PACKAGING, LABELING, AND SHIPPING REQUIREMENTS

EFFECTIVE: January 1, 2016
Essendant
Packaging, Labeling, and Shipping Requirements

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Loading and Shipping

I. Delivery Appointments and Carrier Compliance

A. General

- Delivery appointments are required for all non-small package deliveries into any Essendant Incorporated facility. Being able to accurately schedule our inbound volume is essential for us to efficiently handle freight into our Distribution Centers (DCs).

- Prepaid Shipments - Where the freight terms are prepaid, the supplier will be held accountable for the carrier acting as the supplier’s agent.

- Collect Shipments - The delivering carrier will be held accountable for all collect shipments as long as the load was tendered when scheduled.

- The supplier will be held accountable if the load is tendered after the agreed scheduled pickup date.

B. Delivery Appointment

- Appointments must be requested not later than 12:00 noon local time, one business day prior to delivery.

- Unauthorized trapping of our inbound shipments is prohibited; carriers must schedule delivery appointments upon freight arrival at their delivering terminal.

- All appointments must be made via Email to the correct Essendant Distribution Center’s receiving Email address. (Attachment A)

- When requesting a delivery appointment via Email, the following information must be provided using the Essendant Inbound Delivery Request Form (Attachment B).
  - Requested delivery date
  - Delivering carrier
  - Shipper/supplier name
  - Purchase order numbers being delivered
  - Number of cartons
  - Total weight of the shipment
  - Load type; i.e. floor load, palletized, furniture, etc.

This form is available electronically by following the link below, and entering your Username and Password.

https://solutionscentral.usco.com/sites/mrc/suppliers/Documents/Guidelines/Essendant%20Inbound%20Delivery%20Request%20Form.xlsx
This form can also be found by logging into “Solutions Central” and navigating to the “Guidelines” page under the “Suppliers” tab.

- Any cross dock or NL orders must be identified on the appointment request as well.
- Essendant reserves the right to postpone the scheduling of the appointment if information is missing.
- All TL and LTL deliveries must be made by appointment.

C. **ASN Requirements**

- **General** - Essendant expects all suppliers to be ASN compliant on all shipments into Essendant facilities.
  - This includes shipments made from 3rd party warehouses.

- **Accuracy**
  - All suppliers need to ensure the accuracy of the ASN, the timeliness of the ASN, and the accuracy of the carton or pallet content in relation to the UCC128 label.

- **ASNs** must be available PRIOR to the shipment arriving at Essendant’s distribution center.
  - This includes all TL, LTL, and parcel shipments.

- **ASNs** are picked up and processed hourly by Essendant.
  - Suppliers with locations within 1 hour of a receiving location need to generate the ASN early to ensure ASN availability prior to shipment arrival.
II. Delivery Standards

A. On-Time Delivery

- It is expected that all carriers will arrive on time and that no additional purchase orders have been added to the delivery.
  - If a carrier arrives prior to the scheduled time, Essendant DCs will accommodate them as soon as possible.
- Essendant reserves the right to refuse deliveries for purchase orders not scheduled.

B. Correct Paperwork and Products

- Delivery receipts must be completed and signed by both parties at time of delivery.
- Drop trailer and or shipments that are unitized shrink-wrapped on pallets are subject to our subsequent count and inspection. Exceptions will be reported in writing to the delivering carrier within 72 hours of receiving.

Delivery Document/Suppliers BOL

- A delivery document/BOL with an attached copy of the packing slip must accompany every common carrier delivery.
- Multiple stock orders shipped to a single facility on the same day must be consolidated on one Bill of Lading, regardless of different purchase order numbers.
- The Carrier is responsible for delivering the freight in the same manner and configuration as it was tendered at origin.
  - It is the responsibility of the prepaid Supplier to make these arrangements with the carrier.
- Prepaid Suppliers
  - Any information on the delivery document that is found to be incorrect is the responsibility of the supplier.
  - Any accessorial fees, detention charges and administrative fees, or incorrect billings incurred due to data discrepancies on the delivery document are the responsibility of the supplier.

Information that must be on the Delivery Document / Suppliers BOL

- Freight terms as per merchandise agreement or freight collect agreement with Essendant Transportation Team (Prepaid, Collect, or 3rd party NL orders).
- Bill of Lading Number
- Pallet and Carton Count – The number of cartons contained on the shipment (also referred to as piece count) and the number of pallets contained on the shipment. Both must be included.
  - Prepaid Suppliers - If the carrier is not able to obtain an accurate carton count on a palletized shipment due to how a pallet was built, the delivery document/BOL must state “# of Pallets said to contain # of Cartons”. Carton shortages are always the responsibility of the supplier,
regardless of whether the delivery document references pallets or cartons.

- **Collect Suppliers** – If the delivery document/BOL is noted, “said to contain” the carrier is only responsible for the number of pallets stated. Any carton shortages on intact wrapped pallets are the supplier’s responsibility.

- **Pallet and carton count integrity shrink-wrapped pallets. All Shipments that are unitized to a pallet and shrink-wrapped.**
  - Prepaid, Collect, or 3rd Party Shipments - Supplier will make an effort to prepare cartons on the pallet visible for carrier’s count and inspection. Supplier assumes responsibility for shortages found at Essendant’s receiving facility providing the pallet arrives with original shrink-wrap intact.
  - Prepaid and 3rd Party Shipments - Concealed damages found within the shrink-wrapped pallet are the responsibility of the supplier and carrier to mitigate. Such cases will result in damaged merchandise refusal and return at the Supplier’s expense.

- **Shipment Weight** – The weight of the shipment in pounds (LBS).

- **Ship Date** – The actual date the shipment left the point of origin.
  - **Note:** Pre-dating Bills of Lading is a fraudulent practice. The document must always reflect the date that the order(s) actually shipped.

- **Carrier Name** – The name of the initial carrier the Bill of Lading was issued to.

- **Ship From Address** – The point of origin (including: Supplier’s Name) and full address.
  - **Note:** When utilizing a distribution or other third-party company to fulfill purchase orders, the shipper name must read as the supplier name provided in the purchase order c/o the distribution company name.
    e.g.: Write Brothers Pencils
    c/o American Distribution

- **Ship To Address** – The address of the final destination (Essendant Distribution Center – not the consolidation point address).

- **Purchase Order Numbers** – All of the purchase orders being shipped must be listed on the delivery document/BOL. All Essendant stock purchase orders are seven characters in length and should include the leading zero if it exists. Non Listed (NL) orders will be designated with “NL” or “N” followed by a six character purchase order number.

- **Special Instructions** – Must include the following:
  - “Delivery appointment required”
  - “Appointment request must be made by email”
  - “Driver assist required on floor loaded freight”
  - “Before unloading wheel must be chocked or a dock lock engaged”
  - “Delivery shipment intact. Do not break shrink wrap”
• Include any special handling requirements for the product type shipped.

– **Description of Articles** – A description of the commodity being shipped, including any Hazardous Materials, complete with corresponding regulatory requirements.

– **Trailer Seal**

  • A trailer seal must be applied to each full truckload for ESSENDANT. The seal number must be recorded on the supplier’s BOL legibly. Seal integrity will be verified at Essendant’s receiving facility with the carrier’s driver and warehouse associate. Shortages, overages, and damaged items will be reported on the BOL, accordingly.

– **Packing List**

  • A legible copy of the packing list needs to accompany the delivery document/BOL on common carrier, truckload, and consolidated shipments.

  • The original copy of the packing list should be located on the outside of the first pallet closest to the tail of the truck and in a highly visible position.

  • This packing list must be removable. Never put the packing list inside a carton.

• **Correct Product**

  – **Miss-Ships**

    • Products and quantities shipped to our Distribution Centers should match the Purchase Order.

    • Overages, non-ordered product and miss-ships are subject to return to the supplier immediately via Essendant selected routing at the supplier’s expense.

    • The packing slip must reflect the products and quantities shipped in Essendant’s ordering unit of measure.

    • Products and quantities should be shipped to the location noted on the Purchase Order.
      
      • Product shipped to an incorrect location will result in delayed receipt of goods and will be rerouted to the correct location at the supplier’s expense.

  – **Backorders**

    • Essendant expects to have the entire purchase order filled on the first shipment.

    • Backordered product should be shipped using the same guidelines as non-backordered product.
III. Pallet Standards and Loading Requirements

All shipments, excluding small package carrier shipments and furniture loads must be palletized and adhere to the specifications. Any exceptions must be sent to supplierperformance@essendant.com for review and approval.

A. Pallet Standards – Specifications

- **Pallet Type** - All products must be shipped on a 48” x 40” Hardwood GMA #1 Or Grade A Pallet Only.

- **Specifications for a GMA #1 or Grade A pallet**
  - Structural soundness (95% hardwood)
  - All nails flush or countersunk
  - Minimum stringer = 1-3/8" x 3-1/2" x 48"
  - No protruding nails on sides (shiners)
  - Minimum deck board = 5/8" thick; no thick & thin boards
  - No broken lead boards past first nail; no double stringers
  - Top boards = maximum 3-1/2" spaces; no boards overhanging stringers
  - Bottom / lead boards = min. 5-1/2"; no odors, dirt, grease, or oil
  - Plating per “Uniform Voluntary Standard must allow four-way entry for wood pallets”

- If a product must be shipped on a pallet other than a GMA pallet, Essendant must approve it in writing.
GMA #1 – Grade A Pallet

Pallet Damage

**Damaged Runner**

- Multi-carton shipments of ten (10) or more cartons must be palletized.
- Maximum weight per standard pallet should not exceed 2,200 pounds.

**B. Pallet Height Specifications**

- When shipping mixed or single SKU pallets, the height requirement can be up to 84". If there is a product category that requires a Supplier to ship product stacked over 84 inches - ESSENDANT must approve it, in writing.
  - Exceptions may apply for some paper products, furniture products and oversized products that will not fit correctly on the pallet specified.
  - Under no circumstances will a pallet be accepted if it is over 84 inches in height without prior approval due to safety considerations.
  - Double stacked pallets must be individually shrink wrapped to their own pallet and then wrapped together.
Pallet Standards and Loading Requirements (continued)

C. Pallet Loading Requirements

- **Stacking**
  - Cartons must be stacked to form a stable pallet.
  - When possible, cartons should only be stacked overlapping each other (bricklayer method) when individual boxes and their contents form a rigid unit.
  - Pyramid shaped pallet loads are a problem because the lack of a level surface weakens the overall packaging and may expose the contents to damage from other shipments. Do not stack pallets in a pyramid fashion.
  - Overhang – Product must not overhang the pallet. Overhanging product increases the risk of damage during shipping and receiving.
  - It is not acceptable to “chimney stack” pallets - product cannot be stacked around the edge of the pallet with the middle left with empty space.

Block Stack – Strongest Configuration

*Use for pallets built with all same size cartons.*

Pyramid Configuration

*Avoid – high risk of damage.*
Pallet Standards and Loading Requirements (continued)

Bricklayer Method – Most Stable Configuration
Use for pallets built with multiple size cartons to insure pallet stability.

Overhang configuration increases the risk of damage to product.

- Label Position
  - Carton labels need to be visible and pointing outward on the pallet on adjacent sides.
  - *For Interior cartons, not visible from the outside of the pallet, the labels need to be facing outward and be easily identified when the outside layer of cartons is removed.*
**D. Pallet Configuration - Pallets/Carton Level**

_Pallets not properly configured will require assistance from the driver to sort and segregate product. The Supplier is responsible for assessorial charges associated with sorting and segregating._

- **Product Sortation** – General
  - Products must be sorted by Essendant Bulk and Shelf Locations (ZABI) which will be sent on EDI and Hard Copy purchase orders.
  - **Zone Aisle Bin Information (ZABI) designates product as Bulk or Shelf.**
    - ZABI with the first two digits of 01-09 are Shelf products.
    - ZABI with the first two digits greater or equal to 10 are Bulk products.
    - The key to proper sortation of the product is to focus on the Primary ZABI to determine if the item is Bulk or Shelf.
    - The ZABI field is designated on the EDI purchase order with a qualifier code of “WS” or “BO”. On the hard copy PO, this is found under the product description.
    - Any less than case pack quantity is considered Shelf product (regardless of the ZABI location).
  - **Bulk and Shelf merchandise is designated on the EDI purchase order.**
    - BO qualifier = Secondary
    - WS qualifier = Primary

- **Multiple Pallets** – Bulk and Shelf Sortation
  - Palletize Bulk and Shelf separately – Bulk on one pallet and Shelf on another other pallet.
  - Keep the same SKU together. Like SKUs need to be on the same tier(s) level; do not spread a single SKU across multiple tiers or pallets, unless palletized by PO.

- **Single Pallet Shipments**
  - Pallets must be layered, or grouped by SKU unless otherwise approved by Essendant.
  - Tiers must be interlocked and identical throughout the pallet for like-item pallets.
    - The SKU consisting of the greatest quantity should be loaded onto the pallet first, stacking the SKU with the lesser quantity on top.
    - Exceptions may apply for heavy, oversized product.
  - Bulk and Shelf must be clearly separated. This can be achieved by shrink-wrapping the Bulk then stacking the Shelf product on top and shrink-wrapping the pallet. Suppliers could also use a slip sheet to divide the Bulk and Shelf items.
Bulk and Shelf on the same pallet with tiers separated by slip-sheet

- **Mixed Carton – Bulk and Shelf**
  - Do not mix Bulk and Shelf SKUs in the same carton, they must be kept separate.

- **Mixed Carton – Shelf**
  - Contents must be segregated by SKU and not intermingled in the carton.

E. **Shipment Loading**

- Product must be loaded in a safe and efficient manner. Supplier is responsible for preparing shipments for safe transportation; carrier drivers are responsible for checking freight after loading to be sure it will travel in a safe manner.

  - **Shipment Loading**
    - Pre-paid and collect Suppliers assume responsibility for the way shipments are loaded.
      - Load in a manner that minimizes shifting and damage under normal transportation conditions. Blocking and bracing is the responsibility of the shipper.
      - Essendant will not unload unsafe and/or poorly loaded shipments.
      - A load is considered unsafe or inefficient if the palletized load is not easily removed or has to be unloaded by hand or by exceptional means.
Demonstrates a properly loaded shipment

- **Easily Removed**
  - All palletized shipments must be loaded in the trailer allowing them to be immediately removable with a forklift or hand jack.
  - Do not load both pallets in sideways (i.e. pallets positioned straight in with the 48” side against the back) unless trailers are at least 102” wide.

- **Label Out**
  - Item labels must be visible and pointing outward on the pallet on adjacent sides.
  - On pallets where there are interior cartons, not visible from the outside of the pallet, the labels need to be facing outward and be easily identified when the outside layer of cartons is removed.
  - Do not place labels on the indicated clamp sides of cartons.
  - Do not place the shipping label over any package marking information.

- **Ship Upright**
  - Ship product in an upright position. Clearly mark merchandise with up arrows when storage requirements exist.
- **Pallets - Shrink-wrap/Capped**
  - All carrier shipments excluding small package carrier and furniture loads must arrive shrink-wrapped, capped (shrink-wrap cap is ok), and palletized.
  - Shrink-wrap/capped pallets assist in identifying shipments that have been tampered with.
  - All pallets shrink-wrapped at the supplier should be flagged with a sign, “Do Not Break Stretch Wrap”, the stretch wrap must be intact when it arrives at the Essendant Distribution Center location.
  - When securing pallets, use 80 gauge shrink wrap and ensure the shrink wrap overlaps the pallet and the product, securing the product to the pallet. It is also suggested that the pallet be wrapped in a ‘bowtie’ or ‘roping’ method and that ample layers of wrap are utilized to maintain integrity of the pallet.
  - Shrink-wrap should be tied out to the pallet.

- **Shrink-wrapped product tied to the pallet**

- **Furniture –**
  - Upon arrival at a facility a determination will be made if driver assist is required. This might include the driver loading freight onto a pallet or into a green rack provided by the facility at their dock.
  - Do not place labels on the indicated clamp sides of cartons.

- **Bed-loaded Freight –**
  - Driver assist is required in unloading products that are bed loaded. This includes loading onto pallets or green rack.
  - Flats should be stood upright to reduce damage in transit.

- **Carrier performs services as required**
  - Driver assist is required for all toppled loads. (Including unloading product by hand or with a hand truck or pallet jack) Information regarding this should be on the delivery document/BOL in the special instructions.
Packaging and Labeling

IV. Packaging and Labeling Requirements

*The following information must be provided on each case or attached to a pallet of uniform product; i.e. one SKU per pallet.*

A. UCC 128 Label requirements

<table>
<thead>
<tr>
<th>SHIPMENT CONFIGURATION</th>
<th>PALLET/FULL &amp; MIXED SKU</th>
<th>CARTON</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLOOR LOADED</td>
<td>N/A</td>
<td>Mandatory: Carton level UCC128 Serial Shipping Container Bar Code (SSCC – 18)</td>
</tr>
<tr>
<td>PALLET / FULL &amp; MIXED SKU</td>
<td>Mandatory: Pallet level UCC 128 (SSCC-18)</td>
<td>Optional: Pallet/Item level UCC 128 (SSCC-18) No broken case</td>
</tr>
<tr>
<td>MIXED CARTONS</td>
<td>N/A</td>
<td>Mandatory: Carton level UCC128 Serial Shipping Container Bar Code (SSCC – 18)</td>
</tr>
<tr>
<td>SMALL PACKAGE CARRIERS</td>
<td>Master cartons are treated as pallets. If used, apply pallet level UCC 128 label to the outside of the master carton</td>
<td>Mandatory: Carton level UCC128 Serial Shipping Container Bar Code (SSCC – 18)</td>
</tr>
</tbody>
</table>
UCC128 Label requirements (continued)

- **Pallet Level UCC 128 – *Preferred Method***
  - One label must be placed in the lower right hand corner of the pallet, approximately 1 inch from the top of the actual pallet, on two adjacent sides of the pallet on the outside of the shrink wrap.

- **Item Level UCC 128 –**
  - When shipping a pallet of product and providing a UCC 128 label at the item level, all SKUs must be kept adjacent and on the same pallet. The label must be on the side that is facing the outside of the pallet. Do not place the label on the top or bottom of the carton.

- **Carton Level UCC 128 –**
  - When shipping a pallet of product and providing a UCC 128 label at the carton level, one label should be placed on the upper right hand side of the carton. When shipping individual, mixed, or over-pack cartons, this same placement should be followed.

  - **Retail Cartons**
    - Any labels affixed to a retail carton must be removable without damaging the carton.
UCC 128 LABEL INFORMATION

Refer to example on next page

• Shipper Information <1>
  – Shipper’s name and address
  – Shipper’s name should match the name under which the purchase order was issued.
  – If a Supplier is manufacturing product under one of Essendant’s private labels, the shipper name should be Essendant’s private label name.

• Ship-to-Information <2>
  – 2A) Ship to Distribution Center name needs to be printed on every shipping label.
  – 2B) For Cross Dock/Essendant Direct Shipments – Dealer name should populate with Essendant’s distribution Address.

• Purchase Order Number <3>
  – The purchase order number(s) from which the product is being shipped against must appear on the shipping label.
  – Do not use ORDER NUMBER to indicate a purchase order number.

• Item Information <4>
  – Carton Level – Essendant’s SKU number, quantity contained within the carton and Essendant’s unit of measure needs to be indicated on the shipping label or carton.
    ▪ All of which need to appear as they did on the original purchase order
  – Mixed Cartons – this field should read “MIXED” and not contain a SKU number.
  – Pallet Level – this field should read “MIXED” unless it is a full pallet of a single SKU.

• UCC 128 Bar Code <5>
  – Must also be in human readable form

• Shipment No <6>
  – BOL # and PRO # or if a Small Package carrier, a tracking number must appear on the shipping label and packing list. With the exception of Parcel Post shipments, this number should be the Bill of Lading Number.

• Shelf / Bulk Locations <7>
  – Essendant provides its warehouse stocking locations for its facilities on the EDI purchase orders.
  – Bold print is preferred for this information. Always aim for maximum readability in size. Information should be easily readable from 5 feet away.
### UCC 128 Label – Required Information Label Example

| FROM: | SUPPLIER NAME | 1 |
| Supplier Street Address | Supplier City / State / Zip |
| TO: | ESSENDANT | 2A |
| 810 KIMBERLY DRIVE | CAROL STREAM, IL 60168 |
| 2B | Ship to address must match facility identified in the 850 PO transmissions |
| SHIP TO POSTAL CODE: | CARRIER: |
| | Carrier Name | 6 |
| | AAA COOPER | |
| | PRO #: 123456789 | |
| | BOL #: 47ABCD | |
| PO #: | 3712345 | 3 |
| SKU: | MIXED | 4 |
| PALLET X of X | BIN: ASSIGNED or MIXED | 7 |
| SERIAL SHIPPING CONTAINER CODE (SSCC): | BULK: ASSIGNED or MIXED |
| (00) 1 0012345123456789 5 | Bin & Bulk values transmitted on 850 REF*SO*0000000 & REF*WS*0000000 & segments |
| | Numeric value of SSCC should match MAN*GM segment data in ASN |
B. Packaging Markings

The following information must be provided on each case or attached to a pallet of uniform product; i.e. one SKU per pallet.

- **Product Number**
  - The manufacturer’s reorder number must be present and consistent on all levels of packaging. This SKU number should match the SKU number printed in Essendant marketing material.

- **Manufacturer Name**
  - The manufacturer’s name should be clearly represented on all products. If the product is private label, the private label name should be used in place of the manufacturer’s name.

- **Description of Product**
  - All levels of packaging must be identified with a complete description of the product.

- **Color Identification**
  - If the product comes in various colors, the color must be clearly marked in the description of the product.

- **Quantity**
  - The item quantity within the packaging must be present on all levels of packaging. The quantity should specify the number of inner containers and the number of actual units contained within.

- **Best-Used By/Expiration Date**
  - The date the product should be used by or the date the product expires must be clearly printed on all product packaging if the product has a useful shelf life.

- **GTIN/UPC Bar Codes**
  - A unique GTIN/UPC Bar coding is required on all levels of packaging.

- Master carton quantity (total number of selling units)
- SKU number
C. Additional Labeling

- Mixed or Non-Standard –
  - The carton(s) must have a UCC 128 label with the word MIXED and the additional green MIXED label that clearly identifies if the carton contains mixed product. The Mixed label should be affixed to every mixed carton or less than standard case pack quantity.
  - Any deviation from the standard case pack being shipped into Essendant distribution centers must have this label affixed.

- NL (Non Listed Label) –
  - An easily identified label should be affixed to the outer carton of every NL item shipping into an Essendant facility.
  - The Inventory Management department at Essendant currently supplies the label upon request. However, any equivalent NL label can be used as long as it’s Orange and clearly show the letters “NL”.

- DO NOT place NL label(s) on drop shipped or direct shipped orders.
- Only one NL label per piece on all NL items. NL items must be segregated on their own pallet or carton; they cannot be intermixed on a pallet with regular stocking merchandise.
- When making an appointment request the NL PO must be listed on the appointment Inbound Delivery Request Form with an accurate carton count and BOL.
- All backordered NL pallets must be clearly marked with a backorder label.
• **VOW/CROSS DOCK ORDERS** –
  – Appointment request must list the PO, BOL, and carton/pallet count of the Cross Dock Order, and be identified as a Cross Dock Order.
  – There should be a separate packing slip and BOL for each Cross Dock Order; it should not be part of the Essendant stocking order paperwork.
  – The shipping label must indicate the dealer address, Essendant PO, and dealer PO #.
  – The shipment must be isolated to its own separate pallet(s); it cannot be combined with stocking product.
  – The pallet(s) need to be either at the end of the trailer or in the nose, not intermixed with the stocking PO pallets.
  – For multiple pallet shipments, the pallets need to be labeled to indicate the pallet count. (i.e. 1 of 4, 2 of 4, 3 of 4, 4 of 4).

• **Over-pack Cartons**
  – Over-pack cartons should have no outside markings. The only labels should be the UCC 128 label and an over-pack label or marking to clearly identify the carton as an over-pack carton.

• **Backorder Pallets**
  – All backorder pallets must be clearly marked with a backorder label, when palletized by PO.
  – **Furniture Handling and Stowing Labels:** All furniture cartons must have labels indicating proper handling and stowing procedures.

**D. Packaging Quality**

• Shipping container/carton packaging must meet International Safe Transit Association (ISTA) Standards. For more information about these standards, contact the ISTA at their web site [www.ista.org](http://www.ista.org).

• Suppliers should provide their packaging specifications in the NMFC, as most common carriers that subscribe refer to these packaging requirements when analyzing causes of damages that may have occurred, to settle freight claims.

• Cartons must be taped or glued.

• Packing straps must be strong enough to endure a standard distribution conveyor system.

• The use of “packing peanuts” is prohibited. Recycled paper or airbags is recommended.
V. Damaged Product Policy and Procedures

Delivery receipts must be completed and signed by both parties at time of delivery. Drop trailer and or shipments that provide shrink-wrapped pallets are subject to our subsequent count and inspection. Exceptions will be reported in writing to the delivering carrier within 72 hours of receiving.

A. Visible Damage

- Visible carton damage is defined as when the exterior shipping container is:
  - Crushed, corners are crushed, punctured, torn, seal integrity broken, open, wet, creased, or recouped into foreign packaging.

B. Refusing Damaged Product

- Essendant reserves the right to refuse shipments or portions thereof when the shipping container is found visibly defective upon delivery or subsequently on drop trailers or shrink wrapped pallets as described above.
- Essendant’s standard F.O.B. terms with our merchandise suppliers is F.O.B. Destination, thus such visible carton damages found will be returned to the respective supplier, “Collect”.
- Essendant associates will present the carrier with formal shipping documents to return defective merchandise to the supplier.
- Carton shortages are always the responsibility of the supplier.
- Collect Suppliers:
  - If the delivery document/BOL is notated by the carrier, “said to contain” the carrier is only responsible for the number of pallets stated. Any carton shortages on intact wrapped pallets are the supplier’s responsibility.
  - If the trailer is sealed the supplier is responsible for all overages, shorts, and damages.
- Title of goods, either FOB Destination or FOB Origin, will be determined in the supplier agreement.

C. Inbound Damaged Procedure Highlights

- Essendant will indicate on the freight bill the number of cartons being refused when damage is visible on the exterior layer of the pallet or carton.
- Only the items that are damaged will be refused, (i.e., not entire shipments or entire pallets, unless there is an excessive amount of damage).
- Essendant will accept damaged product and settle claims for shipments that arrive via the Essendant consolidation program or Essendant truck.
D. Exception Report Window

- If Essendant discovers damaged product after the driver has departed (concealed within the pallet), Essendant will notify the carrier within 72 hours of unloading (36 hours for UPS).
- Dropped trailers will also be subject to the 72-hour window. Damaged items will be reloaded onto the dropped trailer and sealed. Essendant will instruct the carrier to return the damaged product to the supplier.

E. Essendant Truck Picked Up Merchandise

- For shipments being picked up by an Essendant truck, Essendant drivers will be instructed to not pick up damaged merchandise.
- If the Essendant driver is not allowed to inspect the load, the supplier is responsible for all shortages and damages.
- If damaged product is found at time of receiving (concealed within a pallet), Essendant will notify the supplier within three business days of unloading.

F. Essendant Preferred Carriers

- Essendant’s preferred carriers are aware of the procedures in this guide. Essendant’s “Inbound LTL Routing Matrix” can be found by logging into “Solutions Central” and navigating to the “Guidelines” page under the “Suppliers” tab.
- Waivers may still be granted for Supplier Performance assessments related to preferred inbound service providers; however, certain parameters must be met.

- Assessment fees for carrier-related Supplier Performance Tracking issues:
  - broken pallets;
  - late appointment request;
  - delivery appointment not emailed;
  - carrier did not show up on the appointed day;
  - carrier arrived after the appointed time;
  - scheduled appointment piece count does not match BOL piece count – includes unauthorized add-ons;
  - driver did not assist during the unload process (if requested);
  - unsafe load;
  - and, inefficient load

shall be waived only if the following conditions have been met:
* A supplier has been certified for collect shipping of stock orders, has agreed to a formal collect inbound freight program, and has utilized the preferred carrier matrix for the shipment(s) in question.

and/or

* A supplier has been certified for collect shipping of cross dock orders, has agreed to a formal collect inbound cross dock freight program, and has utilized the preferred carrier matrix for the shipment(s) in question.

**NOTE:** Days and hours for notification apply only to work days, not calendar days.
# VI. Assessment Fees for Non-compliances

<table>
<thead>
<tr>
<th>Violation</th>
<th>Fee per occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ASN was not in the system at time of shipment arrival.</td>
<td>$300</td>
</tr>
<tr>
<td>ASN data does not match shipment.</td>
<td>$300</td>
</tr>
<tr>
<td><strong>Appointment and Delivery Standards</strong></td>
<td></td>
</tr>
<tr>
<td>Delivery email request sent in after noon (facility local time) the previous business day.</td>
<td>$400</td>
</tr>
<tr>
<td>Shipment appointment was not emailed to facility.</td>
<td>$400</td>
</tr>
<tr>
<td>Delivery volume/carton count on BOL did not match scheduled delivery carton count.</td>
<td>$400</td>
</tr>
<tr>
<td>Driver refuses to stage bed loaded, flats, or furniture freight or assist in toppled freight.</td>
<td>$300</td>
</tr>
<tr>
<td>Shipment arrived after the appointment time. Late by 30 min for full truck/2 hours for LTL.</td>
<td>$550</td>
</tr>
<tr>
<td>Shipment was not delivered on scheduled day.</td>
<td>$550</td>
</tr>
<tr>
<td><strong>Pallet Standards and Loading Requirements</strong></td>
<td></td>
</tr>
<tr>
<td>Pallet is broken and cannot be used for storage, shipping, or handling of freight.</td>
<td>$55</td>
</tr>
<tr>
<td>Pallet is not a 48X40, 4 way entry, grade A pallet.</td>
<td>$275</td>
</tr>
<tr>
<td>Pallet height is above 84 inches.</td>
<td>$275</td>
</tr>
<tr>
<td>Any safety issue with shipment.</td>
<td>$300</td>
</tr>
<tr>
<td>Shipment not loaded in efficient manner; require additional handling for receipt and stocking.</td>
<td>$300</td>
</tr>
<tr>
<td>Bulk and Shelf not sorted on separate pallets for multiple pallet shipment.</td>
<td>$300</td>
</tr>
<tr>
<td>Single pallet shipment, Bulk and Shelf items not sorted and physically separated.</td>
<td>$300</td>
</tr>
<tr>
<td>SKU’s not together on 1 pallet for multi pallet order/SKU across multi tiers on single pallet.</td>
<td>$300</td>
</tr>
<tr>
<td>Bulk and Shelf items mixed in over-pack carton.</td>
<td>$300</td>
</tr>
</tbody>
</table>
### Packaging and Label Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>The label is torn, smudged or damaged in some way and the RF equipment cannot scan it.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>There are no UCC128 labels from a certified supplier.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>UCC labels on incorrect pallets or cartons.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>Quantity on the shipment did not match UCC data.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>Items on the shipment do not match UCC data.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>Package information not in compliance with standards.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>Mixed, NL or Non-standard cartons are not marked with the designated label.</td>
<td>$300 per occurrence</td>
</tr>
<tr>
<td>Product must be relabeled, repackaged, inspected, or special disposition by an Essendant facility.</td>
<td>$4 per carton with a minimum of $50 per stocking location. This value can be altered based on the amount of rework involved.</td>
</tr>
</tbody>
</table>
## Attachment A – Receiving Email address - for Essendant Distribution Centers

<table>
<thead>
<tr>
<th>Store #</th>
<th>LOCATION</th>
<th>INBOUND EMAIL ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 01</td>
<td>ATLANTA</td>
<td><a href="mailto:ReceivingAtlanta@ESSENDANT.com">ReceivingAtlanta@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 04</td>
<td>GRAND RAPIDS</td>
<td><a href="mailto:ReceivingGrandRapids@ESSENDANT.com">ReceivingGrandRapids@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 05</td>
<td>BOSTON</td>
<td><a href="mailto:ReceivingBoston@ESSENDANT.com">ReceivingBoston@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 06</td>
<td>LOS ANGELES</td>
<td><a href="mailto:ReceivingCityofIndustry@ESSENDANT.com">ReceivingCityofIndustry@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 07</td>
<td>OAKS</td>
<td><a href="mailto:ReceivingOaks@ESSENDANT.com">ReceivingOaks@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 09</td>
<td>BALTIMORE</td>
<td><a href="mailto:ReceivingBaltimore@ESSENDANT.com">ReceivingBaltimore@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 10</td>
<td>NASHVILLE</td>
<td><a href="mailto:ReceivingNashville@ESSENDANT.com">ReceivingNashville@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 11</td>
<td>CLEVELAND</td>
<td><a href="mailto:ReceivingCleveland@ESSENDANT.com">ReceivingCleveland@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 12</td>
<td>MINNEAPOLIS</td>
<td><a href="mailto:ReceivingMinneapolis@ESSENDANT.com">ReceivingMinneapolis@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 14</td>
<td>TWINSBURG</td>
<td><a href="mailto:ReceivingTwinsburg@ESSENDANT.com">ReceivingTwinsburg@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 15</td>
<td>ST. LOUIS</td>
<td><a href="mailto:ReceivingStlouis@ESSENDANT.com">ReceivingStlouis@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 16</td>
<td>ALBANY</td>
<td><a href="mailto:ReceivingAlbany@ESSENDANT.com">ReceivingAlbany@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 17</td>
<td>KANSAS CITY</td>
<td><a href="mailto:ReceivingKansasCity@ESSENDANT.com">ReceivingKansasCity@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 18</td>
<td>PORTLAND</td>
<td><a href="mailto:ReceivingPortland@ESSENDANT.com">ReceivingPortland@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 21</td>
<td>PHOENIX (63rd Ave)</td>
<td><a href="mailto:ReceivingPhoenix63rdAve@ESSENDANT.com">ReceivingPhoenix63rdAve@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 22</td>
<td>TULSA</td>
<td><a href="mailto:ReceivingTulsa@ESSENDANT.com">ReceivingTulsa@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 23</td>
<td>SEATTLE</td>
<td><a href="mailto:ReceivingSeattle@ESSENDANT.com">ReceivingSeattle@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 24</td>
<td>PITTSBURGH</td>
<td><a href="mailto:ReceivingPittsburgh@ESSENDANT.com">ReceivingPittsburgh@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 25</td>
<td>CHICAGO</td>
<td><a href="mailto:ReceivingChicago@ESSENDANT.com">ReceivingChicago@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 27</td>
<td>DALLAS</td>
<td><a href="mailto:ReceivingDallas@ESSENDANT.com">ReceivingDallas@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 28</td>
<td>GRAND PRAIRIE</td>
<td><a href="mailto:ReceivingGrandPrairie@ESSENDANT.com">ReceivingGrandPrairie@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 29</td>
<td>PHOENIX</td>
<td><a href="mailto:ReceivingPhoenix@ESSENDANT.com">ReceivingPhoenix@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 31</td>
<td>MIAMI</td>
<td><a href="mailto:ReceivingFtLauderdale@ESSENDANT.com">ReceivingFtLauderdale@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 36</td>
<td>COLUMBUS</td>
<td><a href="mailto:ReceivingColumbus@ESSENDANT.com">ReceivingColumbus@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 37</td>
<td>INDIANAPOLIS</td>
<td><a href="mailto:ReceivingIndianapolis@ESSENDANT.com">ReceivingIndianapolis@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 38</td>
<td>AURORA</td>
<td><a href="mailto:ReceivingAurora@ESSENDANT.com">ReceivingAurora@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 39</td>
<td>WHITTIER</td>
<td><a href="mailto:ReceivingWhittier@ESSENDANT.com">ReceivingWhittier@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 40</td>
<td>LITHIA SPRINGS</td>
<td><a href="mailto:ReceivingLithiaSprings@ESSENDANT.com">ReceivingLithiaSprings@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 41</td>
<td>CAROL STREAM</td>
<td><a href="mailto:ReceivingCarolStream@ESSENDANT.com">ReceivingCarolStream@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 42</td>
<td>MEMPHIS</td>
<td><a href="mailto:ReceivingMemphis@ESSENDANT.com">ReceivingMemphis@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 43</td>
<td>HOUSTON</td>
<td><a href="mailto:ReceivingHouston@ESSENDANT.com">ReceivingHouston@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 46</td>
<td>TAMPA</td>
<td><a href="mailto:ReceivingTampaTFL@ESSENDANT.com">ReceivingTampaTFL@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 47</td>
<td>SACRAMENTO</td>
<td><a href="mailto:ReceivingSacramento@ESSENDANT.com">ReceivingSacramento@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 48</td>
<td>SALT LAKE</td>
<td><a href="mailto:ReceivingSaltLake@ESSENDANT.com">ReceivingSaltLake@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 50</td>
<td>CRANBURY</td>
<td><a href="mailto:ReceivingCranbury@ESSENDANT.com">ReceivingCranbury@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 51</td>
<td>DENVER</td>
<td><a href="mailto:ReceivingDenver@ESSENDANT.com">ReceivingDenver@ESSENDANT.com</a></td>
</tr>
<tr>
<td>-------</td>
<td>--------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>01 52</td>
<td>ORLANDO</td>
<td><a href="mailto:ReceivingOrlando@ESSENDANT.com">ReceivingOrlando@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 53</td>
<td>CHARLOTTE</td>
<td><a href="mailto:ReceivingCharlotte@ESSENDANT.com">ReceivingCharlotte@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 54</td>
<td>SAN ANTONIO</td>
<td><a href="mailto:ReceivingSanAntonio@ESSENDANT.com">ReceivingSanAntonio@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 55</td>
<td>RALEIGH</td>
<td><a href="mailto:ReceivingRaleigh@ESSENDANT.com">ReceivingRaleigh@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 56</td>
<td>HANOVER</td>
<td><a href="mailto:ReceivingHanover@ESSENDANT.com">ReceivingHanover@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 57</td>
<td>MANSFIELD</td>
<td><a href="mailto:ReceivingMansfield@ESSENDANT.com">ReceivingMansfield@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 58</td>
<td>SAN FRANCISCO</td>
<td><a href="mailto:ReceivingSanFrancisco@ESSENDANT.com">ReceivingSanFrancisco@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 62</td>
<td>BROOKLYN PARK</td>
<td><a href="mailto:ReceivingBrooklynPark@ESSENDANT.com">ReceivingBrooklynPark@ESSENDANT.com</a></td>
</tr>
<tr>
<td>01 65</td>
<td>EDISON</td>
<td><a href="mailto:ReceivingEdison@ESSENDANT.com">ReceivingEdison@ESSENDANT.com</a></td>
</tr>
</tbody>
</table>
Attachment B – Inbound Delivery Request Form

ESSENDANT INCORPORATED INBOUND DELIVERY REQUEST
Carrier notice: This request must include all inbound Essendant shipments in your possession for scheduling. Failure to present and confirm delivery appointments with Essendant in advance will result in denied delivery.

<table>
<thead>
<tr>
<th>Carrier Name</th>
<th>Phone #</th>
<th>Requested Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier scheduler</td>
<td>Fax #</td>
<td>Requested Delivery Time</td>
</tr>
</tbody>
</table>

Drop trailer section
Trailer number | Trailer | Trailer |

<table>
<thead>
<tr>
<th>Shipper/Supplier</th>
<th>PO#</th>
<th>BOL #</th>
<th>CARRIER</th>
<th># CARTONS</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL PIECES SHIPMENTS