do it Best Merchandise Manager
2. Do it Best Corp. will write one free item P.O. for each Retail Service Center.
3. This program runs on a monthly basis.
4. Items are shipped in various forms:
 - Starter Displays
 - Open stock
 - Special sampler “pre-packs” of new items

Contact your Merchandise Manager for complete details about the opportunities of the Do it Best Free New Item Program.

Free Market Assortments – The Do it Best Markets (explained later in this section) are ideal venues to introduce new products. Free displays/assortments of new products is a sure way of creating immediate demand for open stock replenishment. Vendors are most successful when the free product is truly “free”

with no other purchases required. The added booth traffic this creates typically adds significant additional purchases for other products in the booth.

Discontinued Product

Discontinued product can cause continuity and service level problems for our member stores. It is extremely important that our vendors maintain a steady supply of our stocked product. Vendors must give a minimum of 120 days notification of product being discontinued. This notice will allow us to create the proper transition to alternative product for our members. Product purchased within 60 days of the notification may be returned to the vendor for full credit. Under certain circumstances, markdown funds may be discussed and agreed upon with your Merchandise Manager.

Defective Merchandise Policy

Our members must have an efficient method to handle defective merchandise. Do it Best Corp. policy for handling vendor defective merchandise is called Policy A (“list & destroy”). Policy A is the mandatory method for handling claims on your product, unless the nature of your product dictates other special handling. If there are any questions regarding this program please contact your Do it Best Corp. Merchandise Manager.

Below is an explanation of the Policy A Defective Merchandise Program:

1. Member sends a defective merchandise report form (CF1) to Do it Best Corp. office listing the defective item(s).
2. Do it Best Corp. then issues credit for the defective item(s) along with instructions to destroy the item(s).
3. Do it Best Corp. accumulates all member claims and debits the vendor on a monthly basis for defectives.

NOTE: In situations requiring Do it Best or our members to return product to the vendor, the vendor must pay the resulting freight costs.

Product Liability Insurance

Do it Best vendors must procure and maintain product liability insurance with limits of not less than \$2,000,000 and up to \$15,000,000 per occurrence [for property damage, bodily injury or death to any number of persons]. See the Vendor Insurance Matrix to determine which Do it Best Corp. Insurance Category I - V applies to your product categories or consult with your Do it Best Merchandise Manager. Vendors must provide Do it Best Corp. with 30 days written notice of any cancellation of policies. The insurance company must have a rating of A-VIII or higher from A.M. Best.

The certificate of insurance for your product liability and umbrella coverage should read as follows:

Certificate Holder: Do it Best Corp./Alliance International
Attn: A/P – (Vendor #)
P.O. Box 868
Fort Wayne, IN 46801-0868

Additional Insured: Alliance International, LLC and Do it Best Corp. and its wholly-owned or greater than fifty percent (50%) owned subsidiaries and affiliates are named as additional insureds.

Vendor Insurance Matrix

(Amended 4/23/2010)

	\$15m	\$8m	\$6m	\$4m	\$3m	\$2 m
	Category V	Category IV	Category III	Category II	Category I	Category 0
DEPARTMENT						
1000 Building Materials	None	garage door openers, structural fasteners, skylights	treated lumber and EWP	roofing products	structural steel	all other products
1600 Millwork	None	attic stairs	None	None	None	all other products
2000 Home and Hardware	None	None	None	None	None	all other products
2600 Home Décor	None	None	None	construction adhesives	None	all other products
3000 Hand Tools	None	fire extinguishers, power activated tools, propane torches, safety equipment	striking tools, fastener tools, sawhorses and brackets	knives and blades, construction adhesives	None	all other products
3500 Power Tools	None	all power tools	Power tool accessories	None	None	all other products
4000 Plumbing	None	water heaters, gas fittings/connectors/pipe	None	faucets, pipe and fittings, pumps, chemicals, valves	None	all other products
4500 Heating	None	heaters, stoves, fireplaces	stove pipe	None	None	all other products
5000 Electrical	None	Cable and bldg wire, load centers, circuit breakers, fuses, conduit and fittings, ext cords, work lights, switches, power strips, generators, major appliances, smoke alarms	air conditioners, ceiling fans, electrical boxes, timers, testers, electrical tools	interior lighting, exterior lighting, light bulbs, network and media center components, portable fans	None	all other products
5700 Automotive	None	batteries, chargers, additives/chemicals, jacks towing products, fuel cans and fuel related products, ramps, tie downs, tire repair	fluids and lubricants, marine, rv, ignition and engine parts, trailer parts and accessories,	None	None	all other products
6000/6500 Housewares/Electronics	None	pressure cookers/canning supplies	cleaning chemicals	small appliances, kitchen electrics, cookware, blinds	None	all other products
7000 Outdoor Power	None	power activated equipment	None	pruners and cutting tools	None	all other products

	\$15m	\$8m	\$6m	\$4m	\$3m	\$2 m
7200 Lawn & Garden	None	fertilizers, all chemicals, insect and pest control, ice melter	traps, citronella torches, candles and fuel	hoses, watering products	None	all other products
7500 Farm & Ranch	None	structural fasteners	None	fasteners, hoists, livestock supplies, horse care, tractor parts and accessories, pet food	None	all other products
7700 Paint & Sundries	ladders/scaffolding	cleaners, thinners, solvents, pressure washers, strippers and removers	None	paint, primers, stains and finishes, construction adhesives	None	all other products
8000Outdoor Living	None	pool chemicals, batteries, outdoor fireplaces, outdoor heaters, grills	None	None	outdoor furniture	all other products
9000 Trim-A-Tree	None	chemicals, power activated equipment	None	None	None	all other products
9700 Home & Office Supplies	None	None	None	None	None	all other products
9900 Store Supplies/Equipment	Scaffolding	all rental equipment	None	None	None	all other products
9950 InCom	ladders/scaffolding	None	None	None	None	all other products

Promotional Programs

Circulars

Do it Best Corp. Sale Circulars and overall advertising program are designed to drive traffic into our member's stores by offering consumers the right selection of items at the most competitive retail prices. An annual schedule of sale circulars is available from your Merchandise Manager. Specific due dates are given for when items must be suggested for each sale. Working closely with your Merchandise Manager will insure the best opportunities to promote your products in our circulars.

- Item Selection – Items should be products that we either currently stock or new items that we plan to add to stock, before the effective dates of the sale period.
- New Items: New items are a very important part of our circular program. We must have new item information as early as possible prior to product availability in the market. Refer to the sale schedule for the various due dates for item suggestions.
- Special Costs – We must have your **best/lowest** cost on any item being considered for circular promotion. The circular sale schedule will indicate the time periods when we would expect to receive special costs on promotional items. Please provide a market retail price analysis with any quotation.
- Unsold Inventory – We are committed to having sufficient inventories available in our RSC's to service our members during a sale event. Having sufficient inventories reduces chances for out-of – stocks, thereby allowing our members to sell the maximum volume of product. At the same time, this insures that our vendors benefit from the maximum volume of sales. For this reason, any unsold inventory that we determine is “overstock” (more product than would normally be needed to satisfy regular demand) will be returned to the vendor for credit at the promotional cost.
- National Promotions – It is extremely important that you advise your Merchandise Manager about national promotions, and/or any items that will appear on TV/Radio/Print media advertisements. Learning about these promotions by our sale production deadlines will allow the Merchandise Manager to correctly tie our promotions into those national events.
- Television and Radio Advertising Tags – Advise your Merchandise Manager about any ads in which Do it Best Corp. can be tagged. Your Merchandise Manager can provide you with correct ad copy to insure that consumers can recognize Do it Best members as retailers stocking your products.

ADpak™

ADpak™ provides members the promotional components to round out an effective and complete annual Advertising plan. ADpak™ capitalizes on the Do it Best® identity, yet allows members to promote their store and its uniqueness. It concentrates on three areas - tools to build traffic, tools to build loyalty and tools to build brand within the member's marketplace. Components include things like spring and fall catalogs, coupon books, New Mover programs, “Theme-in-a-Box” broadsheet newspaper inserts, web banners and email marketing. Coupled with a strong direct mail circular program, ADpak™ gives members the most effective advertising plan possible.

Do it Best vendors are invited to participate in this program at an annual planning meeting held each year with our Merchandise Managers.

eFLASH

eFLASH is an online tool Do it Best members use as their monthly merchandising resource. It's a one-stop merchandising guide that allows our members to plan and purchase product sets 4 months in advance of the actual sale month. The product that is featured each month is discounted, giving members incentives to purchase months ahead of time. Vendors can participate in the following eFLASH areas by submitting promotional items to the Merchandise Manager:

- Monthly Specials – Monthly Specials are single item/single price promotions designed to drive traffic into the store. These promotions are called Future Buys because they allow us to tally orders from members, place an order with the vendor, and then, ship to the member at the future date. These items must be items that Do it Best stocks in all RSCs. There are six types of Monthly Special promotions:
 - ***Specials of the Month*** – Members pre-register for this monthly promotion. They agree to receive an “automatic shipment” of the Special of the Month item each month. Members also are given the opportunity to order additional quantity beyond the automatic ship quantity. The Special of the Month item is also featured on the cover of that month's circulars.
 - ***Manager's Special*** – This monthly promotion operates exactly like the Special of the Month, with one exception; the item is not featured in the sale circular for that month.
 - ***Buyer's Special*** – While this program is similar to the Manager's Special, members do not pre-register for the Buyer's Special.
 - ***Tools Special*** – This monthly promotion operates exactly like the Special of the Month, with one exception; the item is not featured in the sale circular for that month.
 - ***Housewares Special*** - This monthly promotion operates exactly like the Special of the Month, with one exception; the item is not featured in the sale circular for that month.
 - ***Special Buys*** – This monthly promotion operates exactly like the Special of the Month. The promotion features a direct import item at an extremely low price each month. The item is not featured in the sale circular for that month.
- Pallet Specials – Pallet specials are single item/single price promotions designed to be displayed in highly visible areas to trigger both the impulse buyer and the everyday shopper. These items must be items that Do it Best stocks in all RSCs.
- P.O.P. Displays – P.O.P. Displays are free-standing, counter, or sidekick displays that are used to capture the consumer's interest by placing product right out in front of them. These displays can either contain items that Do it Best stocks in the RSCs, or items that we do not stock. This is a great opportunity for the Vendor to get new products out in front of Do it Best members and consumers.

Vendor participation costs will vary by type of special. Consult your Merchandise Manager for up to date costs.

Do it Best Corp. Markets and Expo

Do it Best Corp. conducts two Markets (May and October) and the Winter Conference & Expo each year in January. The Shows are extremely important events for both our members and our vendors. We are committed to making these events as productive as possible. These are tremendous selling opportunities as members come prepared to write orders.

When you are chosen to participate in a Market or Expo, your Merchandise Manager will send you an invitation. This invitation has all of the information and deadlines needed to prepare for your Market or Expo proposal. It is important to understand that receiving an invitation is not necessarily a guarantee of attendance. To confirm attendance we must receive your Market or Expo program/proposal in a timely fashion, and the program must be agreed upon by our Merchandise Manager. Working closely with your Merchandise Manager will insure that you have a very successful Market or Expo.

Please adhere to these very important requirements.

1. **Offer only the very BEST program you have.** Two of the most important things our members look for at Markets and Expos are – new products and great promotional items. Your Merchandise Manager can give you more suggestions.
2. **Hot Buys.** The one thing all members look for at the Market is Hot Buys – promotional items at outstanding “lowest ever” prices. Great Hot Buy(s) is the best way to increase booth traffic.
3. **Have qualified staff in your booth.** Our members will expect knowledgeable and friendly salespeople who can answer questions about your program with Do it Best Corp. Bi-lingual staff is extremely helpful as we have many international members attending our Markets and Expos.
4. **Create a Pre-Market/Expo Order Form/Mailing.** Members must have pre-Market/Expo information in order to make good purchasing decisions. Many members write most of their orders **before** they arrive to the Do it Best Corp. Market or Expo.
5. **Adhere to all Market and Expo deadlines.**

Note: Failure to adhere to these requirements may cause the withdrawal of the Market or Expo invitation.

Alliance International LLC



- Do it Best Corp.
- Home Hardware Stores Limited

We invite you to become an Alliance Supplier. It's the best way to increase sales and consolidate sales with the Alliance Members.

The Alliance International LLC formed in 1993 is a North American buying group that brings together the purchases of Do it Best Corp. in the US and Home Hardware Stores Limited in Canada. The purchasing power of these two important companies generates retail sales of over US\$ 14.0 Billion in home improvement business through over 5300 retail stores throughout Canada, the US and internationally. The Alliance is the third largest retail group in the industry and represents 8% of the top 17 retail home improvement market in Canada and the US.

The Alliance Members are a strong force in the marketplace for many important reasons.

- ☑ The Alliance Members efficiently distribute and retail over one hundred thousand items to nearly 5300 retailers.
- ☑ The hardware and building materials industry recognizes the Alliance Members for their low distribution costs. These low distribution costs help keep retailers competitive.
- ☑ The outstanding financial results posted by the Alliance Members provide a sound foundation for growth.
- ☑ The retail programs developed for home improvement retailers have earned high praise in the industry and the strong support of retailers and suppliers. The Do-it Best, Do-it Center, Do-it Express, Home Hardware, Home Building Centre, Home Furniture retail formats are recognized by consumers across Canada and the US.

The information contained in this package will help you prepare an Alliance Supplier Agreement proposal. Please read the enclosed brochures, instructions and agreements carefully. Submitting complete and accurate proposals helps insure rapid and efficient approval.

The twelve Alliance Purchasing Teams are responsible for reviewing and negotiating agreement proposals. Member Product Managers review all proposals as an Alliance Purchasing Team. The team responsible for your products will meet to review your proposal. And, will confirm the proposal in writing when everyone agrees.

The objective of the Alliance Supplier Agreement is two-fold. First, through increased sales for the supplier. And, through additional profits for the Alliance Members. These profits are above and beyond those already in place for any one of the Members. 100% of these profits are passed along to the Members retailers. The Alliance retains no part of any allowances from suppliers.

Questions regarding how to propose an Alliance Supplier Agreement should be directed to any Alliance Product Manager or to the Alliance Executive Director. In advance, thank you for your interest and support of the Alliance Members.

Do it Best Corp.

Order Processing

Order Processing

Retail Service Center Orders

Do it Best Corp. requires that all purchase orders be processed via EDI. Please see the “EDI Processing” section of this document.

Order Ship Date and Arrival Date

All Retail Service Center orders will indicate a specific “Ship Date” and “Arrival Date”. **The Ship Date is used for Collect orders** and it specifies the date when the order should ship to the RSC. For backhauls and DIB contracted carriers, this is the day the product must be ready for pickup. As noted on the PO, you must call a minimum of 48 hours in advance of the ship date so arrangements can be made. **The Arrival Date is used for Prepaid orders** and it specifies the date the order should arrive at our RSC. Shipping orders based on these criteria is critical to achieving a high fill rate for our members.

- Late orders cause out-of-stock situations that hurt our service levels
- Early orders cause interruptions in receiving other scheduled orders

Please adhere closely to the “Shipping and Marking Standards” section of this manual.

Order Lead Time

It is the vendor’s responsibility to advise the Merchandise Manager of any anticipated changes in order lead-time. Unanticipated changes in order lead-time cause service level problems at our RSCs. By having advance notice of shipping delays, we will be able to accurately adjust our forecasts.

Drop Shipment Orders

Drop shipment orders (D/S) are orders placed by our member directly with the vendor. These orders may be called in to your customer service department, placed in person with your sales representative, or placed on a drop ship order form. Invoices for those orders must be sent electronically to Do it Best Corp. for payment. Do it Best Corp. will invoice the member. It is important to follow the guidelines below:

Creating a Drop Shipment Order Form

Sample templates are available for creating a drop ship order form. Any order forms mailed to our members must follow these templates. This will insure that all necessary information is included on the form. Instructions are as follows:

1. Vendors printing their own drop ship order forms must use the Do it Best® Drop Ship Order Form as their template.
2. These forms are in Excel file format.
3. The dashed vertical line on the template indicates a perforation between the order form and the tear strip area. The tear strip is the part that members will give to you as their order.
4. Complete all indicated areas on the form.

5. Important: The Do it Best Corp. Merchandise Manager must approve the order form prior to printing and mailing.

Customer Service Contact

Do it Best Corp. members must be able to call and/or fax drop shipment orders directly to your customer service department. It is extremely important that the vendor has a knowledgeable staff to receive these orders. You must be able to quote drop shipment costs and provide accurate availability and shipping information.

Credit Approvals

You must obtain credit authorization for all drop shipment orders over \$350. You must call Do it Best Corp. for credit approval prior to shipping a drop ship order. Do it Best Corp's computerized credit authorization system can be accessed by touch-tone telephone. This system is available from 7:00 a.m. to 10:30 p.m. Fort Wayne time, Monday through Friday. It is also available during the same hours over the weekend, but the Order Department staff may not be available to help you.

Credit Authorization Phone Number: 260/748-5375

Instructions: After you access the automated system, you will be guided through the credit authorization process. You will need to know your vendor number, the member number you are requesting authorization on, and the amount of the order in whole dollars. If at anytime you are unsure how to continue you will be connected to the Do it Best Order Department after a thirty-second delay. If you have any questions about the system, please contact the Order Department for further instructions.

We also have the ability to issue credit authorization via EDI (Electronic Data Interchange). To get more information about this, call EDI Vendor Support at 260/748-5619 or email EDIVendorsupport@doitbest.com.

Electronic Credit Authorization

Please see the "EDI Processing" section of this document for information on Electronic Credit Authorization.

Invoicing

All invoices for RSC and drop ship orders must be sent electronically and conform to the Do it Best EDI 810 invoice guide. Due to the added costs required to process a non-EDI invoice, Accounts Payable will deduct a processing fee of \$20 for each non-EDI invoice. Please see the "EDI Processing" section of this document for more information on Electronic Invoicing.

International Drop Shipment Orders

As we continue to grow our international business with you and add more international members and affiliates, it is extremely important that your company is aware of the special handling required on international drop ship orders. Any international drop ship purchase order from a Do it Best Corp. member or affiliate requires you to complete the following steps:

1. Contact Do it Best Corp. for credit authorization at 260/748-5375.

2. A packing list (copy) and an invoice (copy) must accompany drop shipments sent to the freight forwarder to prevent delays and storage charges to our members. Invoices must show net prices; no discount billings allowed on invoices. Discount billings result in our members paying higher customs duties.

3. Drop shipments to Mexico require a completed and signed NAFTA certificate of origin be sent with the merchandise at the time of shipment.
4. Drop shipments to Central America and the Dominican Republic require a Certificate of Origin be sent with the merchandise at the time of shipment.
5. Material Safety Data Sheets (MSDS) and International Maritime Dangerous Goods Declarations (IMDG) must accompany any Do it Best Corp. export order containing hazardous goods.
6. Any acknowledgements or confirmations of the order should be faxed directly to the Do it Best Corp. member not to the Do it Best Corp. office in Fort Wayne.
7. All free merchandise must have a nominal value indicated for customs purposes. This includes literature, POP material, and samples.
8. The Vendor is the U.S. Principal Party in Interest for all exported direct or drop shipments to the Do it Best Corp. member/affiliate and should be indicated as such on all Electronic Export Information Filings.

It is your responsibility to make sure all personnel involved in the handling of these orders are aware of these requirements. This may include your:

- Sales Department
- Accounting Department
- Order Department
- Shipping Department

It is extremely costly and time consuming for Do it Best Corp. personnel and our members or affiliates to track down invoices, packing lists and the certificate of origins required on drop shipments from Do it Best Corp. vendors to our international members and affiliates.

IMPORTANT: You will be charged \$250 per occurrence for failure to comply with these special handling requirements. This charge is to help defray additional expenses such as telephone calls, faxes, extra paperwork and additional labor incurred by Do it Best Corp. to obtain these invoices. You will also be charged for any storage fees our international members or affiliates incur from their freight forwarder if shipments are delayed due to missing documentation from your company.

Do it Best Corp.

Shipping and Marking Standards



Logistics Shipping and Marking Standards

**Created by Do it Best Corp. Logistics
Vice President of Logistics: Tim Miller**

To Whom It May Concern:

Do it Best Corp. is committed to the use of technology to enhance our retail service center operations. Our mission is to provide the highest level of retail support possible. We are dedicated to the task of delivering quality merchandise to our members at the lowest possible cost, while continuing to provide the highest in-stock service levels in our industry.

In order to meet these highest of standards, we are asking our valued vendor partners to align with us in our journey to success. To facilitate our high standards and expectations we have developed shipping and marking standards which we in turn are asking that each respective vendor's to review and comply with on an immediate basis.

Deviations from any of these procedures could result in various charges to cover Do it Best Corp. administrative fees and incremental costs. All charges/deductions are created by PO and destination site location unless otherwise noted and charges are assessed off invoice.

Should you have any questions concerning the information being provided please contact Do it Best Corp. at (260) 748-5300.

Sincerely,

A handwritten signature in black ink that reads "Tim Miller".

Tim Miller
Vice President



Logistics Shipping and Marking Standards

Logistics Transportation Management

1. EDI (Electronic Data Interchange) is the primary functionality used by Do it Best Corp. for business to business purchase information exchange. Vendors are required to have EDI functionality either on premise or via a third party provider.
2. EDI Mapping Requirements are provided to our vendors via our EDI Support Team. For information and instruction regarding 3rd party information, EDI mapping, or other technical requirements please contact our EDI Support Team at EDIVendorsupport@doitbest.com.
3. Direct AS2 communication is Do it Best Corp. preferred method of connectivity with our vendors. If your system does not support direct connectivity via our preferred method Do it Best Corp. also has communication alternatives with several Value Added Networks (VAN's). Questions concerning either of these situations should be directed to our EDI Vendor Support Team at EDIVendorsupport@doitbest.com.
4. EDI transactions required by Do it Best Corp. Logistics and imperative for routing are as follows:
 - a. EDI 850 Transactions: These transactions are representative of the purchase order which identifies the product need on a time and quantity scale.
 - b. EDI 855 Transactions: These transactions represent the purchase order acknowledgement. The 855 acknowledges the receipt of the P.O., conveys an item quantity commitment, and identifies the origin location information for pick up. The 855 is the primary transaction used for the routing, rating, and the timely delivery of product within TMS. 855's are required for both COLLECT and PREPAID vendors servicing our Do it Best Corp. RSC locations.
 - c. EDI 856 Transactions: This transaction is more commonly referred to as the ASN. ASN's are used to transmit shipment quantities arriving at the destination location and is the Do it Best Corp. primary transaction for receiving for checking product. 855's are required for both COLLECT and PREPAID vendors servicing our Do it Best Corp. RSC locations
5. Vendors are responsible for both review and follow up of all EDI 997 transactions. The EDI 997 represents a functional acknowledgement, positive or negative, of your respective EDI transmission and communicates its successful receipt, or failure.
6. Vendors without EDI functionality are required to have access to the internet in order that they may access TMS Portal Processing for shipment transmission and subsequent routing. The TMS Portal is used in lieu of sending EDI 855 transactions with the origin / destination information as well as intent to ship detail.



Logistics Shipping and Marking Standards

Logistics Transportation Management

7. TMS (Transportation Management System) represents electronic software that provides for the routing of shipments through shared business to business information optimizing transportation costs and mode of delivery to destination. Routing through TMS requires either EDI functionality, or for vendors without EDI functionality internet access.
8. All vendors utilizing EDI functionality are required to provide complete and accurate EDI 855 transactions back to Do it Best Corp. EDI 855's (purchase order acknowledgements) provide origin pick up location information and approved shipment data to subsequently be routed to destination.
9. COLLECT Vendors not utilizing EDI functionality are required to utilize a manual online entry process via a Do it Best TMS Portal. Vendors utilizing the portal will require a User ID and Password for entry and execution.
10. Complete and accurate header and line information provided on all EDI or TMS Portal transactions are the responsibility of the vendor.
11. ASN 855 or TMS Portal transactions are required to be completed in a timely basis to plan for and execute "on time" pick-up and delivery of product to destination. TMS will optimize the information to plan and route via the appropriate mode and carrier respective to the shipment. COLLECT vendors are not to route product on their own.
 - a. COLLECT vendor planning / routing is dependent on the "Ship Date" listed on the respective purchase order. Do it Best requires that COLLECT vendors provide the 855 EDI transaction or TMS Portal transmission respective to the purchase order shipment a minimum of 48 hours prior to the respective ship date. Our on time delivery window is minus 7 (7 days early) plus 1 day (1 day late) of the "Arrival Date" listed on the respective purchase order.
 - b. PREPAID vendors are responsible for the planning / routing of their own freight and therefore routing is dependent on the "Arrival Date" listed on the respective purchase order. Our on time delivery window is minus 7 (7 days early) plus 1 day (1 day late) of the "Arrival Date" listed on the respective purchased order.
 - c. Questions related to purchase order routing or delivery should be directed to our logistics inbound e-mail: inboundtransportation@doitbest.com.
12. 856 EDI transactions are more commonly known as the Advanced Ship Notice (ASN) and are required for RSC destination shipments only. The purpose of an ASN is to provide Do it Best Corp. with advance, complete and accurate receiving data regarding deliveries into our RSC locations which allows our RSC's to better plan and facilitate the receiving process. ASN's are required to be in our system prior to product being delivered to the respective destination dock location.



Logistics Shipping and Marking Standards

Logistics Transportation Management

13. EDI 855 required information is as follows

- a. Vendor Name
- b. Origin Location Street Address (location product is being picked up. P.O. Boxes may not be used)
- c. City / State / Zip Code of the respective Origin Locations (use 5 digit zips)
- d. Destination Location Name
- e. Destination Location Address (location product is being delivered to. P.O. Boxes may not be used)
- f. City / State / Zip Code of the respective Destination Location (use 5 digit zips)
- g. Product Ready Date (ready dates may not be = or prior to that date of the 855 creation.)
- h. P.O. Number (insure the P.O. provided matches the destination code)
- i. SKU's and quantities you are "committing" to ship.

14. EDI 856 required information is as follows

- a. Vendor Name
- b. Origin Location Street Address (location product is being picked up. P.O. Boxes may not be used)
- c. City / State / Zip Code of the respective Origin Locations (use 5 digit zips)
- d. Destination Location Name
- e. Destination Location Address (location product is being delivered to. P.O. Boxes may not be used)
- f. City / State / Zip Code of the respective Destination Location (use 5 digit zips)
- g. Carrier SCAC (indicates the ID of the carrier picking up the shipment from your origin point)
- h. PRO Number (filled in only if LTL carriers are used for pick up)
- i. BOL Number (Numeric ID created by you the vendor)
- j. P.O. Number
- k. SKU's and quantities shipped

15. EDI Mapping Requirements are provided to our vendors via our EDI Support Team. For information and instruction regarding 3rd party information, EDI mapping, or other technical requirements please contact our EDI Support Team at EDIVendorsupport@doitbest.com.

16. All COLLECT vendor shipments will be routed through TMS. COLLECT vendors will be notified with the respective carrier information via e-mail. Carriers transmitted to the vendor for routing may not be deviated from without the consent of Do it Best Corp. Logistics.

17. ASN accuracy expected line item detail is required to be = > 98% per P.O. Anything less than 98% accuracy will be subject to a \$125 deduction.



Logistics Shipping and Marking Standards

Logistics Transportation Management

18. COLLECT vendors who are unable to fulfill 100% their respective shipments are allowed to ship backorders. Transportation costs associated with backorders are the responsibility of the vendor and are required to ship prepaid.
19. Vendors shipping via truckload carrier or LTL carriers not associated with our approved carrier listing are required to make delivery appointments a minimum of 48 hours' prior to the expected arrival date.
20. Invoicing "prepay and add" is NOT acceptable under any circumstance. Approval to do so may only be made in special cases and made in advance through Do it Best Corp.
21. PREPAID vendors who do not meet the terms of their Do it Best Corp. agreement are required to follow COLLECT shipment process. (i.e.: Terms are Prepaid / \$500 – Orders less than \$500 are to be shipped under the COLLECT shipping process.) E-mail logistics at inboundtransportation@doitbest.com.
22. The carrier list below contains Carrier Name / SCAC information. SCAC's are required to be accurately transmitted on your 856 EDI (ASN) transmissions.

CARRIER NAME	SCAC	CARRIER NAME	SCAC	CARRIER NAME	SCAC
A DUJIE PYLE	PYLE	ECHO GLOBAL LOGISTICS	ECHS	R & L CARRIERS	RNLO
AAA COOPER TRANSPORTATION	AACT	ELFRINK TRANS INC	ELFN	REDDAWAY	RETL
ABF Freight	ABFS	ESTES EXPRESS LINES	EXLA	REDWOOD MULTIMODAL	TSGN
ACCESS AMERICA TRANS	AATJ	EVANS EQUIPMENT CO	BSWS	ROADRUNNER FREIGHT	RDFS
ALLIANCE SHIPPERS	ANSH	FED EX	FEDX	RYDER INTEGRATED LOGISTICS	RYDD
ALLIANCE SHIPPERS INTERMODAL	ANSH	FED EX ECONOMY	FXNL	SAIA MOTOR FREIGHT	SAIA
AMAZON LOGISTICS	AFXN	FEDEX PRIORITY	FXFE	SCHNEIDER	SCNN
ARMSTRONG TRANSPORT	ATIE	FTC SERVICES	PUCO	SEMO EXPRESS LLC	SMOP
ARRIVE LOGISTICS	ARVY	G & W DISTRIBUTION	CFWY	SOUTHEASTERN FRT LNS	SEFL
AVERITT EXPRESS	AVRT	GLOBAL LOGISTICS INC	GLIB	STRIVE LOGISTICS	STVG
BOHREN LOGISTICS	BORN	HOLLAND	HMES	SUPER SERVICE, LLC	SNRP
C H ROBINSON	RBTW	HUNT J B	HJBT	SUREFIRE TRANSPORT	STNJ
CELTIC INTERNATIONAL	CELC	ITS BROKERAGE	ITSO	TRANSERVICE LOGISTICS	TSVL
CENTRAL FREIGHT LINE	CENF	JAT OF FORT WAYNE	JATV	TRINITY TRANS, INC	TTFD
CENTRAL TRANSPORT	CTII	LAKEVILLE MOTOR	LKVL	TRIPLE CROWN	TCSE
COMMAND TRANSPORTATION	CMMS	LAND AIR EXPRESS	LAXV	UPS SMALL PARCEL	UPSN
COOK LOGISTICS	CKCG	LANDSTAR GLOBAL	LRGR	UPS FREIGHT	UPGF
COYOTE LOGISTICS LLC	CLLQ	MAGELLAN	MGXB	UPS SUPPLY CHAIN SOL	SECG
DAYTON FREIGHT	DAFG	MODE TRANSPORTATION	MTLE	WEST CENTRAL MOTOR FREIGHT	WCMF
DO IT BEST BACKHAUL	DIBC	NEW PENN MTR EXPRESS	NPME	WILSON TRUCKING	WTVA
DOHRN TRANSFER	DHRN	OAK HARBOR FRT LINES	OAKH	XPO LOGISTICS	XPOL
DOUBLE D EXPRESS	DBDE	OLD DOMINION FRT LN	ODFL	XPO LTL TRANSPORTATION	CNWX
DRAKE ENTERPRISES	DEOK	PITT OHIO EXPRESS	PITD	YRC FREIGHT	RDWY



Logistics Shipping and Marking Standards

Logistics Transportation Management

23. COLLECT vendors will be routed through our TMS system. COLLECT vendor shipments will be assigned a carrier via TMS and vendors will receive an e-mail communication with all pertinent carrier and pick up information.



Do it Best Corp. strongly recommends that PREPAID vendors utilize the “Approved LTL Carrier” listing below. These carriers represent a considerable amount of volume into our RSC locations and have multiple delivery days helping to prevent trapped or late arriving shipments.

25. PREPAID vendors with an FOB of ORIGIN are required to use LTL carriers from our “APPROVED CARRIER LISTING”. FOB Origin means actual ownership of product is obtained by Do it Best Corp. at the point of origin dictating our legal right of routing.

Approved Do it Best LTL Carriers	Sikeston	Dixon	Fort Wayne	Lexington	Medina	Mesquite	Montgomery	Waco	Woodburn
	MO	IL	IN	SC	OH	NV	NY	TX	OR
ABF Freight System	X	X	X	X	X	X	X	X	X
XPO Logistics	X	X	X	X	X	X	X	X	X
Dayton Freight	X	X	X		X				
FEDEX Economy	X	X	X	X	X	X	X	X	X
Holland		X	X	X	X				
New Penn Motor Express							X		
Oak Harbor Freight									X
Old Dominion Freight	X	X	X	X	X	X	X	X	X
Reddaway									X
Southeastern Frt. Lines				X				X	
UPS Freight	X	X	X	X	X	X		X	X
YRC	X	X	X	X	X	X	X	X	X

26. Do it Best Corp. Logistics Department is required to approve any deviation to these shipping instructions. Requests must be submitted in writing. Please submit your requests to Brad Weems, brad.weems@doitbest.com.



Logistics Shipping and Marking Standards

Logistics Transportation Management

27. BOL's (Bill Of Lading) are required for all shipments into our RSC locations and are the responsibility of the vendor. BOL's are unique to the shipment, and as such require a unique identifier number.
28. BOL #'s for Truckload Shipments and PRO #'s for LTL shipments are required to be translated and transmitted accurately on your EDI 856 transmissions.
29. BOL's are required to contain the following information for each respective "item" being shipped. BOL information is used for the purpose of accurate origin / destination as well as to project accurate costs associated with the shipment. Vendors are responsible to ensure the BOL information provided is current and accurate. Incorrect information can lead to delays in invoice processing and thus a delay in payment.
 - a. Origin Name / Address / City / State / Zip Code
 - b. Consignee Name / Address / City / State / Zip Code
 - c. Purchase Order #
 - d. # of Pieces / # of Cartons being shipped
 - e. Detailed Product Description
 - f. Product Actual NMFC # (if shipping LTL) per "current" NMFC guide.
 - g. Product Actual Class # (if shipping LTL)
 - h. Product Weight by Class
 - i. Pallet Weight is to be listed separately on a separate line. Class assigned to pallets is always the lowest class on the respective shipment.
30. All shipment information must be broke down on the BOL by weight and class even if all product is shipped on one pallet.
31. Multiple P.O.'s that are shipping to the same destination location on the same day are "required" to be combined into one bill of lading (BOL).
32. Both vendor and carrier are required to sign the BOL.
33. All BOL's are required to be marked PREPAID or COLLECT depending on the respective terms of sale.
34. Any transportation or administrative expenses incurred by Do it Best Corp. as a result of vendor non-compliance with the terms of an order is the vendor's responsibility. This includes but is not limited to split shipments, incorrect classifications of merchandise, or incorrect NMFC identifiers.



Logistics Shipping and Marking Standards

Logistics Transportation Management

Date: _____		BILL OF LADING			Page 1 of _____		
SHIP FROM							
Name: _____				Bill of Lading Number: _____			
Address: _____				BAR CODE SPACE			
City/State/Zip: _____							
SID#: _____				FOB: <input type="checkbox"/>			
SHIP TO							
Name: _____				CARRIER NAME: _____			
Address: _____				Trailer number: _____			
City/State/Zip: _____				Seal number(s): _____			
CID#: _____				SCAC: _____			
				Pro number: _____			
THIRD PARTY FREIGHT CHARGES BILL TO:							
Name: _____				BAR CODE SPACE			
Address: _____							
City/State: _____							
SPECIAL INSTRUCTIONS: _____				Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid _____ Collect _____ 3 rd Party _____			
				<input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading <small>(check box)</small>			
CUSTOMER ORDER INFORMATION							
CUSTOMER ORDER NUMBER		# PKGS	WEIGHT	PALLET/SLIP <small>(CIRCLE ONE)</small>		ADDITIONAL SHIPPER INFO	
987654D4321		6	300	Y	N		
				Y	N		
				Y	N		
				Y	N		
				Y	N		
				Y	N		
				Y	N		
GRAND TOTAL							
CARRIER INFORMATION							
HANDLING UNIT		PACKAGE		WEIGHT	Freight Description	LTN ONLY	
QTY	TYPE	QTY	TYPE			NMFC #	CLASS
5	Each	1	Carton	50	Complete Description of Freight	123456	70
5	Each	1	Carton	50	Complete Description of Freight	789123	70
10	Each	2	Carton	100	Complete Description of Freight	192837	125
10	Each	2	Carton	100	Complete Description of Freight	135790	125
RECEIVING STAMP SPACE							
30		6		300	GRAND TOTAL		
<small>Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____."</small>					COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>		
NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B). <small>RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.</small>							
SHIPPER SIGNATURE / DATE <small>This is to certify that the above named materials are properly classified, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.</small>				Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces	
				CARRIER SIGNATURE / PICKUP DATE <small>Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. Property described above is received in good order, except as noted.</small>			



Logistics Shipping and Marking Standards

Logistics Transportation Management

35. Vendors are responsible to insure their product is loaded onto the respective trailer safely as well as insure that all measures of prevention have been taken to prevent damage or shifting of product during shipping and receiving operations.
36. When merchandise is received on undamaged shrink wrapped skids, Do it Best Corp. signs for pallets only and vendors are held accountable for any shortages or concealed damages.
37. Product overhang is to be avoided especially for palletized bagged goods. Overhang on bagged goods increases exponentially the opportunity for damage. Damages deemed to be caused by overhang will be the responsibility of the vendor and therefore subject to chargebacks.
38. All palletized and slip-sheeted product with shrink wrap are required to be tendered as "PALLETS" on the BOL. Only when cartons are shipped individually are they to be tendered as "PIECES" on the BOL.
39. COLLECT vendors with Do it Best Corp will be instructed on routing for small parcel shipments. Vendors are to ship via UPS Ground 3rd Party Bill if parcel freight charges are < \$200 (use published rates to figure). This applies only to shipments where Do it Best is responsible for the freight/small parcel charges and only to those respective shipments destined to our Do it Best Corp Retail Service Centers located in:

Dixon, IL
Lexington, SC
Medina, OH
Mesquite, NV
Montgomery, NY
Sikeston, MO
Waco, TX
Woodburn, OR

3rd Party shipper ID is # 3768AF and is addressed to:
Do it Best Corp
6502 Nelson Rd.
Fort Wayne, IN 46803

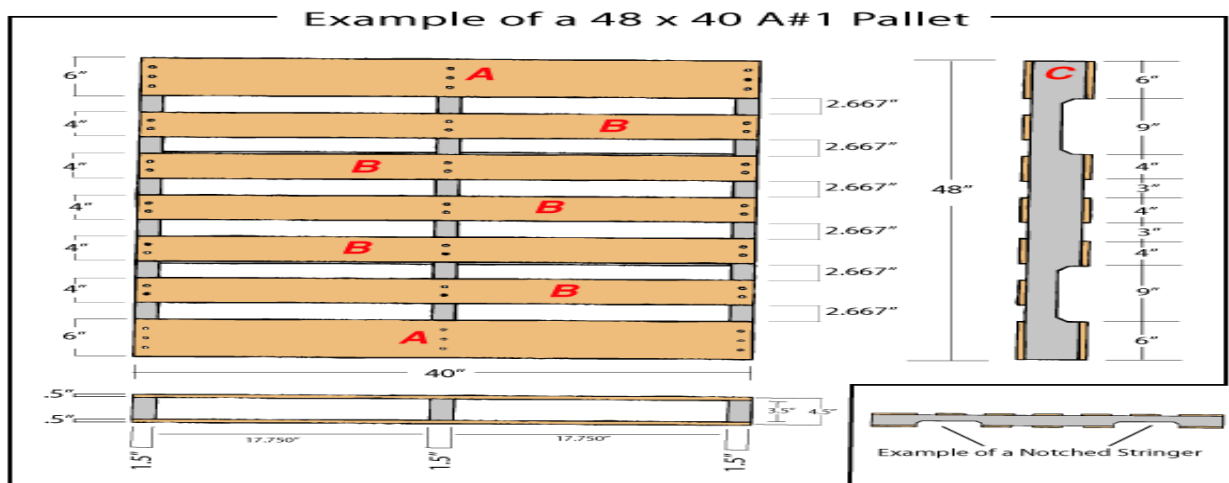
Do it Best RSC Stocking P.O. # is required to be noted in Reference Field 1.
Vendors shipping small parcel are required to mark their boxes 1 of 1, 2 of 2 etc. The respective Packing List should be placed inside one of the boxes and the box should be marked as "Packing List Enclosed".



Logistics Shipping and Marking Standards

Logistics Transportation Management

40. Unless previously approved all shipments are required to be palletized onto a 40" X 48 or 42" X 48" grade A or B four way pallets. Any exception to this, not already approved, must be submitted to the Do it Best Corp. Logistics department Inbound Operations Manager, Brad Weems, brad.weems@doitbest.com.



41. Vendors are required to use pallets that are safe and in good condition. Broken pallets or pallets that are missing slats are unacceptable, unstable, and unsafe for receipts at our RSC locations.

Acceptable



Not Acceptable





Logistics Shipping and Marking Standards

Logistics Transportation Management

- 42. Vendors are required to stabilize all product pallets with shrink wrap attaching the wrap to the pallet. Label each pallet with signs stating "DO NOT BREAK SHRINK WRAP". Vendors are responsible to shrink wrap all pallets with strength enough to prevent product slippage, leaning, or falling over.

Example of Solid Pallet Construction



Wrapped, attached to the pallet, and secure. No overhang and squared well.



All pallets are required to have placards visible from 2 sides with the pallet number (1 of 1, 1 of 2 etc.) and the respective P.O. #. See "example" placard below.

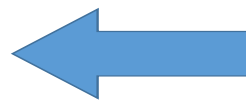
P A L L E T P L A C A R D	Destination:		
	P.O. #:		
		of	
			P A L L E T S



Logistics Shipping and Marking Standards

Logistics Transportation Management

44. Unless previously approved, maximum pallet weight for product delivering to our RSC locations, is 2,500 LBS. Any exception to this, not already approved, must be submitted in writing to the Inbound Operations Manager, Brad Weems, brad.weems@doitbest.com.
45. For safety reasons the maximum safe height for pallets is not to exceed 72". Any exception to this must be submitted prior to shipping to the Do it Best Corp. Inbound Operations Manager, Brad Weems, brad.weems@doitbest.com.
46. Mixed carton / small quantities of multiple SKU's may be packaged together. Any carton packed in this manner are required to be labeled as "Mixed Carton".
47. Pallets may contain multiple SKU's so long as the SKU's are consolidated into unique layers. Items must be layered in such a way that product may be broken down efficiently and safely.
 - a. Do not stack heavier product on top of lighter weight product.
 - b. Do not stack fragile product one pallet on top of another.
 - c. When possible stack pallets with larger quantity layers on the bottom moving to smaller toward the top.
48. All products are required to be delivered palletized unless authorized in writing by Do it Best Corp. Logistics.
49. Packing slips are required for all deliveries into our RSC locations. Packing slips are to be protected by an envelope marked clearly "Packing Slip Enclosed" with the following info:
 - a. Do it Best Corp. Purchase Order #
 - b. Do it Best Corp. SKU # "OR" Vendor MFG #
 - c. Quantity Shipped
 - d. Product Description
 - e. Quantity if any Backordered



**Last Pallet Loaded
on a Box facing the
back of the Truck**

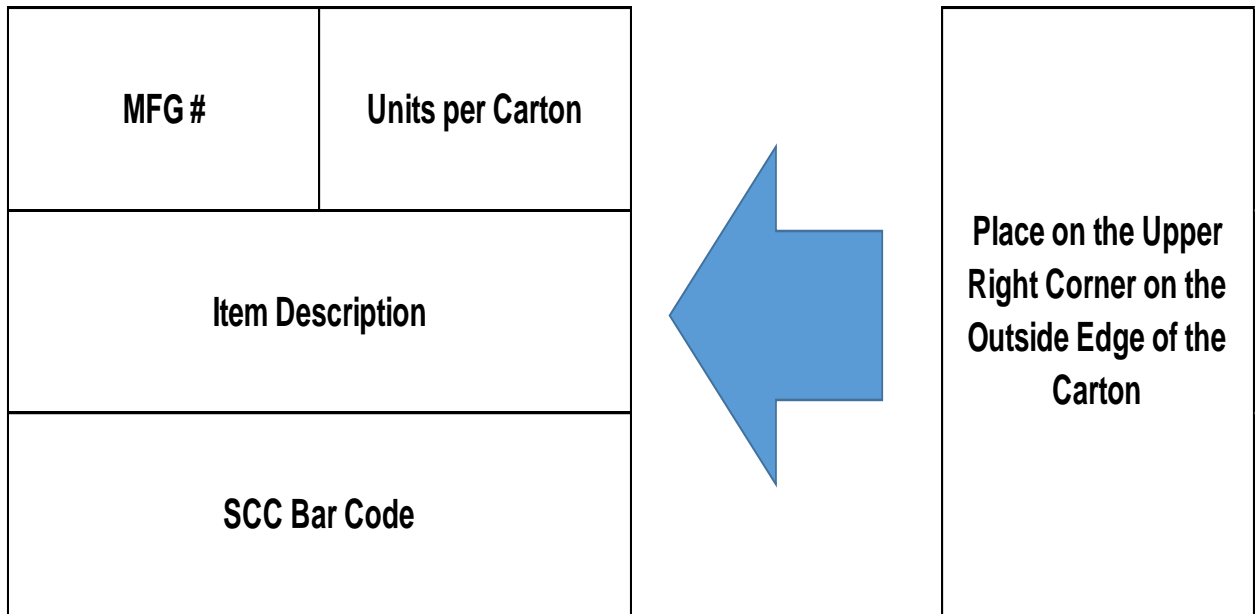


Logistics Shipping and Marking Standards

Logistics Transportation Management

50. Master Cartons that are not retail selling units are required to be labeled with the following information:

- a. Manufacturers Product ID #
- b. Product Description
- c. Quantity Per Carton as stated in Do it Best Corp. unit of sale
- d. SCC (Shipping Container Code)
 - i. SCC is required to be in both bar & human readable format (I2 of 5 / SCC-14)



51. Inner Pack Cartons that are not retail selling units are required to be labeled with the following information:

- a. Manufacturers Product ID #
- b. Product Description
- c. Quantity per Carton as stated in Do it Best unit of sale
- d. SCC (Shipping Container Code)
 - i. SCC is required to be in both bar & human readable format (I2 of 5 / SCC-14)



Logistics Shipping and Marking Standards

Logistics Transportation Management

52. All chemicals or compounds reflecting danger, warning, or caution in the label are required to be properly identified and provided in accordance with D.O.T., E.P.A., O.S.H.A. regulations as well as current SDS (Safety Data Sheets).



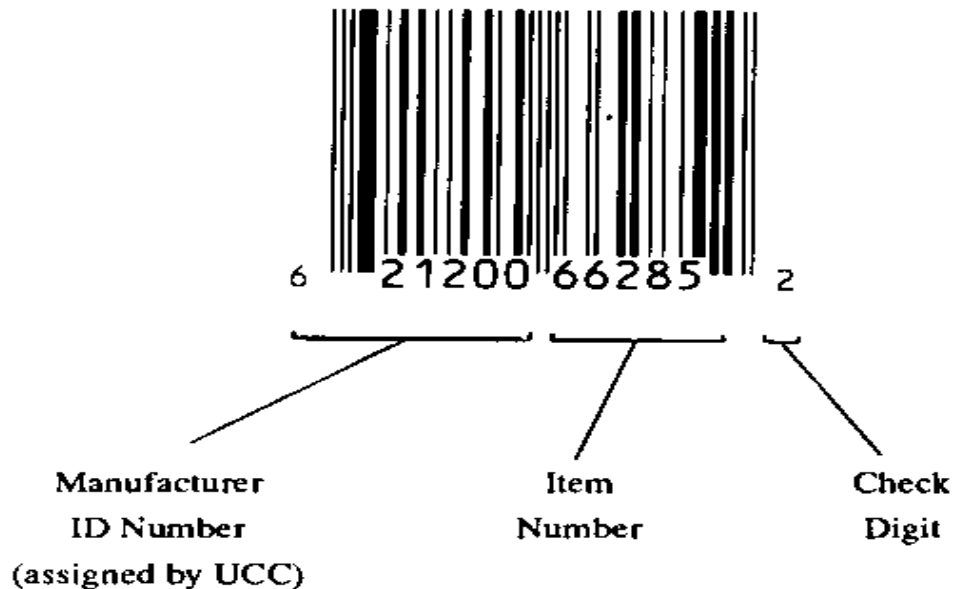
53. Do it Best Corp. uses a WMS (Warehouse Management System) and the use of an RF (Radio Frequency). Barcodes are an important part of our daily operations and scanning takes place in all processes to identify and verify the items we are working with. Use of bar codes enhances our inventory accuracy and the fulfillment of orders to our members.
54. Barcodes are a requirement for all items shipped into our RSC locations. Barcodes are to be accurate, legible, and scannable at both the carton and item levels.



Logistics Shipping and Marking Standards

Logistics Transportation Management

55. Do it Best Corp. requires 2 types of barcodes depending on the salability of the product and packaging being used.
- a. UPC Codes for the actual selling units
 - i. All selling units are required to be marked with the product code (GTIN) in a readable bar code.
 - b. SCC Codes for cartons that are not the selling unit.
56. UPC (Universal Bar Code) is the identifying bar code on the selling unit. UPC's generally consist of 12 digits that are grouped in 1, 5, 5, & 1 digit increments. To allow both computer scanners and people to read them UPC's are printed in human-readable form. See example:



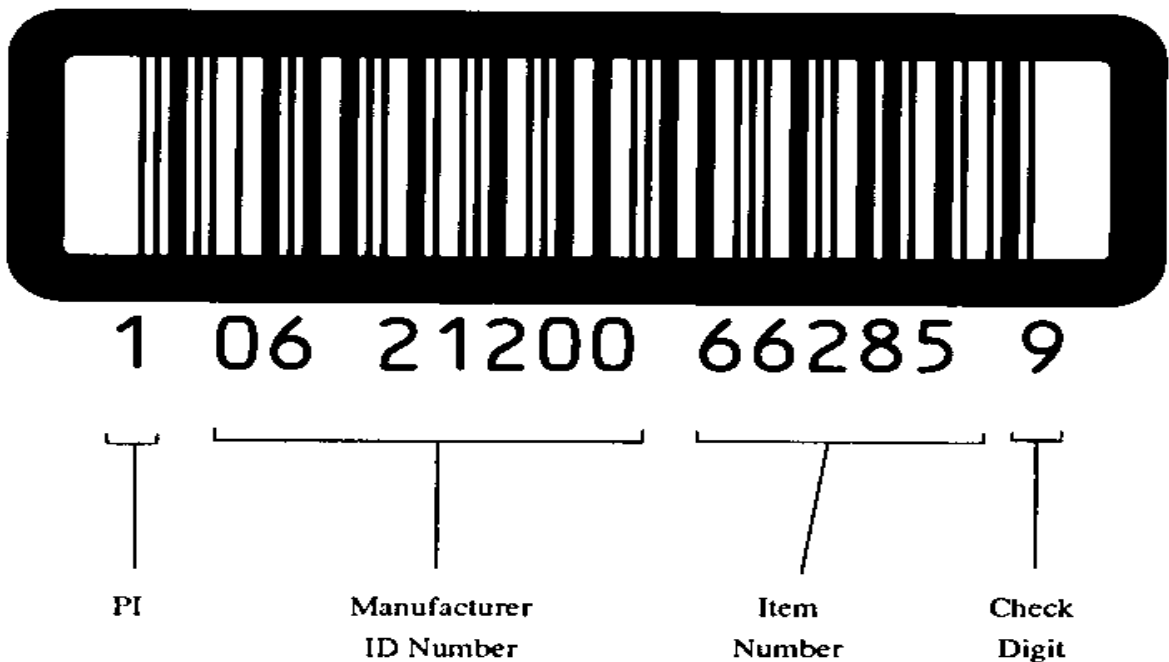
57. The first six digits of the UPC code are an assigned number which is identified with the manufacturer. These first six digits will always be consistent with the respective manufacturer. The next five digits represent the item and are likely to be associated with the model # shown in the Do it Best Corp. description. The last digit, a check digit, is used to verify accuracy. UPC's are required to be visible, scannable, and readable.



Logistics Shipping and Marking Standards

Logistics Transportation Management

58. SCC (Standard Carton Code) is representative in Interleaved 2 of 5 symbology. Each SCC code represents an item and its respective package size. They are found on master cartons, inner packs, pallets, etc. SCC codes are 14 digits in length and are grouped in 1, 2, 5, 5, and 1 digit increments. See example:



59. In the example above the leading PI of 1 is used to identify the next level of packaging above the consumer or selling unit. The 0 in the second position represents global compatibility. The next 11 digits are not unlike the UPC in that they are representative of the consumer unit. The PI of 1 does not itself define the quantity, instead, these are considered non-significant numbers used to access a computer database which in turn defines the product and the package quantity.

60. Our systems also recognize the follow formats:

- a. UPC-E (8 digit compressed UPC)
- b. EAN-8 (European UPC based on UPC-E standard)
- c. EAN-13 (European UPC based on UPC-A standard)



Logistics Shipping and Marking Standards

Chargebacks Table

Violation Type	Violation Origin	Violation Identifier	Definition	Reimbursement Fee
Invalid Untimely ASN	EDI 856	SOD	ASN is not present in our system at the time of delivery to the respective RSC location dock.	\$300 per Occurance
Inaccurate P.O. Acknowledgement	EDI 855	CB	P.O. Acknowledgement (EDI 855) was not accurate causing delays and excess labor.	\$300 per Occurance
ASN Line Accuracy	Scorecard	SC	ASN line accuracy was < 98%.	\$125 per P.O. < 98%
On Time Shipment Delivery	Scorecard	OT	On Time delivery rate was =< 75% in a given month.	\$250 per RSC per Month
UPC / SCC Bar Code Errors	RSC	SOD	Bar codes cannot be read or are not present on the item as required.	\$125 per Occurance
Improper Use of Palletization	RSC	SOD	Inefficient use of pallets causing an unsafe condition or excess labor.	\$125 per Occurance
Inaccurate BOL Item Class Information	TMS	CB	BOL does not specify the correct item and class information as required for LTL mode shipments.	\$125 plus Freight Differential
Inaccurate Billing of Freight	TMS	CB	Do it Best was billed freight where vendor met prepaid terms.	\$125 plus Freight Differential
Failure to Follow Route Instruction	TMS	CB	COLLECT nendor did not follow routing instructions as provided through TMS.	\$125 plus Freight Differential

These deductions represent the most commonly seen however failure to comply with the requirements set forth in this documentation can result in a minimum of a \$125 reimbursement fee.

Transaction Identifier	Origin of Transaction
SOD	RSC Generated
CB	TMS Transportation
SC	ASN Accuracy Scorecard
OT	On Time Delivery Scorecard
TR	Labor or Project Related
IBSP	Invalid Small Parcel Billing
UC	Invalid Carrier or SCAC

All vendor shipments are monitored for compliance. Vendors who wish to have their deductions reviewed are required to do so within 30 days from the date of the initial e-mail communication. No reviews of said fees will be reviewed after the 30 day allowable period of time. All requests should be addressed via “e-mail” to Ronda Yenna, ronda.yenna@doitbest.com, or to Brad Weems, brad.weems@doitbest.com.



Logistics Shipping and Marking Standards

RSC Contact Information and Hours of Service

RSC Location	Phone	Monday	Tuesday	Wednesday	Thursday	Friday
Sikeston 2600 Rose Parkway Sikeston, MO 63801	573-472-5770	6:00 AM - 4:00 PM	6:00 AM - 4:00 PM	6:00 AM - 4:00 PM	6:00 AM - 4:00 PM	6:00 AM - 2:30 PM
Dixon 816 Progress Drive Dixon, IL 61021	815-284-2206	6:00 AM - 4:30 PM	6:00 AM - 4:30 PM	6:00 AM - 4:30 PM	6:00 AM - 4:30 PM	6:00 AM - 3:00 PM
Lexington 170 Longs Pond Road Lexington, SC 29072	803-957-5311	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 1:30 PM
Medina 444 Independence Drive Medina, OH 44256	330-722-5541	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	6:00 AM - 12:00 PM
Mesquite 1450 West Pioneer Mesquite, NV 89027	702-346-2161	5:00 AM - 4:30 PM	5:00 AM - 3:30 PM	5:00 AM - 4:30 PM	5:00 AM - 2:30 PM	5:00 AM - 2:30 PM
Montgomery 650 Neelytown Road Montgomery, NY 12549	845-457-4670	5:30 AM - 2:00 PM	5:30 AM - 4:00 PM	5:30 AM - 4:00 PM	5:30 AM - 4:00 PM	5:30 AM - 4:00 PM
Woodburn 333 South Woodland Ave. Woodburn, OR 97071	503-982-1227	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM
Waco 801 Hewitt Drive Waco, TX 76701	254-666-7070	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM	5:00 AM - 3:30 PM

RSC	Sikeston	Dixon	Lexington	Medina	Mesquite	Montgomery	Woodburn	Waco
General Manager	Will Ryan	Rich Jordan	Scott Smith	Ryan Stannert	Dalton Raney	Derek Ball	Mark Hester	Brent Watts
Receiving Manager	Mark Stinson	John Wike	Patti Shumpert	Megan Sadowski	Chris Kennedy	Rich Sager	Blaine Oswald	Shawn Pullin



Logistics Shipping and Marking Standards

Drop Shipment Program - Vendor Direct to Member Shipment Instruction

1. Ship UPS or Fedex Ground whenever freight costs are less than \$100. Freight charges for UPS and Fedex Ground are authorized for prepay and add to the invoice.
2. Do it Best Corp. has negotiated an LTL discount program for COLLECT freight shipments to our members. Discounts are based on “actual” freight classes and are secured via the list of carriers below. Discounts only apply to direct points shipped within the contiguous United States. Vendors are responsible to verify that the origin / destination are served direct by the carrier being used for the shipment.

CNWX	XPO LOGISTICS	NPME	NEW PENN MOTOR EXPRESS	UPFG	UPS FREIGHT LTL
DAFG	DAYTON FREIGHT	RETL	REDDAWAY	RDWY	YRC FREIGHT
HMES	HOLLAND	SEFL	SOUTHEASTERN FREIGHT LINE	SAIA	SAIA Freight

3. Ship via one of the above participating carriers for COLLECT shipments unless the member prefers to have freight added to the invoice, in which case prepay and add is authorized via vendor choice of carrier. All freight charges for drop shipment orders can be either PREPAID by the vendor or COLLECT to the member location.
4. Freight charges for COLLECT shipments to members are billed directly to the member and are NOT to be billed as a third party bill to Do it Best Corp. Freight bills sent to Do it Best Corp. for payment will result in an off invoice deduction for a minimum of \$125.
5. Under this program we have instructed our members to show “Do it Best Corp.” preceding their name. The words Do it Best Corp. is required to precede the member name in order for the carrier to ascertain the correct freight program and therefore this information is required to be carried forward to the bill of lading (BOL). All COLLECT freight charges are to be billed to the consignee.

a. Do it Best Corp. % Main Street Hardware (MBR #)
 1234 Main Street
 Fort Wayne, IN 12345

6. Freight charges related to shipments outside the contiguous United States are required to be prepay and added to the product invoice. Freight Forwarders utilized by members outside the United States will NOT accept COLLECT freight shipments.

Do it Best Corp.

Barcode Standards

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Preface

Do it Best Corp. Barcode Standards have been published for the mutual benefit of members, manufacturers and Do it Best Corp. The information contained in subsequent sections is designed to assist in the implementation and maintenance of barcoding.

Barcoding is one among a number of automatic identification technologies available today. Its use is rapidly growing, particularly in the Hardlines industry. In devising these standards, Do it Best Corp. hopes to keep its vendors and members on the competitive edge.

Introduction - Section 1

In this section you will learn about the Do it Best Corp. mission with respect to barcodes and the major benefits of barcoding.

Do it Best Corp. Barcode Mission

Through the use of barcodes, it is the Do it Best Corp. mission to gain efficiencies which will increase profitability and enhance the competitive edge of Do it Best Corp., Do it Best Corp. members, and vendors.

To obtain this mission, we have set the following **GOALS**:

- Achieve a 95% first pass read rate at retail point-of-sale
- Develop policies, procedures, and systems at all levels of the supply chain that will facilitate the successful implementation of barcoding.
- Provide members, vendors, and Do it Best Corp. associates with helpful information about barcoding.
- Develop an audits and controls system for ensuring the ongoing accuracy of barcoding information between vendors, Do it Best Corp., and members.

Benefits of Barcoding

The success of barcoding can be attributed to a number of factors. However, its success has been largely due to two major benefits: **increased speed and accuracy**. In today's competitive marketplace speed in replenishing stock, changing prices, and processing at the checkout counter are crucial. Accurate sales history and perpetual inventory figures play an equally important role as well.

How can barcoding help retailers in achieving these goals? When armed with the proper equipment and training, a retailer can scan products at the checkout **much faster** than they can be manually keyed. By minimizing key entry and, consequently, human error at the checkout, a retailer can maintain **more accurate** sales history information and make better purchasing decisions.

Barcoding also **eliminates** the need to ticket individual products. Instead, bin labels may be used to display product pricing. This can **shorten** the amount of time required to receive and make product available for sale. And, by using bin rather than product labeling, a retailer can **react more quickly** to price changes that may be occurring within the marketplace.

Manufacturers and wholesale operations can also benefit from barcoding. The barcoding of shipping containers (SCC or Shipping Container Code) is gaining popularity in the Hardlines industry. Suppliers are finding ways to expedite receiving and other distribution functions through the use of scanning. Shipping containers may be barcoded so that when scanned, the total ship pack quantity is identified. The technology also exists to match a particular shipment from a supplier with the corresponding purchase order using EDI (Electronic Data Interchange) along with a special type of barcode.

As a result of the advantages barcoding brings to the Hardlines industry, there exists potential to increase efficiency, customer satisfaction, and profits. By implementing a corporate barcode policy, it is our hope that these **benefits will be gained at all levels of the supply chain**.

GTIN (Global Trade Item Number) is the foundation in the EAN.UCC System for uniquely identifying trade items (product and services) sold, delivered, warehoused and billed throughout the retail and commercial distribution channels. It provides an accurate, efficient and economical means of controlling the flow of products and information through the use of an all-numeric identification system.

GTIN is the naming convention for the superset of all Trade Item Identification data structures. The four data structures that comprise GTIN are UCC-12 (UPC), EAN/UCC-13, EAN/UCC-8 and EAN/UCC-14 (SCC-14). These identification numbers are used on products and cases and are a key component of e-commerce transactions and communications. Through out the rest of this document we will refer to all of these data structures as GTIN.

Vendor Requirements - Section 2

Do it Best Corp. strongly believes the use of scanning at all supply chain levels is a key element toward success in the future. For this reason, we either require or encourage barcodes at each packaging level.

Checklist of Barcode Requirements

Do it Best Corp. requires that all vendors provide: products which contain GTIN codes on the retail packaging, accurate GTIN code numbers corresponding to retail packaging, and shipping container codes (SCCs) on ship cartons. This policy will be upheld for all Do it Best Corp. products regardless of order type (warehouse, market, promotion, and drop ship).

Effective immediately, prospective new vendors must be in compliance with the Do it Best Corp. GTIN policies and standards prior to the commencement of purchasing activity. Below is a checklist of what Do it Best Corp. expects from all vendors:

- Verify that all retail packages have been assigned a retail GTIN (UPC/UCC-12, EAN/UCC-13 or EAN/UCC-8 codes.)
- Ensure the accuracy of barcode numbers previously provided. For UPC-A please provide 12 digits, UPC-E, will be stored as the original UPC-A, EAN 8 and 13 digits respectively.
- Incorporate barcodes on retail packaging and shipping containers.
- Communicate ship pack quantity levels for the SCC-14 (ITF-14) shipping container code.
- Appoint a Product Code Contact and communicate this individual's name and phone number to the Do it Best Corp. Product Code Specialist within 60 days of this notification.
- Perform ongoing quality checks of product packaging containing barcodes and any barcode labels that may be affixed to packaging.

Barcode Quality Standards

The usefulness of barcodes relies on the ability to scan them quickly and accurately. To optimize speed gained by scanning, we want to achieve success on the first pass (or scan) of a barcode. The percentage of successful first scans to the total number of scans performed is referred to as the "first pass read rate." We want to strive for the highest possible first pass read rate. Do it Best Corp. considers any first pass read rate at or above 95% to be acceptable. Meeting this goal depends on the quality of the barcode manufacturers place on their products.

Do it Best Corp. requires that all barcode symbols be printed in conformance with industry guidelines. High quality barcodes must exist in order for scanning equipment to decode the information. However, if for any reason a product cannot be scanned, it is critical that all the human readable characters to be printed with the barcode. The printing of these numbers is necessary for compliance with GS1 (formerly Uniform Code Council or UCC) and Do it Best Corp. guidelines.

Exceptions

The only items exempt from this policy are products that must be acted upon quickly in response to needs at retail or items that cannot be physically coded. Exceptions will be evaluated on an individual basis and must be approved by the Merchandise Manager or the Vice-President of Purchasing.

Non-Compliance

Non-compliance with barcode standards will result in a monetary fine to be imposed that will adequately compensate Do it Best Corp. and its members to cover any operating costs or loss of profit incurred due to error(s). The amounts of these fines will be determined by a collaborative effort between the Do it Best Corp. Logistics and Purchasing Departments. Repetitive non-compliances will affect future purchases from a vendor (i.e., reduction in purchases, disqualification).

Shipment of product to Do it Best Corp. or Do it Best Corp. members will be interpreted as an agreement on behalf of the vendor to pay any fines assessed as a result of non-compliance with the Do it Best Corp. barcode policy. Do it Best Corp. reserves the right to withhold payment on shipments of product that are not in conformance with our barcode standards.

Recommendations

Do it Best Corp. will provide cross-reference reports to vendors to be used for verifying the accuracy of GTIN codes. In addition, we require that all vendors perform quality checks on existing and proposed GTIN codes. These quality checks should be performed for each variation of GTIN codes used by the vendor. A change in any of the following criteria constitutes a "variation":

- product packaging
- shape of product (if not packaged)
- barcode size
- color (of barcode or background)
- film master (production method or supplier)
- print method or supplier producing barcode

Quality tests should be performed using a barcode verifier, a device that tests the accuracy of a barcode to determine if the barcode meets a specification. The results of these tests must be in compliance with GS1 guidelines. Do it Best Corp. will enforce adherence to these guidelines.

Corrections

Any barcode numbers or symbols that are found to be inaccurate according to the Do it Best Corp. standards must be corrected at the vendor's expense. At a minimum, the vendor will need to provide Do it Best Corp. with high quality barcode labels to correct unacceptable barcodes. The vendor may have to reimburse Do it Best Corp. for all costs associated with assisting these corrections.

Do it Best Corp. Supported Symbologies - Section 3

Success in barcoding depends on cooperation between vendors, Do it Best Corp., and members. Some Do it Best Corp. members have been scanning for a number of years, even though up to this point no mandate has been made requiring vendors to comply with GS1 (Uniform Code Council or UCC) standards. Do it Best Corp. and its vendors have worked together to increase the number of retail items with GTIN codes. Eventually, the use of GTIN codes will be a prerequisite to selling product to Do it Best Corp. We strongly believe that compliance with these standards benefits everyone.

Do it Best Corp. supports four different barcode symbologies, three are for immediate use at point-of-sale and one will be utilized in warehousing and distribution. Do it Best Corp. will be using the accepted UCC-14 (SCC-14/ITF-14) Shipping Container Code for fixed content ship cartons. The point-of-sale symbologies are the UCC-12 (UPC Version A or E) and the EAN (International Article Numbering), EAN/UCC-8 and EAN/UCC-13.

Item Level Identification

GTIN UCC-12 (UPC-A)

The UCC-12 data structure is the most common code for item level identification in Northern America.

UCC-12 Data Structure UPC Version A Symbol



The UCC-12 data structure can be configured in different ways. The structure consists of a UCC Company Prefix, Item Reference Number and Check Digit.

UCC Company Prefix

The Uniform Code Council (UCC) assigns the manufacturer a UCC Company Prefix which can be 6 – 9 digits. This company prefix will then be used for all product produced by that manufacturer.

Item Reference Number

The Item Reference Number can be 2 - 5 digits and is assigned by the manufacturer. Each product the manufacturer produces should be given a separate Item Reference number.

Check Digit

The last digit of the UCC-12 number will always be a check digit. This check digit is a calculation based on the first 11-digits. The check digit is used to verify the accuracy of the UCC-12 number when scanned.

GTIN UCC-12 (UPC-E)

UPC-E is a variation of UPC-A which allows for a more compact barcode by eliminating "extra" zeros. Since the resulting UPC-E barcode is about half the size as an UPC-A barcode, UPC-E is generally used on products with very small packaging where a full UPC-A barcode couldn't reasonably fit.



UPC-E uses a rather convoluted, but quite effective, method of compressing out unnecessary zeros. Keep in mind that since this is a compressed version of the UPC-A that when storing the code it should be uncompressed to its original form the UPC-A.

GTIN EAN/UCC-13 (EAN-13)

The International Article Numbering System (EAN) is based on the UPC-A standard. This standard was implemented mostly because the UPC-A standard was not well designed for international use. The EAN/UCC-13 may be configured with the first 12 digits containing the EAN.UCC Company Prefix and Item Reference Number. The 13th digit represents a check digit. The International Article Numbering Association, located in Brussels, Belgium assigns these codes. The first two digits represent a country code ranging from 00 through 99. The codes 00, 01, 03, 04 and 06 through 09 are assigned to the United States. Companies who are based or do a large percentage of business outside the United States primarily use EAN.

The only difference between a UPC-A symbol and an EAN-13 symbol is that the number system code is 2-digits long in EAN-13 as opposed to 1 digit in UPC-A. Visually the human-readable check digit is placed below the barcode instead of to the right of it, but this does not make any difference, technically speaking, regarding the encoding itself.



GTIN EAN/UCC-8 (EAN-8)

EAN-8 is the EAN equivalent of [UPC-E](#) in the sense that it provides a "short" barcode for small packages. As can be seen in the following graphic, an EAN-8 barcode is shorter than an EAN-13 barcode, although somewhat longer than an UPC-E barcode.



NOTE: The three barcodes above are shown only for relative size comparison. The three barcodes do not necessarily represent the same product, nor do they represent equivalent values.

The similarities end there, however. Unlike UPC-E in which only 6 digits are explicitly encoded, EAN-13 explicitly encodes all eight digits; the parity of the digits carries no particular significance. This means that although EAN-13 is compatible with UPC-A, EAN-8 has absolutely no compatibility with UPC-E.

Another difference between UPC-E and EAN-13 is that UPC-E has a direct UPC-A equivalence--a UPC-E barcode may be "expanded" back to UPC-A. This is not the case with EAN-8. An EAN-8 barcode is a 2- or 3-digit number organization prefix followed by a 4- or 5-digit item reference number. The EAN-8 item reference code are assigned directly by the numbering authority. This has the advantage that any company can request an EAN-8 code regardless of its EAN-13 numbering organization prefix or item reference number. It has the disadvantage that the EAN-8 codes must be stored in each database as a separate product since there is no way to translate an EAN-8 code to an EAN-13 equivalent.

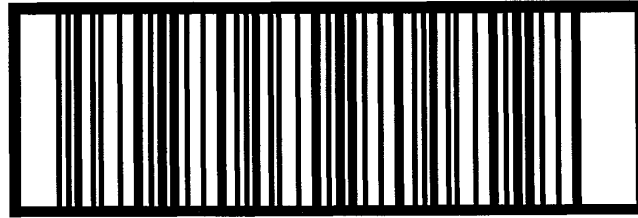
Shipping Container Identification:

GTIN EAN/UCC-14 (ITF-14, SCC-14) Shipping Container Code

This data structure is also known as SCC-14 (Shipping Container Code) with the symbology generally being used Interleaved 2 of 5 (I 2 of 5, ITF). SCC-14 is a 14-digit shipping container barcode that is used mainly, although not exclusively, to identify field content ship cartons for efficiency in warehousing and distribution functions. The SCC-14 code is comprised of an Indicator Digit, EAN.UCC Company Prefix, Item Reference Number and check digit. The company prefix and the product number taken together are always twelve digits, although the relative length of each may vary. The first digit is the Indicator Digit. The Indicator Digit is critical to the numbering structure because it can be used to manage hierarchical levels of packaging for a particular product. A case, or transport package, must be identified separately from the individual item because it has attributes such as quantity, dimensions, and price that are different from those on the item itself. It is important that each manufacturer define the quantities associated with each packaging indicator (levels 1 through 8 may be used) and communicate this information to its customers.

EAN/UCC-14 Data Structure ITF-14, SCC-14

SCC-14



1 00 12345 67890 2

- * Notice that this symbol format requires a border (bearer bars) around the entire symbol. This serves to prevent errors caused by partial scans.

Maintenance of GTIN Accuracy - A Partnership Effort -

Section 4

Ensuring the ongoing accuracy of barcodes is the responsibility of Do it Best Corp., vendors, and members. As a result, each of these groups shares the policing of GTIN accuracy in the following manner:

In addition, Do it Best Corp. provides members with contacts for reporting scanning problems or discrepancies. The Product Code Specialist will report scanning issues and policy violations to the Purchasing Department. Vendor notification, problem investigations, and the administration of any subsequent probation will be a cooperative effort between the Product Code Specialist, the respective Merchandise Manager, and the Retail Service Center.

Do it Best Corp. members - Do it Best Corp. recommends that members adhere to guidelines to ensure GTIN accuracy within their stores. Problems with GTIN quality or accuracy should be reported to the Product Code Specialist.

The following procedure will be followed in dealing with GTIN problems reported by members:

1. The member should check the GTIN number on file in his computer system and cross reference it with the number produced by scanning the product barcode. If the code is accurate, go to step 2.
2. The member should ensure that the equipment is scanning other products properly. (To eliminate the possibility of faulty equipment.) If the equipment is functioning properly, go to step 3.
3. If the number of digits underneath the barcode is 8, 13 or any number other than 12 (the number of digits in the standard UPC Version A), then the scanning equipment may have encountered a valid barcode that it has not been properly configured to scan. If this is the case, contact your scanning equipment supplier for assistance. Otherwise, go to step 4.
4. The member should call the Do it Best Corp. Product Code Specialist and report the problem.
5. The Product Code Specialist will check to see if Do it Best Corp. entered the GTIN number correctly. If so, move on to step 6.
6. The Product Code Specialist will contact the vendor to verify the GTIN number. If Do it Best Corp. is in error, a correction to the item file will be made immediately. In addition, a file maintenance change will be issued to all members who communicate electronically with Do it Best Corp.
7. If the Do it Best Corp. Product Code file is correct, the SKU will be scanned (from our warehouse stock). If it is found to be inaccurate, a random sample of items provided by that vendor will be performed. The vendor will then be notified of all known product code problems.

Do it Best Corp. vendors - Do it Best Corp. requires that vendors perform periodic quality checks on GTIN codes as outlined in the "Vendor Requirements" section of this policy. Any new product offered by the vendor must also be in accordance with standards. Any changes to Do it Best Corp. products affecting GTIN information must be reported to the Do it Best Corp. Product Code Specialist prior to the product shipment.

The vendor must provide a Product Code Coordinator/Contact to work with Do it Best Corp. for the purpose of verifying GTIN codes and resolving any GTIN problems that arise. It is important that this person be given sufficient authority to rectify GTIN problems. In some instances, this may require a decision to: redesign product packaging, change GTIN printing method, or change GTIN location on a product.

When to Change GTIN

Generally, a manufacturer should not assign more than one GTIN code to the same product. Conversely, wholesalers and retailers may want to consolidate the sales history of "like" items. From a selling standpoint, some products may be substitutable for others. If the items are similar in all major respects, wholesalers and retailers may choose to track the "like" items under one stock keeping unit (SKU) number and assign multiple GTIN numbers to it. This is often the case when more than one supplier is used for a particular SKU.

Manufacturers, wholesalers, and retailers should be aware of those instances where changing a product GTIN code is appropriate. Instances where change is appropriate:

- Product weight change
- Quantity or count change
- Bonus packs (i.e. 30% more free promotions)
- Promotional price-off on label
- Free item enclosed in pack
- Holiday packs (modification for seasonal theme)
- After a merger or acquisition

There are many sources available to obtain barcode information. Do it Best Corp. suggests consulting the GS1 website, www.gs1.org or their customer service staff.

Other Guidelines - Section 5

- Each retail product must have a unique GTIN code assigned to it.
- A manufacturer should never assign more than one GTIN to the same retail product unless there is some differentiating feature.
- Products available in multiple pack quantities must have a unique GTIN assigned to the smallest retail selling unit. Each retail packaging multiple must have a different GTIN.
- Assortments and displays must have separate GTIN numbers. For instance, if 3 clay pots each of different colors are available in a package, each pot must have a GTIN and the assortment containing all 3 must have a separate GTIN.
- Shipping container codes (such as SCC-14, SSCC-18, Code 3 of 9, Codabar, etc.) are not acceptable for point-of-sale purposes at retail.
- The retail GTIN should never appear on the shipping container. Only shipping container codes should appear on ship packs. This is to eliminate the risk of a ship pack being scanned as a single item instead of an entire ship carton.
- GTIN numbers should not be reused unless manufacturer and retailer stock has been depleted. A minimum of 4 years must pass after the last shipment before a GTIN code can be reused.
- Molding, pipe and similar products that may be available in lengths greater than 8 feet should have a barcode symbol towards each end for scanning ease. Due to the handling of these types of products, please ensure that all barcodes are securely attached.
- Bundles of fixed length lumber products should be coded with the SCC-14 shipping container symbol.

Do it Best Corp. Private Label Products - Section 6

The type of barcode used on ship cartons is different from that applied to retail products. These procedures are designed to help you in assigning the correct retail and shipping container code numbers on Do it Best Corp. private label merchandise.

Assignment of SKU Number

A SKU number will be assigned to private label goods by the Purchasing department in the same manner as non-private label products.

Assignment of Retail Barcode (UCC-12)

Once the SKU number is assigned, the corresponding UCC-12 for the retail product will be created by Do it Best Corp. using the following guideline:

1. The first 6 digits of the GTIN on private label goods must be the Do it Best Corp. manufacturer I.D. number as assigned by the Uniform Code Council (UCC). This number is: 009326
2. The next 5 digits of the GTIN for the private label item are assigned by the new item application.
3. The last, and twelfth number, is a check digit computed based on a standardized formula.

Example:

We purchase paint brushes from Manufacturer X. Among these we carry:
a Do it Best Corp. private label (standard quality)
a Do it Best Corp. private label (premium quality)
a Do it Best Corp. private label (best quality)
and a Manufacturer X brand paint brush

What would be the proper way to handle the item and GTIN assignment for the products in this example?

First, each Do it Best Corp. private label item would be assigned a different SKU number. This is because the distinctions between standard, premium, and best quality denote significant differences in the item characteristics. The Manufacturer X brand brush would also have its own SKU number.

Sample numbers:

Standard brush – SKU# 772623

Premium brush - SKU# 772631

Best brush – SKU# 772682

Manufacturer X brand brush – SKU# 772690, Manufacturer's Item # 56155, Manufacturers UCC I.D. 066543

Second, each item would have its own unique UCC-12. For instance:

SKU# 772623 009326770017 assigned by Do it Best Corp.

SKU# 772631 009326770024 assigned by Do it Best Corp.

SKU# 772682 009326770031 assigned by Do it Best Corp.

SKU# 772690 066543561552 assigned by Manufacturer

Quality Review of UCC-12 on Do it Best Corp. Private Label Products

Do it Best Corp. is responsible for designing and approving the packaging and associated artwork on private label merchandise. In doing so, they work closely with the manufacturers of private label goods. The Advertising Department, in cooperation with the corporate Product Code Specialist, will ensure that the barcodes on private label products meet the Do it Best Corp. 95% first pass read rate requirement. Therefore, before private label product packaging is approved for reproduction, the UCC-12 must be evaluated and tested for compliance with Do it Best Corp. standards.

Scan tests will be performed on the final "camera-ready" artwork and on a sampling of reproductions (press-proofs) to ensure that the quality of the barcodes are maintained throughout the duplication process.

Assignment of Shipping Container Barcode EAN/UCC-14 (SCC-14)

The UCC specifically states that a GTIN assigned to an individual unit should **not** appear on a ship pack containing more than one retail selling unit. Allowing the use of UPC/EANs on shipping containers can be misleading. When distribution facilities scan inbound products, for example, a UPC on a ship pack of 12 items could very well be received as 1 item instead of 12. Therefore, barcodes specifically designed for shipping containers are needed. In the Hardlines industry, the standard barcode used on ship cartons is the SCC-14 (formerly I 2 of 5) shipping container code.

If we were assigning SCC-14 codes to Do it Best Corp. "Premium" private label paint brushes, here is what we would do:

1. Work with the vendor to determine the various ship packs that will be offered. We will assume that the brushes will be supplied in ship packs of 12, 24, and 36. The manufacturer informs us that the corresponding packaging indicators will be 2, 4, and 6 respectively.
2. Assign the SCC-14 barcode number the vendor will need to put on the ship carton(s). Based on the information in step #1 above, the Do it Best Corp. Private label "Premium" paint brush would have 3 different SCC-14 barcodes associated with it:
 - a. The SCC-14 code for the ship pack of 12 would be: 2-00-09326-77002-Check Digit
 - b. The SCC-14 code for the ship pack of 24 would be: 4-00-09326-77002-Check Digit
 - c. The SCC-14 code for the ship pack of 36 would be: 6-00-09326-77002-Check Digit

Barcoding Bulk Items - Section 7

It is the Do it Best Corp. policy that every retail unit should have a barcode number assigned in the GTIN field of our Product Code file. Also, vendors should apply barcodes on:

- Individual retail units
- Shipping containers

Use of UPC/EAN vs. SCC-14 (ITF-14)

In deciding whether a package should have retail (UCC-12) or a shipping container (EAN/UCC-14) barcode, we need to examine the use of the item at retail. Any package that constitutes a single selling unit at retail should have an UCC-12, EAN/UCC-8 or EAN/UCC-13 code. A package which represents a ship pack to Do it Best Corp. that is not an individual selling unit at retail, should have a EAN/UCC-14 shipping container barcode. So, for instance, a 16 ounce can of lubricant that is sold at retail has an UCC-12, EAN/UCC-8 or EAN/UCC-12 code assigned to it. However, a ship pack containing 12 cans should have a corresponding EAN/UCC-14 barcode.

Bulk Items

In dealing with items that our members need to have barcoded, this is the course of action that our Do it Best Corp. Merchandise Managers take. We request that the items be barcoded at no additional charge. Most companies in our industry already require barcoded product and, generally, this is not an unreasonable request. In negotiating with a vendor, if there is no way of getting a barcoded product at the same or competitive price, then the situation will be reviewed by the Do it Best Corp. Merchandise Manager. Do it Best Corp. will determine if the item(s) will be exempt from barcodes (retail and/or shipping container), purchased at a higher price, or purchased elsewhere. In cases where the individual retail product is exempt from barcoding, the vendor is required to provide some means to allow for handling the products at retail point-of-sale (i.e., laminated charts, pictorial product identification sheets, etc.).

Do it Best Corp. Role - Section 8

Because of our commitment to barcoding, Do it Best Corp. has made programming and procedural changes to accommodate its implementation. Below is a general overview of these changes.

Merchandise Manager/Information Technology Procedures

New Items* - GTIN codes must be assigned to new items before placing an order for the merchandise. New items along with the following information should be communicated to members electronically and in the Supplement included with *Profit Lines*.

1. SKU Number
2. Description
3. Vendor
4. Department
5. Fineline Class Code
6. Member Cost
7. Retail
8. GTIN code (UCC-12, EAN/UCC-8, EAN/UCC-13)
9. Pack Quantity
10. Manufacturer's Number

Non-similar retail items*: *Item Replacements, Substitutions, Referrals, Supplier Change* - when changes occur affecting the GTIN for a SKU, and the new item is significantly different from the original SKU, the Do it Best Corp. Purchasing department will adhere to the following procedure:

1. Establish a new SKU number.
2. Obtain a GTIN for the new SKU.
3. Assign the new SKU number to the substitute item number field of the old SKU affected by the change.
4. Ensure that this information appears on the report of changes distributed with *Profit Lines*.

Similar retail items: *Item Replacements, Substitutions, Referrals, Supplier Change* - when changes occur affecting the GTIN for a SKU and the new item is similar in all major respects, then the procedure below will be followed:

1. Utilize the same SKU as the original item.
2. Add the GTIN code(s) for the new product in the item file of the original SKU.
3. Ensure that this information appears on the report of changes distributed with *Profit Lines*.

*Changes of this nature should precipitate an automatic electronic update to members using Do it Best Corp. communications software so that the members' computers will receive updates with accurate SKUs and the primary GTIN which may correspond with each SKU. In addition, when a member receives product resulting from situations such as replacements, substitutions, referrals, and inventory transfers the line item containing the "replacement" product should appear with a special code on the member invoice.

Product Code File

In the Do it Best Corp. effort to support a 6-digit numbering scheme, programming has been performed to accommodate barcoding.

- Each SKU will support multiple barcodes. This way, if a supplier for a product changes, yet the products are similar in all major respects and can be sold as the same item, Do it Best Corp. will use the same SKU. This will assist members in keeping their sales history on these types of items consolidated, which helps the member when making purchasing decisions. Better buys made at the retail level benefit all participants in the supply chain.
- The Do it Best Corp. program will issue a warning if a new item is added without a barcode. Reports of items without barcodes are available for monitoring the status of barcode numbers assigned to each SKU.
- The Do it Best Corp. Product Code File is programmed to support the use of SCC-14 shipping container codes.
- The Do it Best Corp. system provides a verification of the check-digit entered when a UPC is input. This is to serve as a means of ensuring the accuracy of the data entry process.

GTIN Contact

Do it Best Corp. created the Product Code Specialist position for the purpose of researching, planning, and coordinating our corporate direction with respect to barcoding. Do it Best Corp. is committed to using technology in retailing and wholesaling. An integral part of our commitment to technology is the use of barcoding as outlined in this document.

Contact Information: Phone Number: 260/748-7160
 E-mail: ediproductcodesupport@doitbest.com

Appendix A: Glossary of Terms

Barcode	a language expressed through a series of bars and spaces.
Barcode symbol	a series of bars and spaces arranged together to form a pattern containing information that may be interpreted by a scanning device.
Check Digit	a digit calculated from the other digits of an element string; used to check that the data has been correctly composed.
Data Carrier	a physical or electronic mechanism that carries data. Within the GS1 System barcode symbols are often referred to as data carriers.
Data Structure	defined in the various lengths required for different application purposes; they all share a hierarchical composition. The composition of the data structure blends the needs of international control and the needs of the user.
EAN (European/International Article Numbering) System	a retail barcode symbology used primarily by companies based outside the U.S.
EDI (Electronic Data Interchange)	the transmission of business information between companies via electronic means (i.e., purchase orders, invoices, advance ship notices, sales data, etc.)
GTIN	(Global Trade Item Number) The globally unique EAN.UCC System identification number for products and services. A GTIN may be 8, 12, 13 or 14 digits in length using the EAN/UCC-8, UCC-12, EAN/UCC-13 or EAN/UCC-14 data structures.
GTIN EAN/UCC-8	is an 8-digit data structure carried by the EAN-8 symbology. This GTIN is used to identify products sold at Point-of-Sale outside North America and all countries that support EAN International standards.
GTIN EAN/UCC-13	is a 13-digit data structure carried by the EAN-13 symbology. This GTIN is used to identify products sold at Point-of-Sale outside North America and all countries that support EAN International standards.
GTIN EAN/UCC-14	Carried by either the ITF-14 symbology or the UCC/EAN-128 symbology, is a fourteen-digit number assigned to fixed content shipping containers within the GS1 System.
GTIN UCC-12	is a 12-digit data structure carried by both the UPC-A and UPC-E symbologies. It is used to identify products sold at Point-of-Sale inside North America and in all countries that support EAN International standards.
SCC-14	a type of shipping container barcode that allows for the identification of the UPC and quantity of products contained within the packaging.
Perpetual inventory	an ongoing account of inventory quantities and values.
Product Code	Is a number and barcode that identify an individual consumer product. This term is used to indicate any of the data structures that might identify a product no matter the form. This term is more general than GTIN, but reference the same structures.

Appendix A: Glossary of Terms

Scan	the process of passing over a barcode symbol for the purpose of decoding information.
SCC (Shipping Container Code)	also referred to as SCS (Shipping Container Symbol); this is a type of barcode that is used specifically for identifying a ship pack (and never retail packs). Examples are SCC-14 and SSCC-18.
Symbology	a language expressed when a series of bars and spaces form a pattern (or symbol).
UCC (Uniform Code Council)	the governing body overseeing the assignment of GS1 manufacturer identification numbers.
SSCC-18	a type of shipping container code which allows for the encoding of 128 different alphanumeric characters in a very high density symbology. It is commonly used for the identification of mixed pallet shipments and for correlating shipments to a specific purchase order.
UPC (Universal Product Code)	a 12-digit barcode symbology used in the identification of retail products.
UPC-A (Universal Product Code Version A)	a UPC symbol encoding 11 digits of information and a check digit.
UPC-E (Universal Product Code Version B)	a UPC symbol encoding 6 digits of data in a pattern that requires less area than UPC-A. Used mainly for smaller retail products. Also referred to as the "zero-suppressed" version because using a predefined formula, any UPC-E may be expanded to a 12-digit UPC-A.
2005 Sunrise	An industry initiative of United States and Canadian companies to be capable of scanning and processing EAN-8 Symbols, EAN-13 Symbols, and UPC Symbols at Point-of-Sale by January 1, 2005.
2005 Sunrise Compliant	A company or product that: <ul style="list-style-type: none">- Scans and processes EAN-8, EAN-13 and UPC Symbols at Point-of-Sale.- Processes and stores in their entirety the product identification numbers scanned from EAN-8, EAN-13 and UPC Symbols. Note: These product identification numbers are properly referred to as Global Trade Item Numbers (GTINs). Erroneous practices include dropping Check Digits and extracting the UCC Company Prefix to identify a supplier. Companies who parse or change the GTINs must discontinue this practice.- Does not erroneously assign numbers in their internal application using lead digits of 1, 8 or 9.

Appendix B: Recommended References

1. GS1 formerly Uniform Code Council: GS1 US Lawrenceville, NJ 609-620-0200
www.GS1.org
2. Global Trade Item Number (GTIN) Allocation Rules
www.GS1.org/gtinrules/
3. GS1 Standard Glossary of Terms
www.GS1.org/docs/barcodes/GS1_Standards_Glossary_of_Terms.pdf
4. Hardlines Industry Guideline on Barcoding, American Hardware Manufacturers Association
www.ahma.org

Do it Best Corp.

EDI Processing

EDI (Electronic Data Interchange) Processing

Conducting business in today's economy is a continual challenge; reducing costs, increasing profits, staying competitive, and maximizing efficiencies are important business practices for Do it Best Corp. - as well as for our valued vendors.

Electronic processing of business transactions is critical for both Do it Best Corp. and vendors submitting them. As a valued supplier for us, your performance and support of our supply chain initiatives is paramount to our continued and mutual success. To that point, we have made the business decision to require EDI processing of Purchase Orders, Purchase Order Acknowledgements, Invoices, Credit Memos, and Advance Shipment Notices. **Any one of these transactions processed manually will be subject to a charge. Additionally, vendors who are unable to communicate via EDI for all transactions run the risk of being replaced by competitors who are able to operate more efficiently.**

For vendors that presently don't have EDI capability, or do not wish to use their current EDI system, we have partnered with several 3rd party providers of internet-based document exchange services. They can provide an easy-to-use alternative to traditional EDI software that will enable electronic connectivity to Do it Best Corp. To learn more about this initiative and the service options available contact EDI Vendor Support.

If you are already EDI enabled and would like to use your own EDI system, please contact an EDI Administrator for your copy of EDI guidelines and fill out the Vendor EDI ANSI X12 Questionnaire found in Appendix III of this Manual.

EDI Support Line 260/748-5619

Email: EDIVendorsupport@doitbest.com

EDI Stocking Purchase Orders

Electronic ordering improves our efficiency and increases the strength of our supply chain. We require all vendors to participate in receiving our Stocking Purchase Orders electronically.

EDI Invoices

Electronic Data Interchange (EDI) plays an essential role in reducing clerical and operational costs involved with processing invoices. Due to the high cost of manually processing invoices, we require that all of our suppliers send invoices electronically. In addition to the cost savings, EDI invoices also allow us to process your invoice faster and with increased accuracy.

EDI Credit Authorizations

We have the ability to issue credit authorization via EDI (Electronic Data Interchange). If the Drop ship order is for \$350 or more then a credit authorization number is required. Your support in providing complete and accurate electronic information is greatly appreciated.

EDI Purchase Order Acknowledgements

Processing purchase order acknowledgements electronically is critical to our Supply chain process. The purpose of the 855 document is to not only acknowledge the receipt of the PO but to also identify whether you will be filling the Purchase Order in full or in part at the line item level. All line items should be Accepted, Backordered, Deleted, or Rejected. Expected ship dates should also be provided. Do it Best Corp. expects the data in the 855 to be as complete and as accurate as possible.

EDI Advanced Ship Notices

The primary purpose of an ASN is to provide Do it Best Corp. with advance and accurate data on shipments into our RSC's so that we can plan workloads and process receipts more efficiently processing. The key words are "advance" and "accurate". In other words, the ASN must arrive in advance of the merchandise arriving at our dock and the ASN must also be 100% accurate and represent the exact contents of the shipment.

For a copy of any EDI guide, please visit our vendor portal <https://www.mydoitbest.com/>. This is a secure site and you would have previously received an email with your userid and password if you have been set by your local administrator. If not, you can contact a Do it Best Corp. EDI Administrator at:

EDI Support Line: 260-748-5619

E-mail: EDIVendorSupport@doitbest.com

Do it Best Corp.

Vendor Performance Standards

Vendor Performance Standards

As a supplier to Do it Best Corp., your adherence to critical performance standards is a requirement for our mutual success. The key areas of performance measurement include:

- Shipping and marking standards
- Order fill rate, accuracy and on-time arrivals/shipment.
- EDI compliance

Shipping and Marking Standards

See the Shipping and Marking Standards section of this manual for complete explanation and the Shipping and Marking Standards report card. **Failure to meet these requirements will result in fines detailed in the Shipping and Marking Standards vendor report card.**

Order Fill Rate

Do it Best Corp. requires a 98% fill rate on RSC orders. Fill rate is defined as the total quantity of all items received divided by the total quantity of all items ordered on the original purchase order. **Failure to meet these requirements will result in a fine equal to 5% of the total purchase order invoice cost (minimum fine of \$250).**

On-time Shipment

All Retail Service Center orders indicate a specific “Ship Date” and “Arrival Date. Collect shipments should adhere to the “ship date”. Prepaid shipments should adhere to the “arrival date”. On-time performance is met when:

- Collect order is shipped +1/-7 day of specified shipment date
- Prepaid order arrives at RSC +1/-7 day of specified arrival date.

Failure to meet these requirements will result in a fine equal to 5% of the total purchase order invoice cost (minimum fine of \$250).

Vendor Scorecards

Vendor scorecards are easy to access through Do it Best Corp.'s Vendor Portal. The vendor scorecard measures and reports on vendor performance in the areas of Order Fill Rate, On Time Shipment, and Shipment Accuracy. You can view your recent performance on each Purchase Order that is shipped to any of the eight Do it Best Corp. RSCs. An FAQ document is also available on the vendor portal.

EDI Compliance

(See the “EDI Processing” section of this manual for complete explanation.) **Failure to meet these requirements will result in the fines detailed in this manual in the “Shipping and Marking Standards” section for ASNs; and in the “Order Processing” section for invoices.**

IMPORTANT NOTE: Vendor Restitution

Vendor performance problems are resolved quickly through a process of: 1.) restitution and, if problems continue, 2.) immediate vendor replacement. **Any significant vendor problems (low fill rates, excessive back orders, late shipments, delivery procedure issues) that result in lost sales and profits for Do it Best Corp. will result in an immediate charge for restitution to cover those losses.**