

6.0 Carton Packing

- 6.1 General Carton Packing Instructions -

Any exceptions to PO carton packing instructions need to be pre-approved by the Company's Merchandise Operations Vendor Relations department prior to shipment (see Section 12) or may result in charges due to non-compliance to carton packing standards.

Vendors **cannot** mix PO numbers, styles, colors, or sizes (where the size has not been ordered as part of a prepack) within cartons. Packing methods which require our third-party logistics team to sort shipments prior to movement of merchandise (either to stores or as back stock) will result in chargebacks.

Cartons need to be packed using a single merchandise configuration method as indicated on the PO (either in a pre-determined **pack/musical** run or as **single** style/colour/dimension/size solid units). Additional instructions regarding carton packing methods are outlined in Section 3 (Purchase Order Requirements) of this Guide. Shipping Pre-Packs where Solids were ordered, Solids where Pre-Packs were ordered, or not adhering to the purchase order instructions will result in chargebacks.

Cartons need to be packed using the standard total pair quantities specified on the Purchase Order. The standard carton quantity will be specified as the sum of all individual pairs from the "Pack Information" section of the PO (see Section 3). If packing of the standard total pair quantities specified on the Purchase Order results in the creation of a carton that is outside of our approved dimensions or weight, please contact the Company's Merchandise Operations Vendor Relations department for guidance (see section 12). Questions concerning the quantities specified on the Purchase Order, or pre-determined pack/musical should be directed to the Company's initiating Buyer or Assistant/Associate Buyer.

Any remaining merchandise ("end of run") which cannot be packed using the standard carton quantity needs to be packed solid style, colour, and dimension in a separate carton. All mixed cartons must be clearly marked "MIXED CARTON" (see Section 6.2).

If any filler is required to ensure the carton is packed correctly, empty, non-branded shoebox may be used as fillers within a carton.

All orders are to be shipped complete to minimize risk of chargebacks to the vendor and processing delays. Any request for partial shipment of merchandise will need to be pre-approved by the Company's Merchandise Operations Vendor Relations department (see section 12).

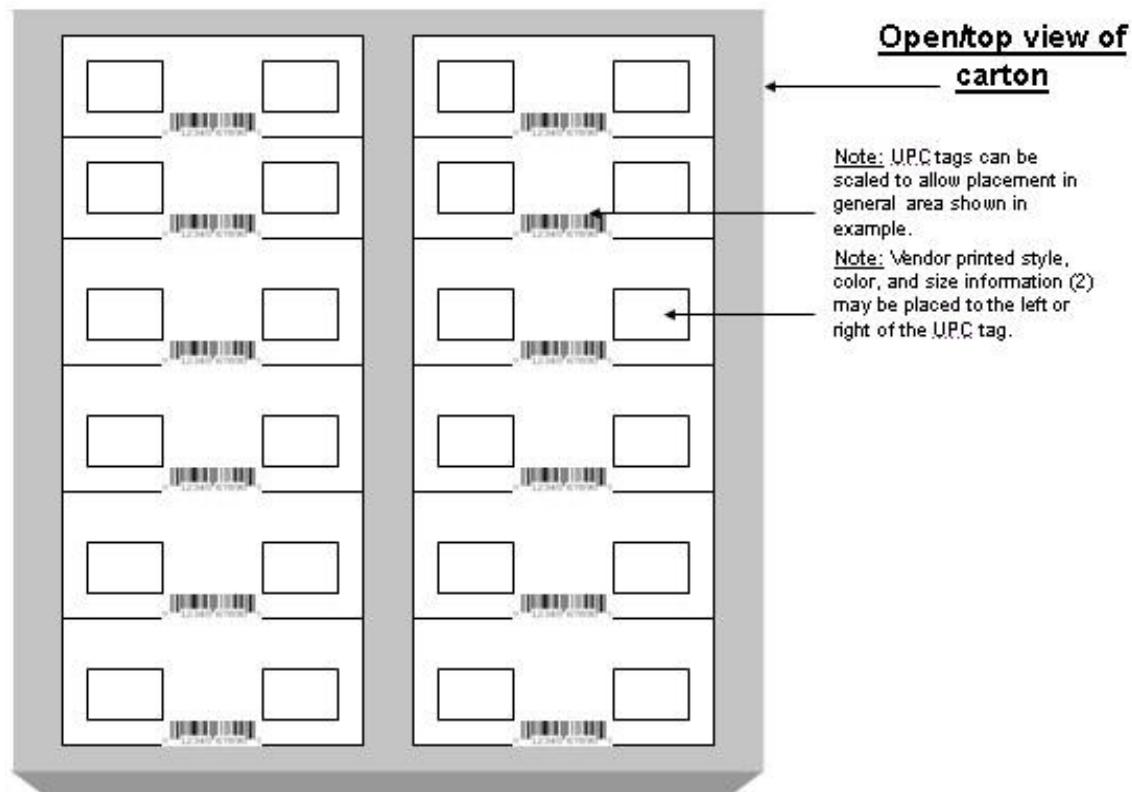
- 6.1 General Carton Packing Instructions Continued –

Merchandise purchased as closeout or closeout-take all will need to be packed into cartons which separates the merchandise configured as vendor pre-packed/musical or single solid style/color/dimension/size. Note that combining merchandise colors, packing configuration, PO numbers, or styles within a carton is not permitted without the Company's prior written authorization and will result in a compliance charge.

The Company requires shipping cartons less than or equal to one cubic foot to be masterpacked for handling efficiency and minimize merchandise damage and/or loss.

All merchandise needs to be packed in a single layer with the vendor's UPC label or retail price ticket in an upright position within the cartons so that merchandise labels are visible for scanning upon opening the carton (see example below). This facilitates our initial quality control (QC) check at the receiving warehouse. If the initial QC check cannot be completed with ease due to mispacking, a full QC check will be authorized with a resulting chargeback to vendor.

Example of carton opening for Company receipt processing:



- 6.2 End of Run Packing Method -

Any remaining merchandise (“end of run”) that cannot be packed into a standard sized carton quantity can be packed mixed into a standard sized carton with other sizes from the same PO, style, colour, and dimension.

The following guidelines outline the acceptable method to be used for “end of run” packed merchandise:

- Identify the outside of the “end of run” carton by writing or labeling “MIXED CARTON” on the outside of every mixed carton, (all four sides and top of case).
- All prepacked merchandise utilizing mixed cartons must contain a single PO, style, dimension, and color.
- Mixing of PO’s, styles, colors, or dimensions is not permissible. All questions regarding this requirement need to be directed to the Company’s Merchandise Operations Vendor Relations department (see section 12).
- Mixing of sizes is acceptable so long as each size is listed on the carton.
- Mixed cartons must have all information labelled as described in section 7.2. In addition, each mixed carton label must describe the contents by size, with the PO number and the SKU number.
- The carton must comply with the minimum requirements set forth in section 6.1.

- 6.3 Master Carton Packing Method -

When merchandise is purchased that does not meet minimum carton size or weight requirements (see Section 7.1 for details), cartons need to be “masterpacked” (carton within a carton) for ease of shipping and handling.

The following guidelines outline the acceptable method to be used for “masterpacked” merchandise:

- Identify the outside of the master shipping carton by writing or labeling “MASTER CARTON” on the outside of every master shipping carton, (all four sides and top of case).
- All prepacked merchandise utilizing master shipping cartons must contain a single PO, style, and color. Merchandise ordered at the size and dimension level will need to be packed into master shipping cartons by PO, style, color, size, and dimension.
- Mixing of POs styles, colors, sizes, or dimensions is not permissible. All questions regarding this requirement need to be directed to the Company’s Vendor Relations team (see Section 12).
- All master shipping cartons must have a visible sequence, (e.g. 1 of 10, 2 of 10...10 of 10), and the inner cartons may also use a numbered sequence.

- Master shipping cartons must have all information as described in section 5.2, in addition, each master shipping carton label must describe the contents, (i.e. inner units = 4 cartons), with the PO number and the SKU number.
- Inner packs need to be poly bagged by style, color, and prepack code per the Company's PO instructions described in section 3.0.
- All poly bagged merchandise requires openings to be closed using self-adhesive flap or clear tape.
- The master shipping carton must comply with the minimum requirements set forth in section 7.1.

Please contact the Company's Merchandise Operations Vendor Relations department (Section 12) with any questions. (see Section 12).