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DEVEROES #99 LLC
8660 Seward Rd.
Hamilton, OH 45011

SHIPPING AND ROUTING INSTRUCTIONS

The effective date of these instructions is January 1, 2009 and will apply to all shipments to Deveroos after this date. *Minor updates to Section 1 as indicated below.*

Read these instructions carefully. Should you have any questions or if for any reason you cannot comply, please contact our Traffic Coordinator at transportation.manager@deveroos.com. This instruction supersedes and replaces all previously dated shipping or routing instructions.

All instructions herein are terms and conditions of our Purchases Orders and must be carefully checked before forwarding any shipments to our distribution center or stores. If the instructions in this routing guide cannot be strictly followed for any reason, the *Deveroos*, Director of Logistics must be notified in writing at once. **Failure to advise Deveroos otherwise will indicate that all instructions are clearly understood and will be followed.**

Section 1.) Shipment Routing

A.) All shipments with combined total weight of *less than 750 pounds* must be routed via **FED EX Ground Service** using our shipper number, email transportation.manager@deveroos.com for account number. Please provide the correct weight and hold to FED EX standard if using an oversize carton to avoid service charges for incorrect weight and carton sizes.

B.) All shipments with a combined total weight *greater than 750 pounds and higher* must be shipped collect billing via **FED EX National** from California, Texas, and Washington and **FED EX Freight** from all other inland states.

C.) The merchandise must be packed, shipped, and described in the LTL bill of lading as:

Clothing class 77.5 or **Footwear class 100.**

For any other classifications not listed, please call for assistance.

Follow the shipment routing instructions as described here or indicated on the Deveroos purchase order. Deviation from or violation of the purchase order shipping and routing instructions will result in a charge back of the full freight cost and an additional 2% or \$200.00 (whichever is greater) to be deducted from the invoice total.

Section 2.) Shipping Document Identification

A.) The following information must appear on all shipping documents:
(Bill of lading, invoices, packing slips, etc.)

- 1.) Shipper's name (including Distributor's name if different).
- 2.) Point of origin.
- 3.) All *Deveroes* purchase order numbers on the shipment. If a purchase order number is not specified, use the start ship date from the purchase order.
- 4.) The total number of pieces, cartons and pallets on the shipment.

Failure to include the above listed information on the shipping documents will result in a charge back of 2% of the invoices or \$200.00; whichever is greater.

Section 3.) Carton Labeling

A.) The packing slip must be placed in sealed envelopes and attached to the outside of the lead package/carton. All cartons, cases, and packages must show the following:

- 1.) Vendor's name and address.
- 2.) The *Deveroes* name and ship address as stated on the purchase order.
- 3.) The *Deveroes* purchase order number with one-inch high letters.
- 4.) Number of pieces per carton. With shoes, pack only one style per carton if packed by bulk: do not mix the styles and the colors).
- 5.) Store number in one-inch high letters (if packed by store).
- 6.) Size run or breakdown must be indicated. Along with style and color.
- 7.) Carton number/total cartons on shipment, i.e. 1 of 10, 2 of 10... 10 of 10.

Section 4.) Bill of Lading/Freight Bills

A.) The information listed in section 2 must accompany the following information on all Bills of Lading/Freight Bills:

- 1.) Freight terms as stated on *Deveroes* purchase orders.
- 2.) Total gross weight of shipment.
- 3.) Merchandise commodity description in accordance with National Freight Classification. Use lower class availability when possible
- 4.) **Do not declare any value for insurance purposes.** We carry our own insurance coverage. Any costs of declaring value will be charged back to the vendor.

Failure to include the above listed information on the shipping documents will result in a charge back of 2% of the invoice or \$200.00; whichever is greater.

Section 5.) Packing List

- A.) Packing list must be attached to the outside of the shipping carton in a sealed envelope.
- B.) Product description, style, color and size as specified on the purchase order must be listed clearly.
- C.) *Deveroes* must be able to match your packing slip to your shipment and to the product, item for item.
- D.) *The Deveroes* purchase order number must appear on each packing list.
- E.) A separate packing list must be issued for each *Deveroes* purchase order shipped against.
Do not mix multiple purchase order #'s on one packing list.

Failure to provide a packing list as specified above will result in a charge back of 2% of the invoice or \$200.00; whichever is greater.

Section 6.) Pre-ticketing/Price Labeling of Merchandise

A.) The following pertains to any pre-ticketing, price labeling, and/or barcode-labeling arrangements *Deveroes* may have established with you or which is stated on or accompanies a *Deveroes* purchase order.

- 1.) All labeling information must be accurate and legible.
- 2.) All tickets and labels are placed on correct items and in the correct place as specified by the buyer or purchase order.
- 3.) Label/ticket placement must be consistent on all merchandise and must not obscure vital information present on the merchandise.
- 4.) Barcodes must scan accurately without errors.
- 5.) If *Deveroes* supplies labels or tickets they must utilize.
- 6.) Please provide UPC numbers for product where available. The UPC numbers can be faxed, mailed or e-mailed to the buyer.

Failure to adhere to the above labeling/ticketing requirements will result in a charge back of 2% of the invoice or \$200.00, whichever is greater.

Section 7.) Over Shipments / Substitutions

- A.) Ship only those quantities, style, color and size of merchandise ordered.
Do not make substitutions of any kind.

There will be a handling charge on all overages and substitutions of 2% of the PO or \$200.00 whichever is greater, whether or not *Deveroes* keeps the merchandise.

Section 8.) Returns to Vendor.

- A.) Upon the buyer's approval, any merchandise that was shipped in error will be returned at once without waiting for return authorization.
- B.) Any defective or damage merchandise will be returned at once.
- C.) All returns will be final and *Deveroes* shall not be liable for any loss or additional charges incurred.

D.) Freight cost on all merchandise returned for shipping errors or damages will be charged back to the vendor.

All return to vendor policies above must be adhered to, unless vendor sends written instructions of their policies.

Section 9.) Back Orders and Partial Shipments

- A.) Do not substitute or back order any merchandise unless authorized by the buyer and given a valid PO change order.
- B.) If you cannot ship according to the PO, contact the buyer for instructions.
- C.) All orders must be shipped complete. The buyer must approve any exception.
- D.) Any additional transportation and handling expenses as a result of any partial shipment will be charged back to the vendor.

Section 10.) Invoices and Billing

- A.) Any invoices submitted to *Deveroes'* for payment must include:
 - 1.) Vendor Name.
 - 2.) Purchase Order Number, and Customer Number.
 - 3.) Invoice Number clearly marked.
 - 4.) Description of merchandise shipped.
 - 5.) Number of cartons shipped.
 - 6.) Total Quantity of merchandise shipped.
 - 7.) Wholesale Unit Price.
 - 8.) Freight Charge before Total Due Price, (subtotal).
 - 9.) Freight Company used, i.e. UPS, Roadway, with Tracking Information
 - 10.) Payment Terms, i.e. 5% 30 days, net 60*, etc...
 - 11.) Dollar Amount of Prompt Paid Discounts (totals of discount applied)
- B.) Payment of Invoice can be **withheld** until reconciled up to 120 days if the following criteria are not met from the Purchase Order or Invoice:
 - 1.) Error listed on the Invoice.
 - 2.) Shipment delivered late with problems resulting from late delivery.
 - 3.) Shipment does not meet quality standards.
 - 4.) Unclear whether payment of bill is a duplicate.
 - 5.) Items received that have not been ordered.
- C.) A W-9 form must be filled out and returned by all vendors before the first payment is issued.
- D.) When a Discount is applied to the Payment, the date merchandise is received will determine the start date of the applied discount, not the date listed on the Invoice.

Failure to include or adhere to the above listed information on the Invoice, will result in a \$25.00 charge back for additional handling.

Unless prior arrangements have been made for electronic invoicing, invoices are to be sent and billed to:
 Deveroes #99, LLC
 Attention: Accounting Department
 8660 Seward Rd.
 Hamilton, Ohio 45011

Should there be any questions or if for any reason you cannot comply with the preceding instructions, email transportation.manager@deveroes.com. Your acceptance of a *Deveroes* purchase order will be your acknowledgment and acceptance of these shipping and routing instructions. Your cooperation is greatly appreciated.